Pay and Reward Policy Statement
For All Council Staff 2020-21

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Summary
Shropshire Council recognises the importance of managing pay fairly and in a way that motivates staff to make a positive contribution and support the delivery of the Council’s objectives. The pay policy details our approach to managing pay and reward in a way which supports the aims and objectives of the organisation.

This policy applies to all council staff, excluding schools where a separate policy exists.

1.0 Introduction

1.1 Shropshire Council has a clear written policy on wages and salaries to ensure that all staff employed at the Council are rewarded fairly, without discrimination, for the work they do.

1.2 When reviewing the pay policy, Trade Union Representatives will be consulted as appropriate and their views taken into account when deciding the respective elements of the pay policy.

1.3 Shropshire Council recognises that pay is not the only means of rewarding and supporting staff, and endeavours to ensure that all staff have good working
conditions, regular access to appropriate development and training opportunities, and other forms of financial and non-financial reward.

1.4 This policy aims to reflect:-

- pay and grading underpinned by job evaluation (where a scheme exists)
- fairness and equality of opportunity
- the need to encourage and enable people to perform to the best of their ability
- the need to recruit and retain skilled, experienced, and qualified staff in a competitive market

1.5 Shropshire Council’s employment offer includes a wider range of benefits alongside pay

- access to learning and development
- access to local government pension scheme
- flexible working where this fits business needs
- performance management which incorporates smart objectives and behaviours
- access to a range of benefits offered through ‘Shropshire Rewards’
- carrying out work which is of public value and contributes to making Shropshire a great place to live and work.

1.6 To make these principles work, Shropshire Council needs remuneration arrangements which:-

- are based on a clear and rational process for setting and reviewing the pay of employees;
- provide a pay framework and levels of remuneration which are sufficiently flexible and reasonably competitive, taking account of relevant benchmarking, and market related pay data at local and national level;
- enable the Council to recruit and retain employees with the required skills, knowledge and experience; and
- which are affordable by the Council and support the provision of good quality public services.

1.7 Shropshire Council will make this policy and any related procedures available to all staff, ensuring that any concerns, complaints or formal appeals about its application are managed promptly, fairly and objectively.

1.8 Shropshire Council wishes to ensure that development and promotion opportunities, where possible, are available to all employees.

1.9 Shropshire Council will not promote staff through the grading system nor use other pay mechanisms in order to improve an employee’s pension entitlement.
2.0 Legal Framework

2.1 The primary legislation governing equal pay is the Equalities Act 2010 and subsequent amendments. This requires employers to ensure that men and women in the same employment, carrying out equivalent work (as defined below), receive the same level of pay. The following terms are contained in Equal Pay Legislation:

- ‘Like work’ is defined as work which is the same or broadly similar
- ‘Work rated as equivalent’ is defined as work which has achieved the same or similar number of points under a job evaluation scheme.
- ‘Work of equal value’ is defined as work which is broadly equal in value when compared under headings such as effort, skill and decision making responsibility.

2.2 In addition, indirect discrimination has been incorporated into equal pay as a result of case law in the UK and Europe. Indirect discrimination may arise when the pay policy has a disproportionate impact on one particular sex.

2.3 Differences in pay may be justified where it is established that the difference is for a genuine and material reason which is not related to gender.

2.4 From April 2018 all employers with more than 250 employees are required to report on the Gender Pay Gap. This information is published on Shropshire Council’s website.

3.0 Definitions

3.1 For the purposes of this policy and in line with legislation, pay is defined by Article 141 of the Treaty of Rome as:

*The ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives, directly or indirectly, in respect of his (or her) employment from his (or her) employer.*

3.2 Pay therefore includes allowances, pensions, discretionary bonuses, annual leave and sick pay, as well as other non-financial benefits such as vocational training.

