

## **Statement of Pay Policy 2021/22**

### **Introduction**

Sections 38 – 43 of the Localism Act 2011 require that the authority produce a Policy Statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This Policy Statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Housing, Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. This Policy was considered and approved by the full Council at the Council meeting which took place in February 2021. This Policy also has some connection with the data on pay and rewards for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2015). It should be noted that the requirements to publish data under the Secretary of State's guidance, the Code of Practice and the Regulations do differ. The data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Annex 1 to this Policy Statement.

### **Definition of officers covered by the Policy Statement**

This Policy Statement covers the following posts:

1. Head of the Paid Service, which in this authority is the post of Chief Executive.
2. Statutory Chief Officers, which in this authority are the posts of Monitoring Officer and S151 Officer.
3. Non-statutory Chief Officers, (those who report directly to the Head of the Paid Service) which in this authority are the Deputy Chief Executive and the Director posts.
4. Any Officer appointed to an Acting or Interim role in respect of the posts identified in paragraphs 1 to 3 above.
5. Chief Planning Officer/Head of Service Posts.

### **Policy on remunerating the Chief Executive, Chief Officers and Heads of Service**

The authority's basic approach to remunerating these posts is set out in the schedule that is attached to this Policy Statement at Annex 2. It is the policy of this authority to establish a remuneration package for each post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time.

## **Policy on remunerating the lowest paid in the workforce**

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate local collective bargaining mechanisms or as a consequence of authority decisions. These are then incorporated into contracts of employment. The lowest pay in this authority is equal to an annual salary of £18,020.00 and can be expressed as an hourly rate of pay of £9.34 per hour. This pay point and salary was determined by the authority as part of a pay scale for employees employed on Employment Terms and Conditions negotiated nationally with the recognised trade union, UNISON. The pay rate is increased in accordance with any pay settlements which are agreed with the union.

## **Policy on the relationship between Chief Executive, Chief Officers and Heads of Service remuneration and that of other staff**

The highest paid salary in this authority is £132,676.00 which is paid to the Chief Executive. The median salary in this authority is £22,405.00. The ratio between the two salaries, the 'pay multiple' is 5.92:1. This authority does not have a policy on maintaining or reaching a specific 'pay multiple'. The Chief Executive's salary is negotiated with the Leader of the Council and the other Chief Officers' salaries are negotiated with the Chief Executive. All other employees (save and except Heads of Service whose pay is negotiated by the Chief Executive in accordance with local arrangements) are subject to pay rates determined in accordance with national agreement and the Employment Terms and Conditions. The authority's approach to the payment of all staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local collective agreements, or authority decisions regarding pay.

## **Policy on other aspects of Chief Executive, Chief Officers and Heads of Service remuneration**

Other aspects of remuneration are appropriate to be covered by this Policy Statement. These other aspects are defined as recruitment, pay increases, additions to pay (officers subject to this policy receive a car allowance equating to seven per cent of their respective gross salary), performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of a Local Government Pension Scheme pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this Policy Statement at Annex 3. Information on remuneration of these posts as set out in this Policy is published on the Council's website.

## **Approval of Salary Packages in excess of £100,000**

The authority will ensure that, at the latest before an offer of appointment is made, any salary package for any post that is in excess of £100,000 will be considered by Full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

## **Approval of Severance Payments in excess of £100,000**

The authority will ensure that any severance payment for any post that is in excess of £100,000 will be considered by Cabinet and the resolution approved by full Council. The components of the relevant package, including salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances to be paid will be set out clearly.

## **Flexibility to address recruitment issues for vacant posts**

In the vast majority of circumstances the provisions of Annex 2 will enable the authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This Policy Statement recognises that this situation may arise in exceptional circumstances and therefore a departure from Annex 2 can be implemented without having to seek full Council approval for a change of the Policy Statement. Such a departure will be expressly justified in each case and will be approved by the Leader and Chief Executive or in the case of the Chief Executive a special meeting of Cabinet.

## **Policy on Performance Increases for Chief Executive, Chief Officers and Heads of Service**

Performance related pay may be awarded following assessment against individual and team performance targets. These matters are addressed in the schedule that is attached to this Policy Statement at Annex 4.

## **Amendments to the Policy**

It is anticipated that this Policy will not need to be amended during the period it covers (until the end of March in the current financial year). However, if circumstances dictate that a change of policy is considered to be appropriate during the year then a revised draft Policy will be presented to Cabinet with the resolution sent to full Council for approval.

## **Policy for future years**

This Policy Statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a Policy is in place for the authority prior to the start of each financial year.

The Secretary of State for Housing, Communities and Local Government Code of Recommended Practice for Local Authorities on Data Transparency indicates that local authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse to consent to this), job descriptions, responsibilities, budgets (including overall salary cost of staff reporting), and numbers of staff for all staff in receipt of a salary of more than £50,000.
- An organisational chart of the staff structure of the authority including salary bands.
- The 'pay multiple' – the ratio between the highest paid salary and the median salary of the whole authority workforce.

