

# Pay Policy Statement 2019/20

**Date: March 2019**

**Reviewed annually**

## **Introduction**

The Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive.

It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market.

In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where often national and local pressure conflict. The Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is crucial.

## **Legislation**

Section 38/11 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for 2013/2014 and for each financial year thereafter. This document comprises that Pay Policy Statement being recommended for adoption.

The Act and supporting statutory guidance provides details of matters that must be included in this statutory pay policy but also emphasises that each local authority has the autonomy to take its own decisions on pay and pay policies. The Pay Policy Statement must be approved formally by Full Council by the end of March each year, can be amended in year, must be published on the Council's website and must be complied with when setting the terms and conditions of chief officer employees.

The Council will comply with the National Living Wage legislation.

## **Context**

This pay policy includes a policy on:-

- The level and elements of remuneration for each chief officer
- The remuneration of the lowest paid employees
- The relationship between the remuneration of chief officer and other officers; and
- Other specific aspects of chief officer remuneration and other discretionary payments

Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, enhancements of pension entitlements and termination payments.

### **Senior Officer Pay**

In this policy the senior pay group covers posts in the top tier of the organisation and any statutory officers i.e. chief finance officer (Section 151) or Monitoring Officer that are not included in the two tiers. These include the Executive Directors.

The council currently have the following number of posts at the chief officer level:-

3 x Executive Directors

1 x Monitoring Officer, at Strategic Lead level

The management structure of the Council can be found in Appendix 1.

The policy for each group is as follows:-

Salaries in this policy are as at 1 March 2019.

### **Executive Director of Operations, Executive Director of Resources and Executive Director of Economic and Commercial Growth**

The salary for the above three posts have been established as a fixed salary point of £93,240. This is a local grade established following an analysis of the degree of responsibility in the role, benchmarking with other comparators and the ability to recruit and retain exceptional candidates.

There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments, bonuses etc., paid to the above senior officers, as they are expected to undertake duties outside their normal hours and working patterns without additional payment.

### **Monitoring Officer**

The salary for this post is paid at a spot salary of £66,561 per annum plus an honorarium of £5,000 per annum to reflect the specific statutory responsibilities.

### **Chief Officer Pay Awards**

Pay awards for Chief Officers are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Officers. The council applies the nationally negotiated pay settlement as agreed by JNC for Local Authority Chief Executives and Chief Officers.

### **Chief Officer Recruitment**

Recruitment to the posts of Executive Director is undertaken by a committee of councillors appointed by Council.

The Council's Chief Officer Employment Committee is responsible for, amongst other things, determining the remuneration of the Executive Directors.

Rules governing the recruitment of chief officers are set out in the Council's constitution, Part 5 Rules of Procedure, Officer Employment Procedure Rules.

### **Returning Officer Fees**

Special fees are paid for Returning Officer duties which are not part of the post holder's substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role. The Returning Officer for this Council is Alan Robinson who is appointed under representation of the People Act 1983. Whilst appointed by West Lindsey District Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of West Lindsey District Council. As Returning Officer a separate allowance is paid for each election for which the officer is responsible.

### **Lowest Paid Employees**

The lowest paid staff within the Council's pay structure are on Band 3. For this reason we have chosen staff employed on Band 3 as our definition of the 'lowest paid' for the purposes of this policy.

Band 3 ranges from £16,863 to £17,173 per annum.

The terms and conditions of employment for Band 3 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly known as Green Book). These are supplemented by local collective agreements reached with the trade union recognised by the council and by the rules of the council.

All posts except that of the Executive Directors and Strategic Leads are evaluated using the NJC job evaluation scheme, which is recognised by employers and trade unions nationally. This scheme allows for robust measurement against set criteria resulting in fair and objective evaluations and satisfies equal pay requirements.

Each salary other than that of the Senior Management Team is set within a pay band which is made up of spinal points, staff progress through these spinal points with length of service until they reach the top point in their pay band.

The Council applies the National Joint Conditions of Service for all employees, and any nationally agreed salary increases are applied.

