



# Pay Policy Statement 2020/21

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## **1. Background**

### **Localism Act 2011 – Openness and accountability in local pay**

- 1.1. Section 38(1) of the Localism Act requires local authorities to produce an annual pay policy statement.
- 1.2. The provisions in the Act do not seek to change the right of each local authority to have autonomy on pay decisions, however, it emphasises the need to deliver value for money for local taxpayers.
- 1.3. This statement has been approved by Full Council on 25 February 2020 and any changes during the year will be brought back to Full Council for the adoption at the earliest opportunity.
- 1.4. This statement applies to all Council employees (except Apprenticeships and other national trainee schemes which are subject to the relevant national pay schemes).

### **Local Government Transparency Code 2015**

- 1.5. The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015 (“the Code”), published by the Department for Communities and Local Government in February 2015, and the Local Transparency Guidance issued on 30 November 2015 by the Local Government Association.
- 1.6. Part of the Code includes publishing information relating to senior salaries within a local authority. A full list of all posts that are paid £50,000 or more per year that fall within the scope of the Accounts and Audit Regulations 2015 is published on the Council’s website [here](#).

## **2. Introduction**

- 2.1. The Council recognises that to attract, retain and motivate quality employees, fair and equitable pay and reward processes need to be adopted and managed. These processes should be based on the current and future requirements of the organisation. They should also recognise that changes in both employee expectations and motivational needs, along with influential external factors such as labour market conditions, need to be continually considered and managed through these policies.
- 2.2. Robust pay and reward processes provide clarification and understanding of what contributions and responsibilities are required of employees at all levels

and how their input is recognised and rewarded. It also supports the identification of the required values, behaviours and performance levels of the organisation in order for it to meet its key corporate and operational goals.

2.3. All of the policies referred to in this document have been formulated in accordance with local and national pay and reward standards and guidance.

2.4. Employees will only be paid in accordance with the conditions outlined in this document.

### **3. Terms and Conditions of Employment**

3.1. For all roles, the terms and conditions of employment are in accordance with the following collective agreements / policies:

- the National Joint Council for Local Government Services, set out in the Scheme of Conditions of Service (commonly known as the Green Book), as adopted by or on behalf of the Council
- the East of England Regional Council for Local Government Employees Regional Agreements, as adopted by or on behalf of the Council
- local collective agreements reached with trade unions recognised by the Council and
- the policies of the Council.

In addition, the Council may from time to time adopt procedures which affects the terms and conditions of service. Local Agreements or those adopted by the Council will prevail over those agreed nationally or regionally.

### **4. Remuneration arrangements of Chief Officers**

4.1. For the purpose of this policy only, the term 'Chief Officer' is defined as:

- Any member of the Corporate Management Team (CMT)
- Any senior role on the pay grades 12 to 15

4.2. Roles that are evaluated on Grades 12 to 15 have an independent salary grade scheme applied to them which are determined locally.

- 4.3. The salary grades for Chief Officers from April 2020 are outlined in the table below:

Role	Grade	Minimum Annual Salary	Maximum Annual Salary
Chief Executive	15	£116,608	£122,006
Directors	14	£92,854	£96,094
Assistant Directors	13	£71,260	£74,500
Senior Managers	12	£53,985	£57,225

- 4.4. Appointments of the Chief Executive and the Statutory Officers are approved by Full Council.

## 5. Remuneration arrangements of employees who are not Chief Officers

- 5.1. The Council adopts the recognised National Joint Council (NJC) salary grades (grades 3 to 11) for all other employees as detailed in the 'Green Book' ([see here](#)). These are developed through negotiations with Local Government employers and trade unions and are updated and applied in line with national circumstances. Each salary grade has incremental rises called Spinal Column Points (SCP).

## 6. Pay Multiple

- 6.1. The 'pay multiple' is the ratio between the highest paid taxable earnings and the median earnings figure of the whole of the Council's workforce. The Council's highest paid employee is the Chief Executive and the current pay multiple is shown in the table below.
- 6.2. Earnings for the purpose of calculating the 'pay multiple' are defined covering all elements of remuneration that can be valued (e.g. all taxable earnings for 2019-20 including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind). The calculation of earnings excludes the cash value of pension provision.
- 6.3. The Council defines its 'lowest paid employees as those staff members whose role is evaluated at Grade 3 on the NJC salary grades. The reason for this definition is that this is the lowest grade in the Council. This excludes trainees and apprentices. The authority offers opportunities for apprenticeships and other national schemes such as school work experience placements. Apprenticeships have their own national pay scheme and are therefore outside of this policy.

