



IPSWICH

BOROUGH COUNCIL

Appendix 1

Pay Policy Statement 2018/19

Policy approved by: Council
Date of next review: March 2019

Pay Policy Statement 2018/19

1. Legislation

- 1.1 The Pay Policy Statement will be reviewed on an annual basis by the 31st of March each year.
- 1.2 The Act and supporting statutory guidance provides details of matters that must be included in this statutory pay policy but also emphasises that each local authority has the autonomy to take its own decisions on pay and pay policies. The Pay Policy Statement must be approved formally by Council by the end of March each year (but can be amended in year), must be published on the Council's website and must be complied with when setting the terms and conditions of Chief Officers.
- 1.3 This Pay Policy Statement is produced in accordance with Chapter 8 of the Localism Act 2011 and the guidance issued by the Secretary of State for Communities and Local Government. At a meeting of Ipswich Borough Council on 21 March 2018, the Council approved this statement. It is available on the Council's website along with associated documents. The Council's Statement of Accounts, also available via the Council website, includes salary information relating to all posts paid over £55,000 p.a.

2. Context

- 2.1 In line with section 38 (4) of the Localism Act 2011 This Pay Policy Statement sets out the Council's policies with regards to:
 - The remuneration of its Chief Officers
 - The remuneration of its lowest paid employees
 - The relationship between its Chief Officers remuneration and that of other employees who are not Chief Officers
 - Increases and additions to remuneration for each Chief Officer
 - The use of performance related pay for Chief Officers
 - The use of bonuses for Chief Officers
 - Other specific aspects of Chief Officer remuneration, fees and charges, benefits in kind and other discretionary payments
 - The approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the authority
 - The publication of and access to information relating to remuneration of Chief Officers
- 2.2 Remuneration for the purposes of this statement is defined widely to include not just pay but also charges, fees, allowances, benefits, increases in enhancements of pension entitlements and termination payments.

2.3 Section 43 of the Localism Act 2011 defines 'Chief Officer' as each of the following:

- the Head of the Paid Service designated under s 4(1) of the Local Government and Housing Act 1989
- its Monitoring Officer designated under s 5(1) of the 1989 Act
- a statutory Chief Officer mentioned in section 2(6) of the 1989 Act (which at Ipswich Borough Council only includes the S151 Chief Finance Officer)
- a non statutory Chief Officer mentioned in section 2(7) of the 1989 Act (which at Ipswich Borough includes the Chief Operating Officer, the Head of Development, the Press and Publications Officer and the Economic Development Project Managers)
- a Deputy Chief Officer mentioned in section 2(8) of 1989 Act (this includes all senior officers directly reporting one or more of the above officers)
- Posts that report to a Chief Officer but are of a solely secretarial or clerical nature are excluded from the definition

2.4 The Council has adopted the Joint National Council terms and conditions for Chief Officers for the Chief Executive and the Chief Operating Officer / Deputy Chief Executive posts only. All other Chief Officers as defined above are employed under a harmonisation pay scheme in respect of their terms and conditions of employment. The wider senior management structure for Ipswich Borough Council is available on the Council's website.

2.5 Major decisions on pay, such as annual pay awards, are determined for most local authorities in England and Wales by the National Agreement on Pay, arrived at through a system of central collective bargaining between representatives of the Local Government employers and representatives of the relevant trades unions on the National Joint Council or Joint National Committee for Craft.

2.6 Following the introduction of single status harmonisation (SSH) and associated harmonisation with the craft workforce, the pay structure for the majority of staff is underpinned by the National Joint Council (NJC) job evaluation scheme. The contracts of employment for the Chief Executive and Chief Operating Officer stipulate that their terms and conditions are under the National Joint Council for Chief Officers / Chief Executives (NJCCO) and are also subject to the national pay bargaining arrangements and subject to further local amendment by agreement with the post holders to bring these posts into line with the rest of the workforce in relation to the same annual leave provision and number of available salary increments for the other chief officers and other employees.