3.3 Chief Officer means the Head of Paid Service - Chief Executive, Executive Director of Children’s Services, Executive Director of Adult Services, Executive Director of Place, Directors (including Monitoring Officer and Section 151 Officer) and Assistant Directors,. For further details of the Council’s delegations to officers including delegations to Chief Officers, see Part 8 of the Council’s Constitution or follow the link below:

4.0 Principles

4.1 Pay Structures

4.1.1 Shropshire Council’s pay structure is currently split across three sectors, described below. The pay range for a large proportion of staff is based on the NJC framework for Local Government Services (the Green Book). The national pay spine applies for posts on Grades 1 to PO 22 / Band 15.

4.1.2 Salaries in Shropshire Council were reduced, as part of changes by the Council to staff terms and conditions of employment in two stages, October 2011 and again in October 2012. Incremental progression was frozen from 1 April 2011 until 31st March 2013 and reinstated from 1 April 2013.

4.1.3 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining mechanism and/or as determined by Council Policy.

4.1.4 Following national negotiations between the NJC and three trade unions (Unison, GMB and Unite), agreement was reached for a pay award for 2018-2020. The agreement involves changes to the national pay spine. The agreement covers employees on spinal column points scp 6 to (new) scp 54.

4.1.5 The pay award consisted of a % increase on salaries from 2018 equating to a 2% increase overall, but with higher percentage increases for the lower spinal column points to allow headroom from the National Living Wage. From 1 April 2019 the structure significantly changes and has the lowest scp value starting at £9.00 per hour. The value of subsequent points is then determined by 2% increases on the previous spinal column point up to scp 28 (new scp 22). From scp 29 (new scp 23) there is an increase of 2% on 2018 values.

4.1.6 In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of commissioning or provide high quality services to the community, delivered effectively and efficiently and at the times at which those services are required.

4.1.7 The Council faces significant challenges in attracting, recruiting and retaining talent. The use of market supplements, additional payments and agency staff has increased over the years to compensate for the pay cuts in 2011 and 2012 which reduced the salaries of staff.

4.1.8 The Council, at its meeting on 17th May 2018 approved the implementation of the % pay award from 1 April 2018 and a return to the NJC rates of pay with effect from 1 October 2018.
4.1.9 A review of the pay and grading structure for 2019, including market supplements and additional payments, has been undertaken in consultation with the trade unions and changes agreed are reflected in this pay policy.

4.1.10. Equal opportunity considerations; pay and conditions will apply equally to employees working full-time and part-time in accordance with the Part-time Employment (Prevention of Less Favourable Treatment) Regulations 2000.

See Appendix A for current pay scales for Grade1 to PO22 / Band 15.

4.2 Pay Range – Grades 1 to 10

4.2.1. For the majority of its staff, Shropshire Council operates a Grade 1 to 10 pay structure, ranging from spinal column point (scp) 7 to scp 28 (formerly scp 34). The Shropshire grading structure has been developed through the local application of the National Joint Council (NJC) Job Evaluation Scheme. The NJC Scheme is designed for application within local authorities and provides a mechanism for reviewing the duties and responsibilities of posts to determine the appropriate grade.

4.2.2. Salary on recruitment in all pay ranges should be set at a level within the range consistent with attracting and securing the appointment of good calibre people. Flexibility exists to pay a higher incremental point or a higher salary within the range for both recruitment and retention purposes. Such practice must be made within budgetary arrangements and take account of equality implications.

4.2.3. The lowest remuneration for Council employees is Grade 1, scp 7 (new scp 1) £17,364 p.a at 1 April 2019. In essence the council’s “lowest paid employees”, these jobs have been evaluated objectively using the NJC job evaluation scheme. (The Council also employs apprentices who are not included within the definition of ‘lowest paid’ as they are temporary training posts).

4.3 Pay Ranges – Principal Officer (PO)/Banded Posts

4.3.1. From new scp 29 Shropshire Council has a Principal Officer grading structure in place. Originally 22 overlapping PO grades, these posts require a high level of technical competence or have significant management responsibility.

