

# Bristol City Council

## Pay Policy Statement for the period 1<sup>st</sup> March 2017 to 31<sup>st</sup> March 2018

### 1. Introduction

- a. It is essential that the Council attracts and keeps people with the right talents and commitment to lead and deliver great services to Bristol's citizens. At the same time the Council has to get the best value for the taxpayer.
- b. This Statement explains the Council pay policies for its highest and lowest-paid employees. It is written and published in line with the Localism Act 2011 (the Act) and guidance issued by the Secretary of State (the Guidance). It was approved by the Full Council on X.
- c. The Guidance is clear that decisions on pay policies should be made by councillors. The Council is committed to making sure that all councillors have a say on how pay decisions are made, especially about its highest-paid employees. To achieve this, the Statement is reviewed every year. The Mayor is consulted, and any proposals made are taken into account. The draft statement is considered by the Human Resources Committee and finally by the Full Council. Both meetings are open to the public.
- d. In line with the law (the Local Authorities (Elected Mayor and Mayor's Assistant) (England) Regulations 2002), the pay of the Mayor's Assistant is set as the Mayor thinks fit, within the financial resources available to the Council.
- e. As recommended by the Guidance, this Statement sets out clearly and separately its policies on each of the requirements listed in the relevant sections of the Act. The Guidance says that this is to help enable taxpayers to decide whether they are getting value for money in the way that public money is spent on local authority pay and reward.
- f. The Council is committed to equal pay for all its employees and to removing any bias in its pay systems related to age, disability, gender, race, religion or belief or on the grounds of being bisexual, gay, lesbian or transgender. Equal pay applies to all contractual terms and conditions as well as pay.
- g. The Council aspires to be a Living Wage Employer, as accredited by the Living Wage Foundation. The Council has paid its own employees no less than the Real Living Wage since 1<sup>st</sup> October 2014. In relation to asking other employers that deliver services on the Council's behalf to pay their staff no less than the Real Living Wage, the Council has submitted a draft plan to the Living Wage Foundation and is awaiting feedback.

## **2. Development priority for 2017/18**

- a. The Council will work to reform its pay structure with the intention of implementing changes from 1<sup>st</sup> April 2018. The new pay structure will take the Real Living Wage (as set by the Living Wage Foundation) as its starting point and will change or replace Bristol Grades 1 to 15. Proposals will be subject to equality impact assessment and will be negotiated with the trade unions. Any proposals will be subject to approval of the Human Resources Committee.

## **3. Pay of the Council's highest-paid employees**

- a. The Council's highest-paid employees are called "Chief Officers" and are made up of the Chief Executive, Strategic Directors and Service Directors.
- b. The Council's policy is that the Chief Executive's salary should be no more than 10 times the salary of the lowest-paid employee. For the period covered by this Pay Policy Statement the Chief Executive's salary will be £160,000.
- c. The Council's policy is that the salary of Strategic Directors will be 85% of the Chief Executive's salary. Therefore, for the period covered by this Pay Policy Statement the salary of Strategic Directors will be £136,000.
- d. The Council's policy is that the salaries of Service Directors are set in line with the market rate. In view of the Council's financial position for the period covered by this Pay Policy Statement the Appointment and Competence Rates will be frozen at their 2016/17 levels of £94,601 and £98,213 respectively and there will be no progression from the Appointment Rate to the Competence Rate for Service Directors.

## **4. Pay of the Council's lowest-paid employees**

- a. The Council's lowest-paid employees are those who are paid the Real Living Wage, which is set by the Living Wage Foundation. The Council has adopted this definition because it has decided that none of its employees should be paid less than the Real Living Wage. From 1<sup>st</sup> April 2017, the Real Living Wage is £8.45 per hour, which equates to a minimum salary of £16,303 (based on a full-time week of 37 hours).
- b. Apprentices in their first year are paid £5 per hour. Apprentices in their second year are paid £5 per hour until they are 18 years old and then at the National Minimum Wage for their age. Apprentices in their third year are paid the Real Living Wage (as set by the Living Wage Foundation). An additional allowance of £25 per week is paid to apprentices who have left local authority care, and this is paid throughout their apprenticeship for as long as they live in independent accommodation.
- c. Interns, student placements and trainees are normally paid the Real Living Wage.

## 5. Relationship between the pay of the Council's highest and lowest-paid employees

- a. Will Hutton's 2011 Review of Fair in the Public Sector recommended that all public service organisations publish their top to median pay ratio to allow the public to hold them to account. The Government's terms of reference for the Hutton review suggested that no public sector manager should earn more than 20 times the lowest paid person in the organisation.
- b. The change in these ratios at the Council over recent years is shown in the following table:

Date	Top to median pay ratio	Top to lowest salary ratio
31 <sup>st</sup> March 2012	-	15.6:1
31 <sup>st</sup> March 2013	-	12.35:1
31 <sup>st</sup> March 2014	6.68:1	12.87:1
31 <sup>st</sup> March 2015	6.29:1	11.85:1
31 <sup>st</sup> December 2015	6.75:1	11.33:1
31 <sup>st</sup> December 2016	6.23:1	10.05:1

- c. For the period covered by this Pay Policy Statement the Council's top earner (the Chief Executive) will be on a salary of £160,000 and from 1<sup>st</sup> April 2017 the lowest-paid person will be on a salary of £16,303. This means that on 1<sup>st</sup> April 2017 the Council's top to lowest salary ratio will be 9.81:1.