3. Objectives

- To set remuneration sufficiently to attract and retain adequately experienced, trained and qualified individuals to deliver the Council's priorities
- To be transparent on pay to its staff, prospective staff and the wider community

4. Pay Structure

- 4.1 The rate of pay / annual salary for all paid work for employees other than the Chief Executive and the Chief Operating Officer is assessed against the Council's job evaluation scheme and in accordance with formal terms and conditions where they stipulate pay arrangements e.g. overtime rates. This applies to permanent, temporary, part-time and full-time employees.
- 4.2 The exceptions to this are those workers who stipulate their own rates of pay externally: e.g. agency workers, consultants, self-employed (e.g. freelance workers). Managers are not authorised to set up and agree individual hourly rates for any work e.g. casual work, overtime.
- 4.3 The Council's terms and conditions derive from both national agreements with the National Employer and from local agreements with recognised trade unions.
- 4.4 Where an employee / group of employees are transferred into the Council's employ on different pay and terms and conditions a concerted effort will be made to assimilate them into the Council's pay and grading structure and its terms and conditions to remove any equal pay vulnerabilities (not withstanding the provisions of the TUPE regulations as appropriate).
- 4.5 Procedures jointly agreed with the recognised unions concerning the use of the job evaluation scheme will be used at all times covering aspects such as: training of evaluators, job analysis (data collection), corporate job title conventions, and job evaluation and moderation procedures.
- 4.6 The Chief Executive and Chief Operating Officer terms and conditions are covered by the National Joint Council for Chief Officers / Chief Executives (NJCCO) subject to the local amendments negotiated with the post holders set out in Section 6.
- 4.7 In 2013 the Council introduced the living wage as defined by the Living Wage Foundation. From 1st April 2018 the living wage rate for the Borough is £8.75 per hour (£16,881 per annum). For the purposes of this Pay Policy statement, the lowest paid post in the Council, Grade 2 (there are no posts as Grade 1), will be £16,881 per annum, reflecting the Living Wage Foundation's rate. Any changes to the Living Wage Foundation's rate will be announced in Autumn 2018 and applied on 1st April 2019. The

salary scales for all grades 1-13 are attached at Appendix A. These salary scales do not reflect any national pay award for 2018/19 as this has not yet been agreed with the trades unions. It is expected however, that the national pay award will be no less than an average of 2% uplift. Revised pay scales will be published when national agreement is reached.

The Council has also set up a Human Resources Panel to consider a range of pay and grading issues. The Panel has not yet reached collective agreement with the locally recognized trades unions and so its proposed changes are not included in this policy. Should collective agreement be reached then the pay policy will be updated.

4.8 The Council will continue to pay increased apprentice rates above the standard minimum wage for apprentices:

- First Year (all ages) – 140% of the first year apprentice National Minimum Wage
- Second Year (age 18-20) – 140% of the 18-20 year old standard National Minimum Wage
- Second Year (age 20+) – UK Living Wage, as defined by the Living Wage Foundation
- Third and subsequent Years (all ages) – UK Living Wage, as defined by the Living Wage Foundation

5. Multipliers

5.1 The idea of publishing the ratio of the pay of an organisation's top earner to that of its median earner has been recommended in order to support the principles of Fair Pay (Will Hutton 2011) and transparency.

5.2 These multipliers will be monitored each year within the Pay Policy Statement.

6. Remuneration of Chief Officers

6.1 Chief Executive

6.1.1 The JNC for Chief Officers for Local Authorities have proposed a 2% pay increase from 1 April 2018. At the time of writing this offer has not been accepted, and so is not included within this Policy.

6.1.2 The Chief Executive is the Council's Head of Paid Service. The Chief Executive has the only Grade 15 role and is paid on a 3 point incremental scale from £97,304 (SCP 90) to £101,220 (SCP 92). The current Chief Executive is employed at SCP 92, but has voluntarily agreed to cap his salary at £99,999

6.1.3 Previously the Council has mandated that in the event that, the Chief Executive's salary were to potentially exceed £99,999, then a move to exceed that level would require further agreement of Council.

6.1.4 From 1st April 2014, and notwithstanding the JNC terms for Chief Officers of Local Authorities, the Chief Executive has agreed that his substantive salary will also include any work undertaken associated with his other roles as Electoral Registration Officer and also as Returning Officer for Borough Council elections.

6.1.5 In relation to the Chief Executive's Terms and Conditions, the existing JNC provisions in relation to appointment and disciplinary, dismissal and capability issues shall remain as nationally prescribed save for a locally agreed variation in respect of annual leave entitlement and contracted hours so that the Chief Executive's leave entitlement and contracted hours are calculated on the same basis as all other staff.