4.3.2. The overlapping structure is being replaced with five abutting bands (Band 11 to Band 15). Each band contains five spinal column points. The structure was developed by means of benchmarking existing job/roles using the Monks Job Evaluation Scheme, as agreed with the trade unions. All PO grades will transfer to the banded structure.

4.3.4 As previously mentioned in 4.1.4 the NJC agreed a pay award, effective from 1 April 2018, for 2018-2020 for all grades covering existing scp 6 to scp 60.
4.4 Pay Ranges – Senior Pay Grades

4.4.1 The Senior Manager Pay rates were reduced by 2.7% with effect from 1 January 2012, and were further reduced in October 2012 by 1.7%.

4.4.2 A review by the Local Government Association (LGA) was undertaken in March 2018 and recommended an increase in salaries for the Executive Directors (from £100,928 p.a. to £120,000 - £130,000 p.a.) and the Chief Executive (from £103,010 p.a. to £150,000 p.a.). All posts in the Senior Manager Pay Bands were job evaluated using the LGA Scheme for Chief Officers in the summer of 2018.

4.4.3 As outlined in 4.1.8, the Council at its meeting on 17th May 2018 agreed to restore NJC rates of pay from 1 October 2018. This also applies to Senior Manager Pay bands.

4.4.4 The revised grades from 1 October 2018 are shown below and take account of the positions detailed in 4.4.2 and 4.8.2.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Pay Range 1 October 2018</th>
<th>Pay Range 1 April 2019 (2% pay award applied)</th>
<th>Job Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>£150,000</td>
<td>£153,000</td>
<td>Chief Executive</td>
</tr>
<tr>
<td>C2</td>
<td>£120,000 to £130,000</td>
<td>£122,400 – £132,600</td>
<td>Executive Director</td>
</tr>
<tr>
<td>C3</td>
<td>£105,000 to £110,000</td>
<td>£107,100 – £112,200</td>
<td>Director</td>
</tr>
<tr>
<td>C4</td>
<td>£90,000 to £95,000</td>
<td>£91,800 – £96,900</td>
<td>Assistant Director</td>
</tr>
<tr>
<td>C5</td>
<td>£80,000 to £85,000</td>
<td>£81,600 – £86,700</td>
<td>Head of Service</td>
</tr>
<tr>
<td>C6</td>
<td>£65,000 to £75,000</td>
<td>£66,300 – £76,500</td>
<td>Service Manager</td>
</tr>
</tbody>
</table>

4.4.5 The Joint National Council (JNC) for Chief Officers agreed a two year pay award covering the period 1 April 2018 to 31 March 2020 (2% applied on 1 April 2018 and 1 April 2019).

4.5 Other Pay Schemes

4.5.1 Shropshire Council has a small number of employees on other nationally determined pay scales and conditions, including:

- Soulbury (teaching staff now in Education Improvement Roles)
- NJC for Youth Workers
- NHS (TUPE staff only)

4.5.2 These pay schemes are used to give greater flexibility to meet particular service needs and assist in recruitment and retention of appropriately qualified and experienced staff within the respective sectors.
4.6 Salary Progression

Grade 1 to PO22/PO Band 15 (scp 6 to scp 60)

4.6.1. Any incremental progression within an evaluated grade is due on the 1\textsuperscript{st} April each year, or 6 months after appointment if the employee was appointed between 1\textsuperscript{st} October and 31\textsuperscript{st} March. Progression is subject to work performance.

4.6.2. Posts are usually advertised within salary bands which contain several annual increments, and where the top of the salary band advertised represents the maximum incremental point within that pay range. Appointments are normally made at the minimum of the pay range, unless there is an objectively justifiable reason e.g. the candidate’s previous experience or difficulties in recruiting at the lowest pay point. However, the advice of Human Resources must be sought in these cases, to ensure equality issues have been considered.

4.6.3. Incremental progression (for posts on NJC for Local Government Services terms and conditions) up to Band 14 within the pay range for the job takes place until the maximum scp of the job is achieved.

