

Report of Assistant Director

PAY POLICY STATEMENT 2020/21**1 Purpose of report**

To seek approval for the council's Pay Policy Statement so that it can be published by 1 April 2020.

2 Executive summary

The Localism Act 2011 requires the council to publish a Pay Policy Statement each year by 1 April that has been approved by Full Council.

3 Appendices

Appendix A - Draft Pay Policy Statement.

4 Proposed action:

The committee is invited to **RECOMMEND** the approval of the Pay Policy Statement 2020/21 for publication.

5 Background

- 5.1 Section 38(1) of the Localism Act 2011 required English and Welsh local authorities to produce a Pay Policy Statement for 2012/13 and for each year after that.
- 5.2 The Act requires the Statement to cover a number of aspects of remuneration policy. Matters that must be included are:
- (a) a local authority's policy on the level and elements of remuneration for each chief officer;
 - (b) a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees", and its reason for adopting that definition);
 - (c) a local authority's policy on the relationship between the remuneration of its chief officers and other officers;
 - (d) a local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment; increases and additions to remuneration; use of performance-related pay and bonuses; termination payments; and transparency.
- 5.3 The Act defines remuneration widely, to include not just pay, but also: charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.
- 5.4 The Policy must be approved formally by the Council by 31 March each year. It must be published on the website with any subsequent amendments that are also subject to approval by Council.
- 5.5 This Policy must then be used when determining the terms and conditions of a chief officer.

6 Discussion

- 6.1 The draft Pay Policy Statement attached contains the essential information required under the Localism Act and is essentially the same as the one for 2019/20.
- 6.2 The Statement provides an overview of remuneration arrangements for officers, from the Managing Director down.
- 6.3 The main notable change this year is the salary levels for chief officers that were reviewed during 2019 and approved by members in October 2019.

7 Legal powers

Section 38(1) of the Localism Act 2011 requires the council to publish a Pay Policy Statement by 1 April each year.

8 Financial and value for money implications

This statement does not have any direct impact on the finances of the council as it sets out the current policy on pay and benefits. It does, however, provide a framework for future recruitment and review of policy.

9 Risk analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Statement not published	Non-compliance with legislation and reputational impact	Unlikely	Ensure that the statement has been approved by Council by 31 March 2020

10 Implications for resources, stronger and safer communities and equalities

This statement has no direct impact on resources, but the approach taken in the Pay Policy may affect the council's ability to recruit and retain employees.

Transparent and accountable local government supports an atmosphere of trust between the council and the local community.

An equality impact analysis has not been carried out in respect of this statement as it is a collation of existing policies which have already been analysed, or will be analysed as part of the council's equalities programme.

11 Author and contact officer

Karen Denton, Assistant Director

12 Consultees

Senior Management Team, Monitoring Officer, Human Resources, Payroll, Electoral Services

13 Background papers

Legislation, Local Government Association guidance, confidential salary records

Pay Policy Statement 2020/21

This statement is made in compliance with Section 38(1) of the Localism Act 2011.

Introduction:

Borough Council of Wellingborough recognises that remuneration at all levels needs to be adequate to attract and retain high quality employees dedicated to providing the public services we deliver.

In particular, it recognises that senior management roles in local government are complex and diverse functions within a highly politicised environment, where national and local pressures can often conflict.

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

The aim of this statement is to provide transparency. It is not intended to be prescriptive, but designed to encourage good practice.

Policy Scope:

This Pay Policy Statement includes the Council's policies relating to:

- the level and elements of remuneration for each chief officer
- remuneration of its lowest paid employees
- relationship between the remuneration of its chief officer and other officers
- other specific aspects of chief officers remuneration

This statement applies particularly to Chief Officers and the Council's lowest-paid employees, but has general application regarding the Council's pay policy for all officers.

"Chief Officer" has the definition given in Section 43 (2) of the Localism Act 2011 and includes the following: Head of Paid Service, Chief Finance Officer, Monitoring Officer, and Corporate Directors

Other senior pay groups covered by this policy include Assistant Directors.

Remuneration, in the context of this statement, is defined widely to include not just pay but charges, fees, allowances, increases / enhancements of pension entitlement and termination payments.

A. The level and elements of remuneration for each chief officer

The following posts are regarded as chief officers for the purpose of this statement:

- Managing Director
- Director
- Assistant Director (x4)

A summary of the roles of the chief officers are as follows:

Managing Director

This post is responsible to the Council as Head of the Paid Service for the effective management of the Council; for providing advice and guidance on major policy options; and for ensuring the effective implementation of the Council's vision, values, priorities and objectives. This includes responsibility for cost-effective and efficient service delivery; working with Members to determine corporate objectives; and monitoring performance in the attainment of those objectives.

Director

This post is responsible for the leadership of the organisation and leading a range of services as allocated. They provide vision, direction and strategic leadership for a range of services, projects and programmes, ensuring they contribute to the delivery of wider council objectives. They work with a range of partners and stakeholders at a local, sub-regional and national level to promote and advance the Council's objectives and act as a source of strategic advice to elected Members of the council. The role undertakes Statutory responsibilities as allocated.

Assistant Directors

To support the corporate leadership of the council in delivering the council's aims, objectives and identified priorities, including the corporate plan and provision of high quality services to local residents and businesses, as well as visitors to the area.

