



# MEDSTEAD PARISH COUNCIL

## PAY POLICY

### 1. Introduction

This policy covers Medstead Parish Council's principles and procedures for pay to ensure that the Council:

- has a clear and fair pay policy for staff and it explains how pay is calculated, reviewed and paid to staff
- encourages staff development and high performance
- prevents opportunities for fraud or errors in staff payments
- promotes equal opportunities in employment and welcomes diversity within its workforce
- pays accurately and on time
- fully meets the statutory requirements placed on all employees by PAYE and National Insurance legislation
- meets the standards set by audit regulations

Currently the council has one employee who is both the Clerk and Responsible Financial Officer.

### 2. Legislation

Under section 112 of the Local Government Act 1972, a parish council has the "power to appoint officers on such reasonable terms and conditions as authority thinks fit". However, the Council must also comply with all relevant employment legislation that covers pay, terms and conditions. This includes the Employment Rights Act 2025, the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Agency Workers Regulations 2010, the National Minimum Wage Act 1998, Employment Rights Act 1996, Working Time Regulations 1998 and the Pensions Act 2011.

### 3. Determining pay levels

The Council currently sets salary by reference to the National Joint Council (NJC) for Local Government Service pay grades. These grades are structured around a national pay spine consisting of various Spinal Column Points (SCPs). The pay scale is part of the NJC for Local Government Services National Agreement on Pay and Conditions of Service, less formally known as the "Green Book".

Whilst many local councils *formally* commit to or adopt the "Green Book" not all do, particularly smaller parish councils, and it is not legally mandated. For those not signing up, NALC still recommends that local councils align their terms and conditions with the best practises in the "Green Book". The LGS pay scale appears to be the norm for the majority local council staff, including Medstead Parish Council.

The Council will initially set an employees pay at the point of recruitment, and it will be defined in the employee's Contract of Employment. The Council can determine its own pay structure, and for a specific staff role may choose to adopt a specific pay point or a pay range covering a number spine points. In the case of the latter, the starting point within the range depends on previous experience.

The former is more appropriate to a lower skilled job with a limited scope, and not well suited to a Clerk's role. which involves a steep learning curve, gaining considerable skills, knowledge and experience over an extended period of time. A single spine point gives little incentive to put in the large amount of work needed to get up to speed and undertake training and qualifications, and is not reflective of the nature of the role. It is clear from the competitive job market that the majority of Clerk and / or RFO roles are offered with a salary range. Medstead Parish Council's Clerk's salary is currently defined by a pay range.

When needing to replace staff, and advertising a new role, the Council will primarily look at the pay range already agreed for the job. It will also look at market comparisons in similar roles and may revisit the Green Book information on pay ranges for guidance.

According to the Green Book, the Local Council Clerk roles are split across four bands LC1-4, and for each band there is a substantive benchmark range of SCP points, and a range for substantive points above or below the benchmark.

The points above and below the substantive benchmarked range indicate where a person's role is functioning at a high or low end closer to the band above or below.

The Green Book identifies how the bands apply depending on many factors such as the number of meetings per year; the number of different committees; the extent to which the staff member does work that is delegated by another member of staff or must lead, show initiative, problem-solve etc; the level and scale of financial responsibility, i.e. whether performing some delegated financial tasks or operating as a full RFO with financial management and budgeting responsibilities; the size of the precept; the number of facilities managed such as playgrounds, sports grounds, open spaces, cemetery, buildings, allotments etc; the number of devolved functions; the number of staff managed; the degree of technical, procedural and specialist knowledge needed.

	Parish and Town Clerk Salaries		
Scale	Points below substantive range	Substantive benchmark range	Points above substantive range
LC1	5-6	7-12	13-17
LC2	18-23	24-28	29-32
LC3	33-36	37-41	42-45
LC4	46-49	50-54	55-62

There has to be a degree of interpretation and fluidity because roles may meet the descriptions in different bands on different criteria, for example LC1 has 6 meetings per year, LC2 has 12 meetings per year but no committees, and LC3 has two or more committees (Medstead has four).