4.6.4 For Band 15 and Senior Pay Grades (C Grade), progression through the grade will be dependent upon individuals meeting objectives set through review at annual appraisals. There is no automatic incremental progression.

4.6.5. Accelerated Increments

4.6.5.1 The salary of an employee may be accelerated within the grade on the grounds of special merit or ability, by up to two increments, provided that the maximum of the grade is not exceeded. The additional benefit of increments granted in this way is not carried over on the regrading of the post or on the employee's promotion to a higher graded post.

4.6.6. Additional Increments

4.6.6.1 Up to two additional increments may be granted to employees (graded on an NJC grade) beyond the normal maximum of the grade of the post to which they are appointed.

4.6.6.2 The award of up to two additional increments may only be made to employees who have consistently achieved a high level of performance and who have made a significant contribution to the Council's work.

4.6.6.3 All employees who have completed 35 years of service will be considered, but not automatically accepted for the additions.

4.6.6.4 At any one time, the number of employees receiving additional increments shall not exceed 3\% of the number of full time employees employed under the conditions of service to which the scheme applies.
4.6.7. **Honoraria**

4.6.7.1 An employee, who for any reason other than the annual leave of another employee is called upon at the request of their Directorate to undertake the full duties and responsibilities of a higher graded post for a continuous period of at least four weeks, is entitled to be paid in accordance with the grading of the post temporarily occupied. The salary to be paid in such circumstances is the salary that would apply if the employee were promoted to the higher graded post. Once the qualifying period of four weeks has been satisfied the higher salary will be paid with effect from the first day on which the employee was required to undertake the full duties and responsibilities of the higher post.

4.6.7.2 In any case where there is no automatic entitlement to a higher salary the Council may consider granting an honorarium (of an amount dependent upon the circumstances of each case) to an employee who performs duties outside the scope of his post over an extended period or where the additional duties and responsibilities involved are exceptionally onerous.

4.6.8. **Ex Gratia Payments**

4.6.8.1 The principal purpose of the ex-gratia payments scheme is to maintain the goodwill of staff who have suffered personal loss during the course of their duties and where no provision exists for the claim to be referred to the council's Insurers.

4.7 **Senior Pay Grade**

4.7.1 New appointments will normally commence on the bottom of the salary band or on an 'entry salary' within the bottom 10% of the salary band. However, this may be adjusted to take account of previous experience and remuneration.

4.7.2 Any additional payment within the Senior Pay Grade will be based on performance in relation to the achievement of objectives and on meeting the behavioural competences set.

4.8 **Pay Review**

4.8.1 Grades 1 to PO22/Band 15 are reviewed in line with the National Pay Award for Local Government staff, as described in 4.1.4. The Trade Unions submitted a pay claim in the summer of 2019 for 1 April 2020. To date there have not been any formal negotiations or agreement reached.

4.8.2 Shropshire Council's Senior Pay Grades are locally determined and not subject to national pay negotiations by the JNC for Chief Executives and Chief Officers in Local Authorities. There are no automatic cost of living increases and any adjustments to the pay band range are based on affordability and market
forces. As detailed in 4.4.5 above, the nationally agreed pay award for Chief Officers for 2018-2020 has been agreed and adopted by Shropshire Council.

4.9 Market Supplement

4.9.1. Basic pay may be supplemented by a market supplement which reflects the current national or regional rate for the nature of the post, provided this can be supported by researched market evidence.

4.9.2. Any Market Supplements are reviewed annually and can be adjusted or removed in line with market changes. As mentioned in 4.1.9 a review of pay and grading structures has taken place and market supplements has been included in this.

4.10. Recruitment and Retention Payments

4.10.1 The Director of Workforce & Transformation has delegated powers under Shropshire Council’s Constitution to introduce and maintain employee benefits, other than the provision of cars, where these are likely to assist with recruitment and retention and where the costs can be found within existing budgets.