### **Pay Supplements**

From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract where it can be justified in accordance with council policy. The council may use the following:

Market supplements – in order to attract and retain employees with particular experience, skills and capacity, for example when there are skills shortages locally or nationally.

Special payments – where an employee has taken on additional duties and responsibilities for a defined period of time, for example covering a vacancy or taking on a special project.

## **Apprentices**

The council operates an apprenticeship scheme, apprentices are employed with the council as part of a training and development scheme for a minimum of a 12 month period.

Apprentices provide an additional staffing resource to the council, however they are not a substitute for established posts; the emphasis of the apprenticeship programme is learning and development.

The salary paid to all apprentices is based on the National Minimum Wage requirement and therefore is increased in line with Government recommendations.

Year	Apprentice
April 2018	£3.70
April 2019	£3.90

Apprentices are entitled to the apprentice rate if they're either:

- Aged under 19
- Aged 19 or over and in the first year of their apprenticeship

## **Payments/Charges and Contributions**

All officers of the Council are entitled to join the Local Government Pension Scheme (LGPS). The LGPS is a contributory scheme; employees contribute 5.5%-12.5% of their own salaries to the scheme. Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded, and are set independently. The rules governing the pension scheme are contained in regulations made by Parliament.

The Council makes employer's contributions into the scheme, which are reviewed each 3 years by the actuary. The 2019/20 rate is 16.2% of pensionable pay, in addition the Council makes lump sum deficit payments to the local government pension fund which equate to approximately 13% of pensionable pay.

## **Multipliers**

The idea of publishing the ratio of the pay of an organisation's top earner to that of its median earner has been recommended in order to support the principles of Fair Pay following the 2011 report on public sector pay and the transparency agenda.

The highest paid officer of the council is the Executive Directors at £93,240

The ratio between the highest and lowest salary pay point is 1:5.5

The median salary of all the Council staff is £21,962

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

## **Discretionary Payments**

The policy for the award of any discretionary payments is the same for all staff regardless of their pay level. The following arrangements apply:

*'Redundancy payments under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) regulations 2006.'*

The Council calculates redundancy payments by reference to an individual's actual week's pay, rather than the statutory maximum, where it is greater than the statutory maximum. This is payable to employees made redundant with 2 or more years local government service.

### *Severance payments under section 6*

No severance payments: Employees aged 55 and over who are retiring early in the interests of efficiency will receive immediate payment of their pension benefits with no additional years service or compensatory payments. The capital cost of the early payment of pension benefits will be met by the Council but approval is subject to the cost being met by savings over a 3 year period.

*Additional memberships for revision purposes under regulation 12 of the Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations 2007. Additional payments under regulation 13 of the same legislation.*

No discretionary additional membership or payment provisions are applied.

Any proposals with a severance package with a total value of over £100,000 will be reported to Full Council for decision.

## **Re-employment**

The Council's recruitment and selection policy recognises the importance of making appointments on merit, and ensuring equality of opportunity. Consequently, as a general principal, individual applicants for employment will be considered in accordance with this policy and will not be denied employment purely on the basis of having previously been employed by the council.