The Council has a very large range of statutory facilities not replicated in all villages of its size (cemetery, churchyard, sports facilities, building, playground, allotments, ponds, open spaces, car park, bus stop, litter bins) and it is active in planning. Although it does not have devolved functions as such (typically LC3), these are usually things like tree management, grass cutting services, ponds and drainage management, which Medstead also has plenty of.

Councils in LC3 usually have a team of staff, but in fact for the individual Clerk without a team, it means the single person has to be specialist in many areas, cannot delegate and takes on a lot of responsibility and is also RFO.

For these reasons, when considering staff performance reviews, the Staffing Committee should also consider periodic reviews of the scope of the job and review the appropriateness of the pay range. Otherwise, there is a risk of being appraised against a pay grade that is actually being exceeded in its scope.

The Council can pay an external HR consultant, such as HALCs LCPD service, to complete an assessment of a role against the LGS pay scale if it needs external advice.

#### **4. Performance-related pay progression**

Progression within the agreed pay range through incremental steps is dependent on performance and meeting agreed competencies rather than automatic. The employee can progress through incremental pay steps until reaching the top of the band, or can extend into the spine points above the substantive range if deemed appropriate for the nature of the role and the performance.

The Staffing Committee will carry out an appraisal at least annually to assess performance in the role, as well as identifying clear areas of development for the forthcoming year.

The Council has agreed an additional point progression on pay scale for completion of CiLCA, but has not adopted the Green Book recommendation for a point progression for each of the higher level Community Governance qualifications.

Increments can be withheld in the event of unsatisfactory performance and failure to meet competencies.

Accelerated progression by more than one increment (SCP), up to the maximum of the grade, can be made in acknowledgement of exceptional performance.

The Staffing Committee will make recommendations on pay rises to the Council but any decision must be ratified by Full Council. This includes the NJC inflationary pay award.

#### **5. Inflationary pay increases**

The inflationary percentage increases for the LGS pay scale are negotiated by relevant unions and the NJC, steered by economic indicators. The decision is communicated around October time each year via NALC, SLCC and other organisations. The pay increase takes effect from the prior April, resulting in a small element of backdated pay, which should be paid soon after the agreement is published.

It is discretionary whether the Council adopts this pay rise as it has not committed to Green Book terms and conditions and, as already discussed, it has autonomy over pay. However, to not award an inflationary pay increase would result in an effective pay cut in real terms and would result in a deviation from the LGS pay scale and reduced market competitiveness in pay going forward, with potential implications for staff recruitment and retention.

#### **6. Budgeting for pay increases**

The annual appraisal and pay award should take place in September / October prior to setting the budget, so that any increase can be factored into the budget for the coming year. (Other interim appraisals can also be held if required). The Council needs to take a holistic view when considering the budget for pay increases, as withholding a merited pay rise based on employee performance due solely to financial constraints could cost more in the end if it results in the need to engage a replacement locum or pay to recruit and train a new member of staff due to poor staff retention.

The impact of a pay increase on the budget must factor in the increased employer NI and pension contribution elements too.

It is not normal for Medstead Parish Council to pay overtime, and it does not usually make provision in its budget to do so. When workload has been heavy it has relied on staff flexibility

with the intention that it will balance over time. A Clerk's job typically has busy periods at certain times, such as year end and budgeting.

If at any point the Council decided to move to a system of paying overtime, there are a few considerations. Overtime would need to be authorised by the Council in advance to manage finances and ensure it is only used when needed and not abused; it would require time sheets to be kept recording hours worked; it would require an allocation in the budget (unless it were for emergencies only and came out of general reserves); it would need to be subject to any conditions specified in the Clerk's contract; and the Council would have to comply with the Working Time Regulations 1998, and cannot rely on overtime long term which violates the conditions of this legislation.

## **7. Calculating, checking and authorising salary payments**

The Council uses HMRC Basic Tools to submit pay data, and this automatically calculates the correct deductions and take-home pay, provided that the correct gross pay and pension contribution is entered. The Clerk / RFO is responsible for submitting this as the Council has just one employee. If the Council employed multiple members of staff, the Clerk/RFO would enter their payments on the system as their line manager.