4.11 Pay Data

4.11.1. Shropshire Council will obtain up to date local, regional and, if appropriate, national pay data to inform decision making on local pay awards and market levels, alongside, other relative factors e.g. labour turnover rates.

4.12 Allowances

- **Sick pay**
  During 1st year of service 1 month’s full pay  
  During 2nd year of service 2 months’ full pay  
  During 3rd year of service 4 months’ full pay  
  During 4th and 5th years of service 5 months’ full pay  
  After 5 years of service 6 months’ full pay

- **Overtime**
  Additional hours / overtime, which are not eligible for an enhancement (for night, weekend or public holiday work), will be paid at plain time.

- **Subsistence**
  Subsistence payments for reimbursement of the cost of breakfast and evening meal are made when an employee is required to stay away from their home overnight on Council business, on production of appropriate receipted evidence of such expenditure.
• **Annual Leave**
  
  All staff are eligible to receive 25 days annual leave plus bank holidays per year, with 5 days extra awarded to those staff with 5 years local government service, giving a maximum entitlement of 30 days a year. Pro rata for part time staff.

  An additional 2 days annual leave are given to staff per year which is to be used at Christmas when council buildings are closed between Christmas and New Year. Where a service operates at this time, the 2 days are added to leave entitlement to be used during the year.

• **Office Hours / Annualised Hours**
  
  The public opening hours for Shropshire Council are 7am to 7pm, Monday to Friday and 8am to 1pm on a Saturday. All staff are subject to Annualised Hours, i.e. they are contracted to work a set number of hours over a year, not a fixed working week, with working patterns designed in line with the Council’s Flexible Working Hours policy.

• **Callout/Standby**
  
  Payments are made to reflect the unsociability of working in particular circumstances, where an employee is recalled to work at short notice. These are locally agreed.

• **Relocation**
  
  Shropshire Council may provide relocation assistance to new recruits as part of the employment package; this is offered on an exceptional basis to attract candidates to hard to fill roles. The Council does not make payments to employees to reflect the costs of increased travel to work if the employee’s work location changes. Approval of relocation assistance is delegated to the Director of Workforce & Transformation.

• **Salary Protection**
  
  Shropshire Council operates salary protection arrangements in a range of circumstances including:
  - where an employee has been at risk of redundancy and is successfully redeployed to another post at a lower salary (within 15%)
  - Where an employee has been redeployed to another lower graded post due to a disability or health related issue
  - Where as a result of a restructuring or grading review/ job evaluation process the grade of the post is reduced

  In these circumstances the employee will receive pay protection (based on the level of pay but not hours of work). Protection normally applies for a period of up to 12 months.

• **Car Allowances**
  
  Employees using their cars, motor cycles or cycles for the efficient performance of their duties, which have been agreed by their line manager, will be eligible to receive an allowance in line with HMRC Approved Mileage rates as follows

  **Cars** Up to 10,000 miles (in each financial year April to March) – 45p per mile
Over 10,000 miles (in each financial year April to March) – 25p per mile

**Motor Cycle** 24p per mile

**Cycles** 45p per miles for the first 10,000 miles (for cycles, reimbursement above 20p per mile is liable for income tax)

### 4.13 Termination of Employment

4.13.1. In relation to the termination of employment, the Council will have due regard to making any appropriate payments where it is in the Council's best interests. Any such payments will be in accordance with contractual or statutory requirements and take into account the potential risks and liabilities to the Council, including any legal costs, disruption to services, impact on employee relations and management time. This is consistent with the risk management practices of well governed organisations in private, public and voluntary/charitable sectors.

4.13.2 Where a severance package (not including employee statutory entitlements) exceeds £100,000, the decision to award such a package will be made by full Council.

4.13.3. Shropshire Council has adopted a policy preventing any employee who has retired early from being re-employed or re-engaged by the authority other than in exceptional circumstances.

