



HINCKLEY AND BOSWORTH BOROUGH COUNCIL

PAY POLICY STATEMENT 2019/20

1. Introduction

The council is committed to fairness, transparency and the principle of equal pay in employment.

This Pay Policy Statement sets out Hinckley and Bosworth Borough Council's policy on pay for senior managers and employees for 2019/2020 and is in accordance with the requirements of Section 38 of the Localism Act 2011.

The policy will set out the council's policies for the financial year relating to:

- The remuneration of its chief officers
- The remuneration of its lowest paid employees; and
- The relationship between the remuneration of its chief officers and its employees who are not chief officers (the pay multiple)

The policy was approved by Council on 16 April 2019 and is effective from that date.

All appointments for Chief Officers and above are subject to approval by Council.

2. The Local Government Transparency Code 2015

The Local Government Transparency Code 2015 requires local authorities to publish open data, including an organisation chart giving information on senior employees' salaries. The organisation chart required under the code must provide information on all staff in the top three levels of the organisation, excluding those whose salary does not exceed £50,000.

3. About the Council

The Council has approximately 420 staff across 3 service areas. The Chief Executive and Directors form the council's Strategic Leadership Team that lead the work that provides services across Hinckley and Bosworth. **Appendix 1** details the senior management structure across the council.

4. Definition of Chief Officer

For the purposes of this pay policy statement the following definitions apply.

Chief Officers are:

- Head of Paid Service (under S.4 of the Local Government and Housing Act 1989);
- Monitoring Officer (designated under section 5(1) of that Act);
- A statutory chief officer mentioned in 2(6) of that Act;
- A non-statutory chief officer mentioned in 2(7) of that Act;
- A deputy chief officer mentioned in section 2(8) of that Act (for the purpose of this policy these are service managers that report to a Director)

5. Pay Structure

The pay and grading of employees at Chief Officer-level as defined under paragraph 4, is evaluated using the Local Government Senior Manager Job Evaluation Scheme. Officers within the Strategic Leadership Team are paid a fixed salary. For officers at Head of Service level, the pay range for each grade is attached **Appendix 2**.

For all other staff below this level, the council adopted the National Joint Council Job Evaluation scheme, with pay ranges for each grade aligned to the pay structure. The pay structure was originally introduced in 2006 and all new and changed job roles are evaluated using the scheme and the grades applied as appropriate.

More recently, a national review of the pay spine has led to a revision in the councils local pay structure **Appendix 3**. The review took place to ensure that the lowest pay point in the council's pay structure meets the government's National Living Wage target of £9.00 per hour by 2020.

The council has agreed to apply market rates to specific posts to address recruitment and retention difficulties subject to strict criteria and Strategic Leadership Team approval.

6. Senior Employee Pay

Details of senior management remuneration is at **Appendix 4**. Performance related pay and bonuses, including lease cars, do not form part of senior employee's pay within the council.

7. Lowest Paid Employee

The first pay point on the councils pay and grading structure is Grade 1 spinal column point 1 which is £17,364 (£9.00 per hour) [2018/19 £16,394 (£8.50 per hour)] and is defined as the lowest point within the council.

However, the council has agreed to pay all staff Grade 2 spinal column point 3 which is £18,065 (**£9.36 per hour**) as a minimum [2018/19 £17,007 (£8.82 per hour)]. This is £1.15 per hour above the National Living Wage rate which is £8.21 per hour.

8. Pay Multiple

The pay multiple between the median and highest earner

Median gross pay is £22,462 (2018/19 £21,693) which represents a 5.15:1 ratio to that of the Chief Executive (2018/19 5.22:1). The multiplier is monitored each year and the differential between the top earner and the median average earner has reduced; this is a positive trend.

The pay multiple between the lowest and highest earner

Lowest gross pay is £18,065 (2018/19 £17,007) which represents a 6.40:1 ratio to that of the Chief Executive (2018/19 6.66:1). The multiplier is monitored each year and the differential between the top earner and the lowest earner has reduced compared to last year, which is a positive result. This is due to higher percentage pay award being awarded at the lower end of the pay scale, following a national review of the pay spine.

9. Starting Pay

All employees, including senior employees, will normally be appointed to the minimum point of the grade for the job.

In certain cases it may be appropriate to appoint to a higher point of the pay grade. This may arise when, for example, the preferred candidate for the job is or has been, in receipt of a salary at a higher level than the grade minimum.

10. Pay Progression

All employees, including senior employees, receive annual increments until the top of the development point is reached. The final increment, above the development point on each grade, is subject to outstanding performance.

11. National Pay Award

The council's pay and grading structure is adjusted by a 'cost of living' increase agreed nationally by the three bodies that represent staff at the council, this includes The JNC for Chief Officers, JNC for Chief Executives and NJC for local government services (for all staff below that level).

12. Terms and Conditions

From March 2006 all employees covered by the pay policy statement have enjoyed the same terms and conditions. The Chief Executive, Chief Officers and local

government service employees have different negotiating bodies that determine other conditions such as disciplinary procedures and pay awards.

13. Protection of Earnings Policy

The Council's policy on protection of earnings applies to all employees of the council and provides protection for an employee's basic pay where it is reduced as a result of:

- Redeployment into a suitable alternative vacancy where an employee is at risk or under notice of redundancy
- Redeployment into a suitable alternative vacancy on health grounds
- The introduction of a revised pay and grading system

The period of pay protection is for a period of up to two years from the date of change to basic pay.

14. Termination of employment

Early retirement (Efficiency of Service)

The Local Government Pension Scheme allows employers certain discretionary powers but the council's usual policy is not to enhance pension benefits for any employee. Therefore there are no provisions for employees to seek early retirement on the grounds of efficiency of the service.

How the council exercise various discretions are set out at Appendix 5.

Redundancy

No additional payments are made to any employee of the council, including senior employees, at the point of leaving the employment of the council, except on circumstances of redundancy. This is in accordance with the council's redundancy policy.

The Public Sector Exit Payment Regulations 2016 which were expected to come into force during 2017, restrict exit payments and will be capped at £95,000 should an employee leave their role as a result of redundancy or through voluntary exit. This will include pension capital costs to the authority. Employees earning over £80,000 will also be required to repay exit payments if they return to a public sector role within 12 months. The Government has consulted on the draft regulations however it has not kept to the proposed timetable and the implementation date is not currently known.

15. Re-engagement

Employees who have been made redundant are eligible to apply for vacancies which may arise after they have left the council's employment. Any such applications will be considered together with those from other candidates and the best person appointed to the post.

Where a senior manager, as defined under paragraph 4, has left the authority on redundancy grounds, the authority will not re-employ at a later stage or re-engage as a consultant.

16. Publication and Access to Information

This statement will be published on the council's website, together with the council's pay and grading structure and information relating to senior management remuneration.