Description	2019/2020 (FTE)
Highest Paid	£130,186
Median	£27,494
Lowest	£19,554
Highest to median ratio	4.7:1
Highest to lowest ratio	6.7:1

\*the salary for the highest paid employee (Chief Executive) includes an allowance paid for Returning Officer duties as outlined in paragraph 14

## **7. Increments in Pay**

- 7.1. For all roles, increments in pay normally occur on an annual basis, subject to satisfactory performance demonstrated through the council's UPerform appraisal scheme. The increment reflects a move to the next level SCP within a grade. Once a role has reached the highest SCP within a grade there will be no further incremental pay awards.
- 7.2. It is expected that new recruits will commence their employment on the minimum point of the grade, except in exceptional circumstances.

## **8. Annual cost of living award**

- 8.1. For all roles, an annual 'cost of living' salary increase is applied in accordance with the National Joint Council (NJC).

## **9. Living Wage**

- 9.1. The Living Wage is an hourly rate set independently, updated annually and is calculated according to the basic cost of living using the "Minimum Income Standard" for the UK.
- 9.2. In January 2015, The Living Wage Foundation accredited the Council as a Living Wage Employer.
- 9.3. The Living Wage commitment will see that everyone working at the Council, regardless of whether they are permanent employees or third-party contractors and suppliers; receive a minimum hourly wage of at least the Living Wage. The minimum hourly rate that we pay our employees is £10.41 which is significantly higher than the National Living Wage of £8.72 per hour and the Real Living Wage of £9.30ph.

## **10. Average Salaries**

- 10.1. Based on staffing levels at the time of issuing this policy and salary data as at 31 March 2020, the approximate mean average salary for non-Chief Officer employees is £28,060 and the median salary is £26,317.
- 10.2. Based on staffing levels at the time of issuing this policy and salary data as at 31 March 2020 the approximate mean average salary for Chief Officers is £69,291 and the median is £70,403.
- 10.3. The minimum salary of our employees in 2020/21 is £20,092 FTE, Grade 3.

## **11. Salary Ranges**

- 11.1. It is the council's policy that the salary range for the role of Chief Executive will normally be no greater than seven times the average salary of a Grade 3 'Green Book' employee.
- 11.2. It is the council's policy that the salary range for the role of Director will normally be no greater than five times the average salary of a Grade 3 'Green Book' employee.
- 11.3. It is the council's policy that the salary range for the role of Assistant Director will normally be no greater than four times the average salary of a Grade 3 'Green Book' employee.
- 11.4. All annual salaries are paid pro rata to part time working officers based on the number of hours they are contracted to work.

## **12. Pay Protection**

- 12.1. The Council operates a pay protection policy which provides a mechanism to assist employees to adjust to a reduction in pay arising from organisational change, job evaluation or redeployment. Pay protection will apply to permanent employees from the effective date of the change of grade for a period of two years as follows:
  - Where the alternative suitable employment within the Council is at a lower grade, pay protection will be up to a maximum of one grade only from the highest SCP of that lower graded post regardless of the

employee's grade in their previous role for the first year following redeployment

- Pay protection for the second year will reduce to 50% of the amount paid in the first year.

### **13. Job Evaluation**

- 13.1. The salary grades and therefore the remuneration levels of employees are determined by the use of a job evaluation scheme. Job evaluation is a systematic process used to determine the relative worth of jobs within the organisation. It creates a rank order from the smallest to the largest job and ensures that consistent decisions in grades and rates of pay are made.
- 13.2. A job will be evaluated when a new role is created or a current post has significantly changed.
- 13.3. The Council uses two job evaluation schemes dependent on the expected outcome of the role being evaluated as follows:

Expected Grade outcome	Job Evaluation Scheme
Grade 3 to Grade 11	The Council's agreed Scheme
Grade 12 and above	The Hay Scheme

### **14. Additional Payments**

#### **14.1. Fees for Election Duties**

- 14.1.1. The Council has a duty to appoint a Returning Officer for all elections that it runs. For District and Parish elections, the Returning Officer fee is met by the District Council. This fee, and the fees of all other people employed by the Returning Officer, is paid in accordance with the Council's agreed scale of fees and expenses for elections. For national elections/referendums the fees are paid in accordance with the appropriate Statutory Fees and Charges order.