### 5.0 Notice Periods

5.1 The **contractual** period of notice required to be given to an employee to terminate their employment, and that required of them on resignation, will be clearly stated in the terms of their appointment. The following local scheme on contractual notice periods has been adopted for NJC employees:

<table>
<thead>
<tr>
<th>Grade/Contract Band &amp; SCP Ranges</th>
<th>Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Those graded up to and including Grade 8</td>
<td>1 month</td>
</tr>
<tr>
<td>Those graded Grades 9 and 10 (scp 29-34) inclusive</td>
<td>2 months'</td>
</tr>
<tr>
<td>Those graded Band 11 (scp 35-39)</td>
<td>2 months'</td>
</tr>
<tr>
<td>Those graded Band 12 (scp 40-44)</td>
<td>3 months'</td>
</tr>
<tr>
<td>Those graded Band 13 (scp 45-49)</td>
<td>3 months'</td>
</tr>
<tr>
<td>Those graded Band 14 (scp 50-54)</td>
<td>3 months'</td>
</tr>
<tr>
<td>Those graded Band 15 (scp 55, 57, 59)</td>
<td>3 months'</td>
</tr>
</tbody>
</table>
5.2 The contractual notice period for Chief Officers is 3 months.

5.3. The statutory provisions relating to minimum periods of notice to be given by the employer to any employee are as contained in the Employment Rights Act 1996

**Period of continuous employment - Minimum notice**

<table>
<thead>
<tr>
<th>Period of continuous employment</th>
<th>Minimum notice</th>
</tr>
</thead>
<tbody>
<tr>
<td>One month or more but less than 2 years</td>
<td>Not less than 1 week</td>
</tr>
<tr>
<td>Two years or more but less than 12 years</td>
<td>1 week for each year of continuous service</td>
</tr>
<tr>
<td>12 years or more</td>
<td>Not less than 12 weeks</td>
</tr>
</tbody>
</table>

5.4 The employer's obligation to the employee under the contractual notice agreed must always be read against any additional notice required to be given to the employee under the statutory grade. Therefore an employee with one month’s contractual notice entitlement, with 5 years’ service, will be entitled to five weeks statutory notice on the termination of their employment by the Council and an additional week's notice for each additional year's service up to a maximum of 12 weeks' notice.

6.0 Pensions

6.1 All Council employees are entitled to join the Local Government Pension scheme (LGPS) which is offered by Local Government Employers. Staff eligible for membership of the LGPS will automatically become a member of the “scheme” in accordance with the Auto Enrolment Regulations. Employees have the right to decide to opt out of the “scheme” by following the required process. The benefits and contributions payable under the Fund are set out in the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2013. Appendix B provides details of Shropshire Council’s Pensions and Retirement Policy and Appendix C details of the Council’s Redundancy and Compensation Policy.

6.2 The current level of contribution to the scheme by employees effective from 1 April 2020 is as follows, based on actual pensionable pay:

<table>
<thead>
<tr>
<th>Band</th>
<th>Full-time equivalent salary</th>
<th>Contribution rate – main scheme</th>
<th>Contribution rate – 50/50 scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to £14,600</td>
<td>5.50%</td>
<td>2.75%</td>
</tr>
<tr>
<td>2</td>
<td>£14,601 to £22,800</td>
<td>5.80%</td>
<td>2.90%</td>
</tr>
<tr>
<td>3</td>
<td>£22,801 to £37,100</td>
<td>6.50%</td>
<td>3.25%</td>
</tr>
<tr>
<td>4</td>
<td>£37,101 to £46,900</td>
<td>6.80%</td>
<td>3.40%</td>
</tr>
<tr>
<td>5</td>
<td>£46,901 to £65,600</td>
<td>8.50%</td>
<td>4.25%</td>
</tr>
<tr>
<td>6</td>
<td>£65,601 to £93,000</td>
<td>9.90%</td>
<td>4.95%</td>
</tr>
<tr>
<td>7</td>
<td>£93,001 to £109,500</td>
<td>10.50%</td>
<td>5.25%</td>
</tr>
<tr>
<td>8</td>
<td>£109,501 to £164,200</td>
<td>11.40%</td>
<td>5.70%</td>
</tr>
</tbody>
</table>
The contribution band will be assessed using the actual pensionable pay plus any pensionable extra payments.