6.2 Chief Operating Officer

6.2.1 The Chief Operating Officer reports to the Chief Executive. The Chief Operating Officer is currently Grade 14 and is on a 3 point incremental scale from £78,251 (SCP 79) to £81,414 (SCP 81). With effect from 1st of April 2018, the current Chief Operating Officer is employed at SCP 81.

6.2.2 In relation to the Chief Operating Officer Terms and Conditions, the existing JNC provisions in relation to appointment and disciplinary, dismissal and capability issues shall remain as nationally prescribed save for the locally agreed variation in respect of annual leave entitlement and contracted hours so that the Chief Operating Officer's leave entitlement and contracted hours are calculated on the same basis as all other staff.

6.3 It is the Council's intention that the FTE salary range for the post of Chief Executive will normally be no greater than 10 times the FTE salary range of a Grade 1 employee. The Chief Executive's salary range is currently below this maximum. The current pay is 5.9 times higher at Chief Executive level than those on Grade 1 (decreased from 6.1 in 2017/2018 as a result of the Living Wage increase). This is well below the Hutton recommendation of 20 times greater as the maximum difference between highest and lowest earners.

6.4 The Council's current ratio in respect of the Hutton proposed multiplier is 4.7 i.e. the Chief Executive (top earner) earns 4.7 times more than the Council's median earner £21,376 (increased from 4.4 in 2017/2018).

6.5 It is the Council's intention that the FTE salary range for the post of Chief

Operating Officer will normally be no greater than 8 times the FTE salary of the lowest paid post. The Chief Operating Officer's salary range is currently below this maximum. The current pay is 4.8 times higher at Chief Operating Officer level than those on Grade 1.

6.6 There are no other additional elements of remuneration (excluding additional election related payments covered in 7.1) in respect of overtime, flexi-time, bank holiday working, stand-by payments, etc., paid to the two Chief Officers, as they are expected to undertake duties outside their contractual hours and working patterns without additional payment.

6.7 Chief Officers and Deputy Chief Officers who are Heads of Service

6.7.1 The IBC Heads of Service are employed under the SSH terms and conditions of employment.

6.7.2 These roles are included in the transparency agenda data via the Statement of Accounts available on the IBC website site which reports on salary information relating to staff who are paid over £55,000.

6.8 Chief Officers and Deputy Chief Officers who are Operations Managers

6.8.1 Operations Managers are employed under SSH terms and conditions of employment.

6.8.2 Operations Managers posts have been evaluated at Grade 12 under the SSH evaluation criteria. Grade 12 ranges between £45,152 (SCP 50) to £47,062 (SCP 52). In some cases a market supplement is also payable under the Market Supplement Policy.

6.9 Statutory Officer Allowances

6.9.1 Following the introduction of SSH (1st April 2014), the roles of Monitoring Officer (MO) and Chief Financial Officer – Section 151 (CFO) are remunerated through an honoraria payment as detailed in the table below (figures below are annual amounts):

Level	MO/CFO	Deputy MO/CFO
Chief Operating Officer or above (note: the Chief Executive cannot legally be the MO but could be, if qualified, the CFO)	Nil	Nil
Head of Service	£1000	£400
Operations Manager	£5000	£2000
Below Operations Manager (it is not anticipated that any officer below Operations Manager would be expected to fulfil a main statutory role)	N/A	£3000

- 6.9.2 The relevant statutory provisions provide that the Monitoring Officer and S151 Officer must make arrangements for the appointment of a deputy to cover their absence or inability to discharge the statutory duties. If more than one deputy is appointed then each deputy will receive half the relevant allowance.
- 6.9.3 Statutory Officer allowances would be included in the Council's Pay Policy Statement.
- 6.9.4 As at 31st January 2018, the Council's Monitoring Officer appointment is held by the Chief Operating Officer; and the Chief Finance Officer appointment is held by the Head of Service for Finance and Revenue Services.

6.10 Approval of Salary Packages of £100,000 pa or more

- 6.10.1 Full Council must approve any salary package of £100,000 pa or more before it is offered in respect of a new appointment. The salary package will be defined as base salary, routinely payable allowances and any benefits in kind that are due under the contract.