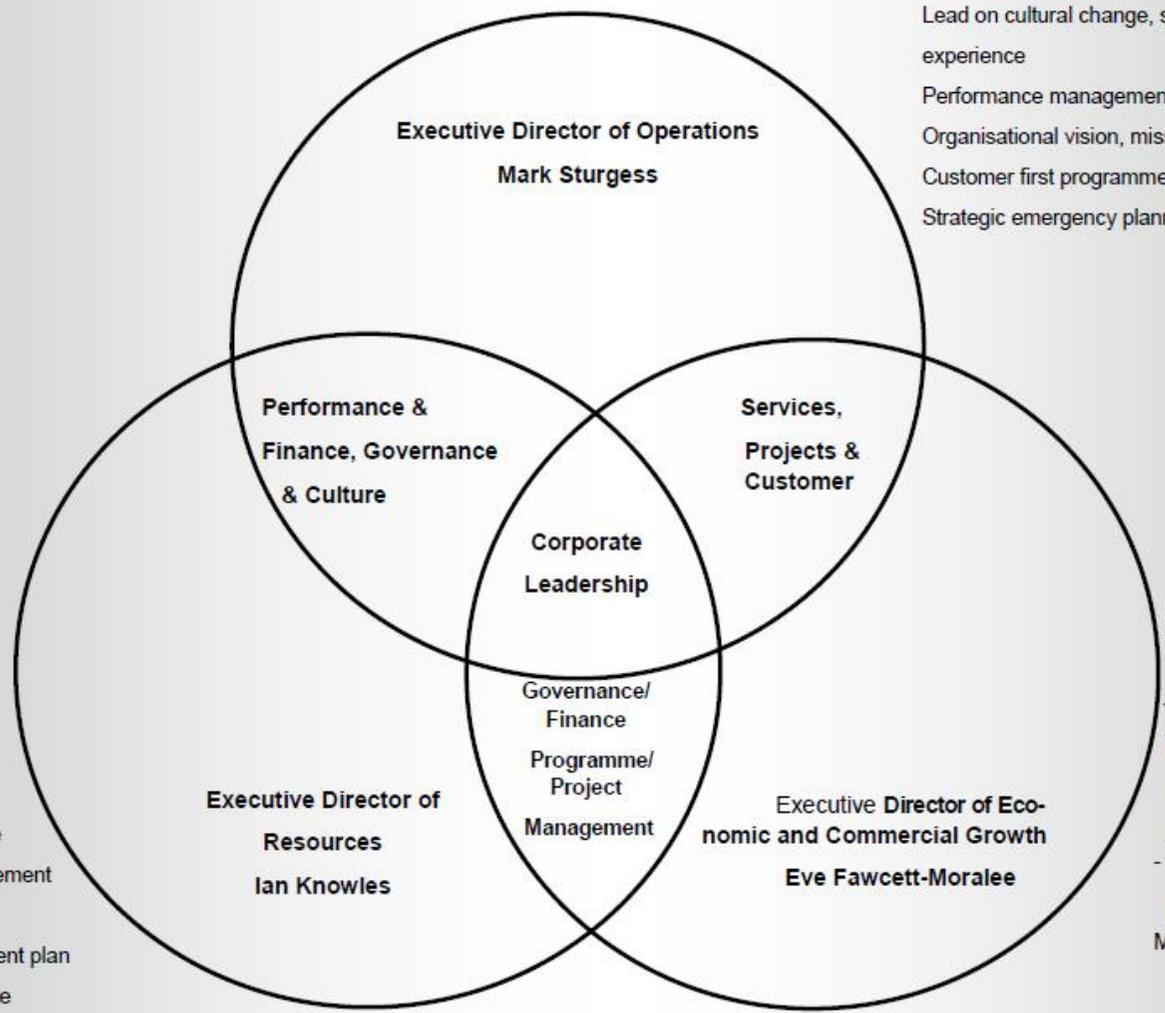
However, an individual in receipt of a severance payment and/or early retirement pension will not normally be immediately re-employed or re-engaged by the Council, either under a contract of employment or a contract for services. It is expected that the Council, when agreeing severance arrangements, will do so in the context of anticipated future requirements and plan its resources accordingly.

It is, however, recognised that in some limited, exceptional circumstances re-employment would be in the council's interests, in which case approval may be given by the relevant director in consultation with the People & OD Manager.

Where an employee retires on the grounds of ill health and later applies for employment this will be considered carefully in the context of the Equality Act and advice from the occupational health advisor.

### **Disclosure**

Upon approval by Full Council this Pay Policy statement will be published on the Council's website.



Head of Paid Service  
 Lead on cultural change, staff structure, customer experience  
 Performance management (services)  
 Organisational vision, mission and values  
 Customer first programme  
 Strategic emergency planning

Strategic direction - Budget, strategy & finance  
 Financial governance  
 Performance management framework  
 Workforce development plan  
 Corporate governance  
 Section 151 Officer

To position the council to maximise it's ability to achieve economic & commercial growth  
 Align council with national policy - GLEP, Midlands Engine,  
 Industrial Strategy, Devolution  
 Mainstream commercial culture

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