7.0 Senior Pay

7.1 The salary levels of Chief Officers (to 3rd tier) on appointment is set by elected members, at the relevant committee of the council. The salary details for Chief Officers are published at:
https://shropshire.gov.uk/open-data/datasets/senior-salary-information/

This information has been published since October 2010 in the interests of openness and transparency, and shows levels of remuneration for Chief Officers for the previous financial year. The definition of Chief Officer is contained in paragraph 3.3 above.

7.2 Under Regulation 4 of the Accounts and Audit (Amendment No2) (England) Regulations 2009 [SI 2009 No.3322] the Council has a legal requirement to report the remuneration of senior employees as part of its published salaries information. This requirement has now been reinforced under section 38 (1) of the Localism Act 2011, which requires the Council to produce a pay policy statement on an annual basis.

7.3 The relationship between the rate of pay for the lowest paid Council employees and the chief officers' is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton review ‘Review of Fair Pay in the Public Sector’ 2010. The Government supports the case for a fixed limit on dispersion of pay, through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The Hutton report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between the highest paid salary and the median average salary of the authority's workforce.

7.4 The remuneration of the most senior manager within Shropshire Council, the Chief Executive is £153,000 (at 1 April 2019). The median basic remuneration for a full time equivalent employee of Shropshire Council is £22,462 per annum. The mean basic pay, based on 3,393 posts ranging in pay from the Chief Executive remuneration to Grade 1 (scp 7 - £17,364), is £26,086. The current pay multiple from top to bottom of the organisation is 1:9. The ratio from the median pay to the Chief Executive pay is 1:7, which is well within the limits outlined in the Hutton Review.
7.5 Chief Officers do not receive bonuses.

7.6 All Chief Officers are eligible for the same Car Allowance as outlined for all employees in section 4.12 above.

7.7 Chief Officers are currently entitled to 30 days annual leave (plus 2 days to be used at Christmas).

7.8 The Council will have regard to the specific legal requirements which apply to the termination of employment of the Head of Paid Service, the Section 151 Officer and the Monitoring Officer as its Statutory Officers.

8.0 Accountability and Decision Making on Remuneration and Reward

8.1 The Council’s Cabinet has powers delegated to it in accordance with Section 3 of the Constitution, to make decisions on major policy matters affecting the council as a whole and to make decisions which have significant service or resource implications across the Council as a whole. This includes significant locally determined changes to staff terms and conditions and remuneration.

8.2 The Employees’ Joint Consultative Committee which consists of Trade union representatives and Members is constituted to agree changes to employee terms and conditions, such as changes to allowances, mileage, and annual leave, subject to ratification by Cabinet and, where the decision has significant financial implications, by full Council.

8.3 In accordance with the Council’s constitution the Head of Paid Service (Chief Executive) has delegated powers to approve the grading and regrading of posts (covered by NJC for Local Government Service, Soulbury and Youth and Community Worker Conditions of Service) where the grade maximum is PO17/Band 15 or above (or equivalent). Chief Officers have authority to approve changes to the grading of posts (covered by NJC for Local Government Service, Soulbury and Youth and Community Worker Conditions of Service), taking account of job evaluation outcomes for posts covered by these schemes and subject to financial provision for the current and future years being available, and the proposed maximum of the grade being below PO 17/Band 15 (or equivalent).

8.4 New appointments that are made which have a remuneration package with a value of over £100,000 will be subject to approval of full Council.

9.0 Review of the Policy

9.1 This policy will be subject to annual review and amendment, taking account of legislation, external best practise, internal data on recruitment and retention and external pay data etc.