At the start of each financial year, the Clerk / RFO will submit pay calculations in a spreadsheet to Full Council, F&GP or the Staffing Committee for approval, together with a copy of the relevant LGS pay scale, showing the calculation based on pro-rata pay for part-time hours and deductions for tax, national insurance and pension contribution. This is for the Council to ensure no possibilities for fraud or errors. These calculations will also be copied to the Councillors authorising the first salary payment in the year, together with the pay slip issued by HMRC. For subsequent payments, just the payslip will be sent with the payment authorisation request, with the full calculations available on request.

When doing calculations, they follow the methodology agreed in the Green Book that requires that part-time officers are remunerated *pro rata* at an hourly rate derived from the salary for a full-time post described above. The hourly rate is given in the NJC LGS pay scale and is calculated by dividing the annual full-time salary by 52.143 weeks, to produce a weekly figure, and dividing that figure by 37, the standard full time hours.

Once the NJC inflationary pay increase for the year has been published and approved by Full Council, the Clerk / RFO will submit new spreadsheet calculations to Full Council, F&GP or the Staffing Committee for approval. This will also show the due back-payment for the increase. This spreadsheet will also be sent with the payslip to Councillors authorising the next salary payment and then will only be sent with further pay slips on request.

Pay is divided into twelve equal monthly payments rather than varying amounts with different lengths of months, as is common working practise in salaried roles.

### **Timing of payments**

The Clerk / RFO must input payment data onto HMRC Basic Tools before the end of each month to avoid fines, but it is advisable to do this earlier in the month to ensure it is not overlooked if there were a busy period around month end.

Payments are made a month in arrears, and are payable on 25<sup>th</sup> of the month. Since salary payments by BACS transfer are entered manually by the Clerk / RFO with no other members of staff, at their discretion the online payment transactions could be entered slightly later if busy on other work commitments or if it makes sense to delay it to submit a batch of invoice payments together as a more efficient use of Clerk and Councillors' time.

With the permission of the Chair and Vice Chair, payments can be made earlier in the month if needed, such as if the officer or authorising councillors are on leave at month end.

## **8. Method of payments**

The normal method of payment will be by BACS transfer, but the Council retains the right to make payment from other bank accounts by cheque if needed for any reason.

The Council pays its employee's pension contribution and tax national insurance to Hampshire Pension Fund and HMRC respectively, paying the net salary directly to staff.

## **9. Authorisation of payments**

The Clerk / RFO will set up the payments, whether online or by cheque, but any cheques must be signed by two other councillors or online transactions authorised by two other councillors, as per all financial transactions.

As an additional level of authorisation, Full Council retrospectively authorises all payments made in the prior month at each Full Council meeting, given a further opportunity for scrutiny.

## **10. Rectification of errors**

In the unlikely event that an error is made in a salary payment, the correction will be added or subtracted from the following month's payment. If it happens in a final payment for a staff member leaving the Council, separate arrangements will be made.

## **11. Record keeping**

The Council will keep records of salary payments, in line with the Data Retention Schedule. It will also record annual leave and sick leave

## **12. Payments on leaving council employment**

If an employee works a partial month on leaving employment (or when joining) they will be paid the pro rata rate for the days worked. Any employee's notice period can include any leave untaken for the year on a pro rata basis.

The NJC LGS inflationary pay award includes back pay to the preceding April. If an employee leaves employment after April but before the pay award in September / October, they are entitled to the back pay retrospectively for the period worked, should they request it.

## **13. Pension contributions**

Medstead Parish Council must by law automatically enrol eligible workers into a qualifying workplace pension scheme. An employee is eligible for automatic enrolment if they earn over £10,000 a year and are aged 22-67.

Employers are legally required to contribute to the pension scheme for enrolled staff. While enrolment is automatic, employees have the right to opt out of the scheme.

Every three years employers must complete a re-declaration of compliance with The Pensions Regulator to confirm they have re-enrolled eligible staff. The responsibilities for this are described in the Pensions Regulators Guidance on '[Re-enrolment and re-declaration](#)'.