7. Additional Fees

7.1 Special fees are also paid for (Acting) Returning Officer / Deputy Returning Officer electoral duties, which are not part of the post holder's substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role. The Returning Officer is an officer of the Borough Council who is appointed under the Representation of the People Act 1983 (currently the Chief Executive) to discharge electoral duties. Whilst appointed by the Borough Council, the role of the Returning Officer is one, which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the Borough Council.

7.1.1 The Council's agreed pay for the Returning Officer is:

Single Election (SE) = £1,000

Full Double Election (FDE) = SE x 1.75

Part Double Election (PDE) = SE x 1.5

Note:

- FDE means a year when two elections are organised fully by the local team (e.g. Borough and Parliamentary)
- PDE means a year when one (or both) of the two elections is organised, in part at least, elsewhere (e.g. the European Parliament election and national referenda)

As stated at 6.1.4 the Chief Executive does not get paid for the component of the pay due above that relates to the Borough Council election e.g. for a Part Double Election the remuneration scheduled to be paid would be £750 (i.e. $(£1,000 \times 1.5)/2$)

The Chief Operating Officer is likely to be appointed each year as a Deputy Returning Officer. The scale of fees for this varies depending on the actual role / works undertaken but the anticipated level is likely to be 90% of the Returning Officer value (i.e. £900 for a SE, £1,575 for a FDE or £1,350 for a PDE)

8. General Principles Applying to Remuneration of Chief Officers and employees

8.1 On recruitment, individuals will be placed on the appropriate Spinal Column Point (SCP) within the evaluated pay grade for the post that they are appointed to. Access to appropriate elements of the Council's Relocation Policy may also be granted in certain cases, when new starters need to move to the area.

- 8.2 All employees are remunerated via monthly salary payments through PAYE. Appropriate tax and national insurance deductions are made in accordance with HMRC regulations and there are no arrangements in place for the purpose of minimising tax payments.
- 8.3 Individuals will normally receive an annual increment on 1st April, subject to the top of their grade not being exceeded. New joiners who join after 1st October receive an increment after the first 6 months in post and then annually as above.
- 8.4 The Council does not apply performance-related pay or bonuses.
- 8.5 The minimum point of a subsequent pay grade will not be lower than the maximum point of the preceding pay grade. For example the SCPs for the Chief Executive and the Chief Operating Officer do not overlap.
- 8.6 On ceasing to be employed by the Council, individuals will only receive compensation:
- (a) In circumstances that are relevant (e.g. redundancy), and
 - (b) That is in accordance with our published Policy Statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
 - (c) That complies with the specific term(s) of a settlement agreement.
- 8.7 Pension provision is an important part of the remuneration package.
- 8.8 All employees may join the Local Government Pension Scheme. The scheme is a statutory scheme with contributions from employees and from employers and is administered by Suffolk County Council.
- 8.9 Neither the scheme nor the Council adopt different policies with regard to pension benefits for any category of employee: the same terms apply to the Chief Executive, Chief Operating Officer, other Chief Officers and other staff.
- 8.10 The scheme provides for the exercise of discretion that allow for retirement benefits to be enhanced. The Council will consider each case on its merits but has determined that its usual policy is not to enhance benefits for any of its employees. This policy statement reaffirms this in respect of the Chief Executive, Chief Operating Officer and other Chief Officers and other employees.
- 8.11 The pension scheme provides for flexible retirement. In applying the flexible retirement provision no distinction is made between the Chief Executive, Chief Officers and other employees. A sub-committee of Council will consider any request for flexible retirement from the Chief

Executive. In the case of a request by the Chief Operating Officer, the Chief Executive will consider the request. A flexible retirement appeal made by Chief Operating Officer or the Chief Executive will be considered by a sub-committee of Council (in the latter case, comprising different members from the sub-committee who considered the Chief Executive's original request). Any such sub-committee will be politically balanced and arranged by the Head of People and Governance.

- 8.12 Any decision to re-employ an individual, who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Council will not, however, normally engage such an individual or an individual's business under a contract for services.

9. Review

- 9.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2019/2020 and will be submitted to Council for approval by 31 March 2019.

- 9.2 If it should be necessary to amend this Statement during the year that it applies, an appropriate resolution will be made by Council.

10. List of appendices

Appendix A – Pay scales – 2018-2019