#### **14.2. Acting-up Payments**

- 14.2.1. Acting up payments are awarded where employees temporarily undertake duties at a higher grade. Payment is usually made where an employee is covering over 20% of the duties of the higher-grade post. The amount payable is calculated by assessing the percentage of the higher-level post



covered and the difference between the employee's current salary and the minimum of the grade of the post covered.

### **14.3. Secondments**

14.3.1. The authority provides the opportunity for employees to undertake roles on a secondment basis. In most cases the secondee will be paid at the same level as their substantive post however, where the secondment post is of a higher pay band than their current role, a higher salary may be applied for the secondment period. This salary will be agreed by all relevant managers and HR representatives.

### **14.4. Essential User Car Allowance and Mileage Rates**

14.4.1. The authority pays an Essential User Car Allowance to roles that meet the specified criteria. Where officers require the use of a vehicle to complete their day-to-day responsibilities, business mileage can be claimed. Essential user car allowance is only available to those qualifying people on salary grades up to and including Grade 11.

14.4.2. Any such allowances and mileage payments are calculated and applied in accordance with the HM Revenue and Customs rates.

### **14.5. Excess Travel Allowance**

14.5.1. Additional travelling expenses can be claimed by employees when their work base is changed by circumstances beyond their control or they are transferred to a new work base. The Officer is paid an allowance equal to the difference between the cost of travelling from their home to their new work place and from their home to their original workplace. The allowance is paid for a maximum period of three years from the date of transfer and is agreed within the scope of the 'Green Book' conditions.

### **14.6. Meeting Allowances**

14.6.1. Officers graded at 'Green Book' Grade 7 to Grade 12 can claim an allowance for attendance at evening and out of hours meetings relating to council business.

### **14.7. Overtime, Standby and Recall, and Emergency Response Payments**

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14.7.1. Officers on SCP 27 and below may be entitled to overtime payments if they work beyond their normal contracted hours and have the agreement of their line manager. They will be paid at time and a half, Monday to Saturday, and double time on Sundays at their hourly rate of pay, capped at SCP 27. Chief Officers have the discretion to authorise overtime payments above SCP 27 should they consider it appropriate.

14.7.2. Standby and Recall to Work payments apply if officers, in respect of their contracted duties, are required to be on a call out rota or list, or respond to calls outside of normal working hours. Eligibility for standby and recall to work payments will be confirmed in the terms and conditions of the officer's contract of employment and details are set out [here](#).

14.7.3. Officers who respond to a civil emergency either in the district or through mutual aid arrangements with other local authorities, are eligible for payment in line with the Council's overtime arrangements.

#### **14.8. Market Supplements**

14.8.1. The authority does not normally apply market supplement payments to any role. If however, the employment market dictates the need to apply a supplement to a particular role; this will be applied in accordance with a new policy.

#### **14.9. Long Service Awards**

14.9.1. The authority acknowledges the importance of employees who are committed to their work and wishes to reward the loyalty of those who have Long Service with the Council. Long Service Awards are given upon the successful completion of 20, 30 and 40 continuous service at the Council or one of its predecessor authorities as follows:

Completed Years' Service	Reward
20	£250 of vouchers
30	£500 of vouchers
40	£750 of vouchers

#### **14.10. Childcare Vouchers**

14.11. The Government launched a new scheme designed to assist employees with their childcare costs in 2018. The Council will continue to offer the Childcare Voucher scheme to existing users who entered the scheme on or before 4

October 2018 for as long as there is a demand and taxation advantage to offering it.

#### **14.12. Vine Extras**

14.13. From April 2016 the authority has subscribed to Vine Extras. This is a reward gateway to a large number of retailers where employees can make savings on purchases. The cost to the authority is £4.20 per employee. By March 2020 there were 212 registered users who had placed 2493 orders with a total value of £206,603.