## 6. Pay of Chief Officers when they start

- a. Chief Officers will be paid the rate for the job.
- b. An Uplift Band may be payable to Service Directors to ensure that the pay of a job is sufficiently competitive to attract a field of suitable candidates. The maximum Uplift Band is 15% of the Competence Rate for Service Directors. Any Uplift Band will be non-contractual and non-pensionable. The Selection Committee decides if an Uplift Band should apply on appointment. In reaching its decision the Committee will look closely at the business case, including external benchmark data.
- c. The Guidance says that the Full Council should have the opportunity to vote before salary packages totalling £100,000 or more are offered for new appointments. Through its Constitution the Full Council delegates this to the Selection Committee.

## 7. Increases and additions to pay for Chief Officers

- a. The pay of Chief Officers will be reviewed each year through this Pay Policy Statement. The Council will be mindful of pay awards agreed by the Joint Negotiating Committee for Chief Executives of Local Authorities and the Joint Negotiating Committee for Chief Officers of Local Authorities. The 1% pay awards agreed by these bodies for 2017/18 are deemed to have been included in the rates implemented in 2016/17 so there will be no change to the rates of pay shown in paragraph 3 above before 1<sup>st</sup> April 2018.

- b. An Uplift Band may be payable to Service Directors for retention reasons. The maximum Uplift Band is 15% of the Competence Rate for Service Directors. Any Uplift Band will be non-contractual and non-pensionable. The Human Resources Committee decides if an Uplift Band should apply. In reaching its decision the Committee will look closely at the business case, including external benchmark data.

## **8. Performance-related pay for Chief Officers**

- a. The Chief Executive may be awarded performance-related pay of up to a maximum of 15% of basic salary per year payable annually. This is intended to be discretionary, non-contractual and non-pensionable. Any performance-related pay awarded may not be payable if the employee is leaving for any reason other than the normal expiry of the contract and will be forfeited in the event of a gross misconduct dismissal.

## **9. Bonuses for Chief Officers**

- a. There are no bonuses for Chief Officers.

## **10. Pay of Chief Officers when they leave**

- a. When a chief officer leaves they will be paid in line with what they are entitled to under their contract of employment (their notice period is three months) and the Council's policies as they apply to all employees of the Council (there are no policies just for Chief Officers).
- b. The Guidance says that the Full Council should have the opportunity to vote before severance packages costing £100,000 or more are paid to employees leaving the Council. The Government intends to go further than this and cap the cost of an employee leaving a job in the public sector at £95,000. The Council is advised that this is likely to be implemented at some point in 2017. Councils may be given the authority to approve severance packages that cost more than £95,000 by a vote of the Full Council, but guidance on this has not yet been published. Until this change happens, the Council's current policy will continue, which is that the severance packages of Chief Officers are approved by the Human Resources Committee.
- c. The Government also intends to change the law so that someone who takes a severance package in the public sector can only work in the public sector again in the following 12 months if they pay back part of their severance payment. The Council is advised that this is also likely to be implemented at some point in early 2017. Until this change happens the Council's current policy will continue, which was negotiated with the trade unions and approved by the Human Resources Committee. The Council's current policy is that employees who leave due to voluntary severance will not be re-employed by the Council in a paid job or engaged directly or through a company on an "off-payroll" basis for 12 months after they leave. (Off-payroll means a person who is paid via a company rather than through the payroll as an employee). Employees who leave due to compulsory redundancy are free to apply for re-employment with the Council at any point after they've left.

## **11. Paying Chief Officers “off-payroll”**

- a. The Government is changing the law so that public sector organisations (including the Council) are obliged to deduct and pay income tax and National Insurance contributions to HMRC in respect of payments made on or after 6<sup>th</sup> April 2017 to people engaged through personal service companies. Until this change happens the Council’s current policy will continue, which is that Chief Officers must always be paid through the payroll unless there are exceptional, temporary reasons that justify engaging them on an “off-payroll” basis. Where an off-payroll arrangement is used the Council will always ask the contractor to confirm that they are complying with the law on tax and National Insurance. The Council will consider ending contracts where that confirmation is not received.

## **12. Returning Officer fees**

- a. The Council’s Returning Officer for elections and referenda is appointed by the Full Council and may or may not be a chief officer. Fees are paid for these duties. They vary depending on the type of poll and are published prior to each election. Fees for most polls (including national elections and referenda) are set and paid by the Government (rather than the Council).

## **13. More information about the pay of Chief Officers**

- a. The Council is committed to being open about its policies on pay. Approved pay policy statements are published on the Council’s website at [www.bristol.gov.uk/council-spending-performance/senior-officers-pay](http://www.bristol.gov.uk/council-spending-performance/senior-officers-pay). Other information that the Council has to publish under the Local Government Transparency Code 2015 is available via that webpage.