B. Salary scales (*These rates may increase by a nationally agreed Pay Award effective from 01/04/2020, currently unknown*)

Managing Director: From: £97,949 to: £101,070

Director: From: £85,949 to: £89,070

Assistant Director: From: £60,164 to: £62,349

Appendix A

C. Additional payments

In addition to the salary scales set out above the following payments are also made to chief officers:

Returning Officer: Officers shall be entitled to receive and retain the personal fees arising from such of the duties of Returning Officer. The Returning Officer's fees for local elections are determined through a benchmarking exercise of fees within Northamptonshire. Any fee paid to the Deputy Returning Officer is at the discretion of the Returning Officer and paid from the Returning Officer's own fee.

Essential user car allowance: Payable to Managing Director and one Assistant Director. All others claim casual mileage

On appointment, officers (including chief officers) are usually paid at the minimum point of the salary scale, unless a member of the Senior Management Team makes an exception based on the employee's knowledge and experience. In the case of the Managing Director or Director this is decided by the Council; in the case of Assistant Directors this is decided by the Managing Director.

D. Performance related pay for chief officers

The council uses Personal Development Reviews to determine development needs and progress through salary bands for all employees.

Each year every officer is set a number of performance or behavioural SMART targets (SMART: specific, measurable, achievable, realistic, time bound); in order to be awarded an increment on 1 April next they are required to provide evidence that they have achieved all the targets set.

Reviews will be carried out, and targets set, even when the officer has reached the top of their salary scale.

E. Bonuses for chief officers

No bonuses are paid to chief officers.

F. Terms and conditions of employment: chief officers

The Joint Negotiating Committee (JNC) conditions of service for chief officers apply to all chief officer appointments (although Chief Executives have a separate JNC), the only exceptions being local collective agreements.

G. Approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority

The following sets out the Council's policy for the award of any discretionary payments, under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. The following apply to all staff regardless of their pay level.

Calculating redundancy payments.

For the purpose of calculating redundancy payments, there is a statutory limit on a week's pay. There is discretion for local authorities to use the employee's actual weekly pay rather than the statutory definition of a week's pay, when calculating statutory redundancy payments. Corby Borough Council has adopted this discretion and base redundancy calculations on employee's actual weekly pay.

Discretionary multiplier.

Under the discretionary compensation regulations the authority has the discretion to apply a multiplier. This has a statutory cap of 104 weeks (inclusive of both statutory and compensatory payment elements). The Council has adopted this discretion and applies a multiplier of 2.4.

H. Publication of and access to information relating to remuneration of chief officers

Information relating to remuneration of chief officers is published on the council's website:

http://www.wellingborough.gov.uk/downloads/download/2477/senior_salaries_information

I. Relationship between the remuneration of chief officers and other officers

The lowest paid employee is paid in line with NJC spinal column point 10(a) of which the full time equivalent basic pay rate is £17,748 (£9.20 ph) per annum.

The Council does not have a formal policy on the ratio between chief officer remuneration and its other officers and does not favour the adoption of introducing numerical targets for the multiple. The median pay ratio for 2020-21 is XXX. This ratio will be monitored each Year within this pay policy statement.

J. Retention of employees

It has been recognised that, on occasion, the operation of the council's job evaluation scheme may mean that the council is unable to compete in respect of certain job types. The council has therefore agreed a policy on market supplements which can be implemented if there are particular difficulties in recruiting or retaining certain specialist officers.

K. Pension

All employees, who are members of the Local Government Pension Scheme (LGPS), make Individual contribution rates in accordance with the table below:

Contribution Rate (%)	Pensionable Pay Range
5.5 %	£0 - £14,400
5.8%	£14,401 - £22,500
6.5%	£22,501 - £36,500
6.8%	£36,501 - £46,200
8.5%	£46,201 - £64,600
9.9%	£64,601 - £91,500
10.5%	£91,501 - £107,700
11.4%	£107,701 - £161,500

12.5 %	Over £161,501
--------	---------------

Borough Council of Wellingborough discretions within the scheme are set out in its Pensions Discretions Policy. This policy applies to all officers within the Local Government Pension Scheme.

L. Decisions on policy and remuneration

All decisions in respect of remuneration are considered by the Resources Committee. The majority of decisions are delegated to the committee, but some will be recommended to Council for approval.

M. Re-employment of officers

If an officer has been dismissed from the council as a result of redundancy, or is in receipt of a local government pension, re-engagement in a similar role will be considered only on the following terms:

- the employee will be appointed on a fixed term contract of no more than eleven months if the appointment can demonstrate a reduction in costs (e.g. part-time working) while retaining essential skills and knowledge; **and**
- any extension to the fixed term will be justified by a business case to continue to provide reduced costs or retain essential skills; a review will be carried out after ten months; **or**
- the employee will be appointed on a fixed term contract of no more than eleven months if required to cover a short-term need e.g. to cover illness, maternity, vacancy etc.

Disclosure

The Pay Policy Statement will be published on the Councils website.

Policy Review

The Localism Act 2011 requires that Pay Policy statements must be formally approved by Full Council, by the end of March each year, can be amended in year and must be published.