#### **15. Career Progression Schemes**

15.1. In some areas of the authority officers are offered progression in their roles through a career progression scheme. Within such schemes, progression is usually awarded after successful completion of particular qualifications or work experience. Details of the scheme and how it will be applied to an individual will be documented in their contract of employment.

#### **16. Pension**

16.1. The Local Government Pension Scheme (LGPS) is open to all new and existing employees of the authority. This is a qualifying pension scheme, which means it meets or exceeds the government's standards. Details of the scheme can be found [here](#).

16.2. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published on the council's website [here](#).

#### **17. Severance Payments**

17.1. On cessation of employment from the authority, officers including Chief Officers will only receive compensation:

- (a) in circumstances that are relevant e.g. redundancy
- (b) in the application of any employer discretions provided by the LGPS and/or
- (c) that complies with the specific term(s) of a Settlement Agreement.

17.2. The authority adopts an early retirement policy (see [here](#)).

17.3. In exceptional circumstances to avoid or settle a claim or potential dispute, the authority may agree payment of a settlement sum through the issue of a Settlement Agreement. All cases will be overseen by the Legal Department

in conjunction with the relevant line manager to ensure all legal, financial and contractual responsibilities have been met and all settlement agreements must be signed off by a Director or the Chief Executive. If a settlement sum is in excess of £100,000, and/or paid to the Chief Executive, it must be agreed by Full Council.

## 18. Gender Pay Gap

- 18.1. The Equalities Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into force on 31 March 2017. The Regulations require employers to report on the gender pay gap within their organisation.
- 18.2. The gender pay gap is a measurement of the difference between men and women's average salaries. It is not about men and women being paid differently for the same job, which has been prohibited by equal pay legislation since 1975.
- 18.3. The UK's gender pay gap has fallen over time. In 2007 it was 25%, while the Office for National Statistics (ONS) published in October 2019 put the figure at 17.3%.
- 18.4. The 2017 Regulations apply to defined public sector bodies (including councils) with at least 250 employees and require the publication of the following four measures of information based on a snapshot of pay information taken on 31 March:
- 18.5. The Council's Gender Pay Gap Information as at 31 March 2019 (snapshot date) is as follows:
- 18.6. The Council had a total of 364 employees, 165 (45%) were males and 199 (55%) were females.

*1. The difference between the average (mean and median) hourly rate of pay for male and female employees*

	Mean Hourly Rate	Median Hourly Rate
Male	£15.19	£12.78
Female	£14.90	£12.98
Difference in hourly rate of pay	1.9%	-1.56%

2. *The difference between the average (mean and median) bonuses paid to male and female employees over the period of 12 months ending with the snapshot date of 31 March*

**No bonuses were paid**

3. *The proportion of male employees, and of female employees who were paid bonuses during the period of 12 months ending with the snapshot date*

**No bonuses were paid**

4. *The proportion of male and female employees in each quartile (from highest paid to lowest paid) of the pay distribution (91 employees in each quartile)*

	No. of male employees	No. of female employees	Percentage of male employees	Percentage of female employees
Quartile 1	50	41	55%	45%
Quartile 2	26	65	29%	71%
Quartile 3	37	54	41%	59%
Quartile 4	52	39	57%	43%

**Commentary**

- 18.7. The figures demonstrate there are no significant gender pay gap issues at Uttlesford District Council. Since last year there has been an increase in the number of women employed in the top two quartiles which demonstrates the council is promoting or recruiting women to higher paid jobs in the authority. Overall there has been a slightly larger increase in the mean hourly rate for men than for women which means men are now paid, on average, 1.9% more than women compared to 2018/19 when women were paid 2.26 per cent more than men. Analysis of the data does not reveal any particular cause, but it will be monitored in the coming year. Because the council has a small workforce, a relatively small number of personnel changes can have a noticeable impact on the figures. The median hourly rate is higher for women than for men.
- 18.8. The council continues to be an equal opportunities employer and offers a range of flexible working options for women and men alike.

## **19. More information and help**

- 19.1. All associated documents listed in this policy are available on the council's website [here](#). If you have any queries about this Statement please email: [humanresources@uttlesford.gov.uk](mailto:humanresources@uttlesford.gov.uk), or call on 01799 510424.