For earnings over £6,240, but under £10,000 a year, an employee is not automatically enrolled, but has the right to "opt in." If they do, the employer must contribute to their pension. For earnings of £6,240 or less a year an employee has the right to join a scheme but the employer does not have to contribute.

Medstead Parish Council currently offers the Local Government Pension Scheme. This is a widely used pension scheme used by Local Councils for their staff.

The employee contribution rates currently range between 5.5 per cent and 8.5 per cent of pensionable pay depending on full time equivalent salary levels. Employee contributions are reviewed annually in April.

The employer contribution rates are set by Actuaries advising each of the 89 local LGPS funds and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current rate is 21.4 per cent, which was last confirmed in December 2025.

The Council operates Net Pay arrangements for pension contributions, a method where employee contributions are deducted from gross salary *before* income tax is applied, ensuring immediate tax relief at the employee's highest marginal rate.

The Council does not legally have to offer the Local Government Pension Scheme. The legal minimum is the National Employment Savings Trust, a government-backed workplace pension scheme designed for auto-enrolment. Should the Council at any point consider changing from the Local Government Pension Scheme for new employees, the analysis it will undertake should factor in the impact this will have on future recruitment of qualified Clerks / RFOs.

#### **14. Sick pay and other contractual terms**

In order to reduce potential costs and risks, the Council has not opted to adopt 'Green Book' terms on sick pay and other discretionary matters. The employee's Contract of Employment should be referred to on these matters and procedures for dealing with them.

The contract also details annual leave calculations, pro rata allocation of bank holidays and pay for maternity / paternity / bereavement leave and other leave-related matters, pension contributions, overtime, time off in lieu, and redundancy payments.

The Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 protect the benefits of part-time workers. The employee's contract of employment establishes how annual leave, bank holidays, pension contributions, overtime, time off in lieu and any other benefits are to be calculated on a pro-rata basis for part time employment.

Since April 2020 an employee must have an employment contact on or before the first day of employment. This should include the amount of pay and the method for calculating pay.

#### **15. Transparency requirements and pay accountability**

The Localism Act 2011 sets out requirements for publishing a Pay Policy Statement giving details on staff remunerations for chief officers, lowest paid workers, ratios etc. A Parish Council does not count as a Relevant Authority in that chapter of the Act so it does not apply.

The Transparency Code 2015 also sets out a requirement for local authorities (including parish councils) to publish various details on staff remuneration but it only applies to Councils with >£250k income or turnover (and generally the metrics are not relevant for an organisation with a single member of staff anyway).

Whilst this legislation is not currently applicable, the Clerk will keep abreast of changes in regulations or thresholds or levels of expenditure / income that make them relevant (e.g. the Transparency Code was relevant for two years during the pavilion building work).

#### **16. Privacy, data protection and audit regulations**

Under UK GDPR and the Data Protection Act 2018, the Council needs to protect the personal information of individuals, including salary payments to them. Councils generally publish salary data at an aggregated level only.

Under the Local Audit and Accountability Act 2014 (ss25-27), there are rights for persons to inspect a local authority's accounting records and supporting documentation, and to make copies of them. Staff costs are also reported in the AGAR (where staff costs include salary, tax, NI and pension costs, but not agency or locum costs, expenses or allowances or any other employment related costs such as training).

Where there is a sole employee, as in the case of Medstead Parish Council, the right to privacy is balanced against the need for public accountability, and disclosure of pay-related information for that individual is required.

### **17. Equality Act and pay**

The Council is aware of the implications of the Equality Act on pay and has a separate policy on Equality and Diversity. It will ensure at all times that it complies with the legislation in regard of all matters, including employee pay.

### **18. Version control**

<b>Version</b>	<b>Date adopted</b>	<b>Minute ref.</b>
Pay Policy 2026	First adopted 11 <sup>th</sup> February 2026	26.028(c)iii

This policy will be reviewed on a bi-annual basis by F&GP and submitted to Full Council for readoption