The Accounts and Audit (England) Regulations 2011 require that the following data is included in the authority's accounts:

- Numbers of employees with a salary above £50,000 per annum (pro-rata for part-time staff) in multiples of £5,000.
- Job title, remuneration and employer pension contributions for senior officers. Senior officers are defined as Head of Paid Service, Statutory Chief Officers and Non-Statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act.
- Names of employees paid over £150,000 per annum

For the above remuneration is to include:

- Salary, fees or allowances for the current and previous year
- Bonuses paid or receivable for the current and previous year
- Expenses paid in the previous year
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment
- Total estimated value of non-cash benefits that are emoluments of the person

For the above pension contributions to include:

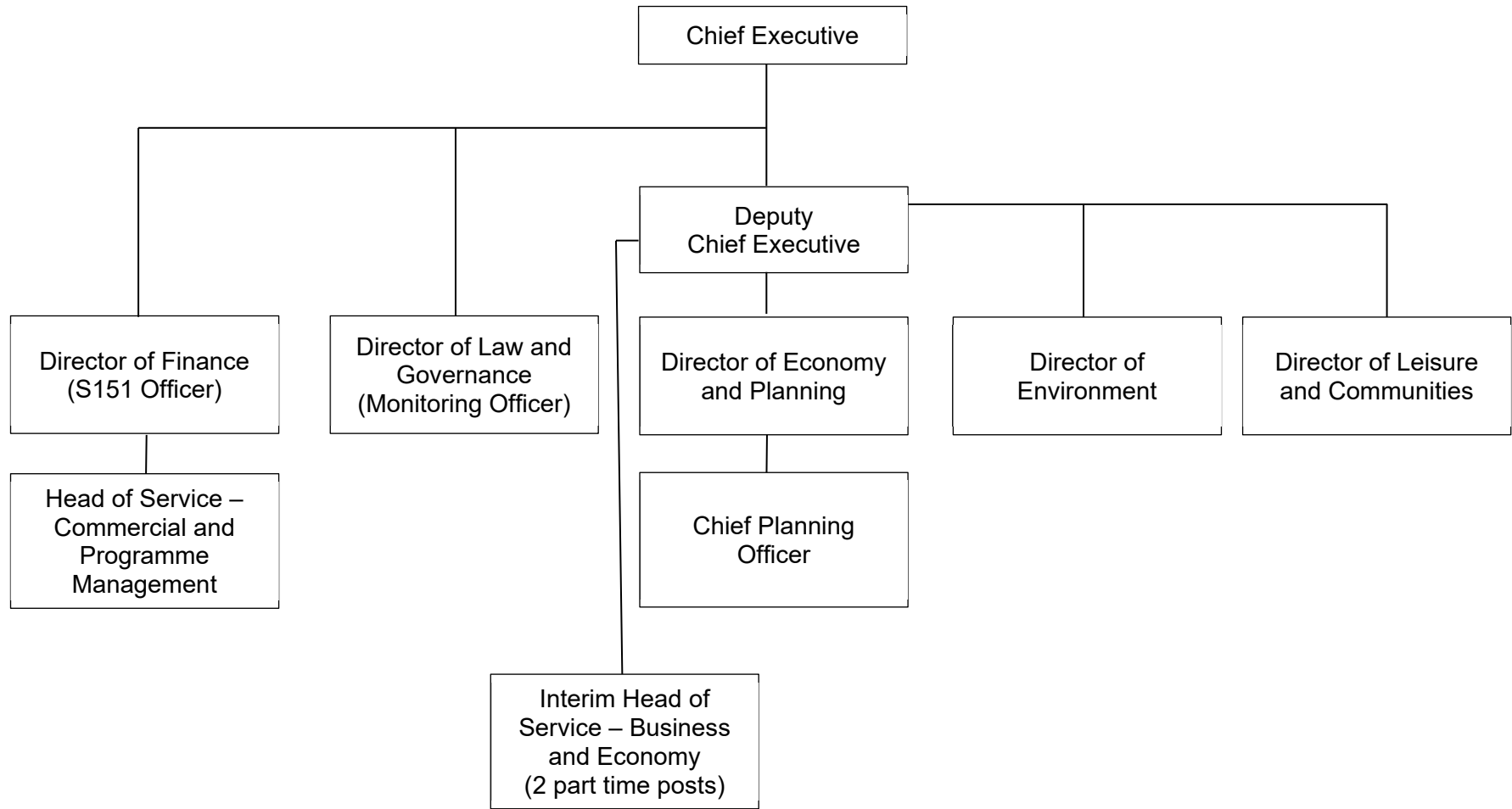
- The amount driven by the authority's set employer contribution rate
- Employer costs incurred relating to any increased membership or award of additional pension

## Annex 2

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£132,676	Travel and other expenses are reimbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do provide for performance related pay	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for the postholder to receive any ex-gratia payments	The postholder is the Council's Returning Officer and receives payment for this role  Election duty fees are paid to the postholder when due	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2021/22.
Deputy Chief Executive	£109,676	Travel and other expenses are reimbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do provide for performance related pay	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for the postholder to receive any ex-gratia payments	Election duty fees are paid to the postholder when due	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2021/22.

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Directors x 5	£75,900	Travel and other expenses are reimbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do provide for performance related pay	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for the postholder to receive any ex-gratia payments	Election duty fees are paid to the postholder when due	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2021/22.
Chief Planning Officer and Head of Service - Commercial and Programme Management	£69,000	Travel and other expenses are reimbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do provide for performance related pay	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for the postholder to receive any ex-gratia payments	Election duty fees are paid to the postholder when due	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2021/22.

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Interim Head of Service – Business and Economy (2 part time posts)	£69,000	Travel and other expenses are reimbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do provide for performance related pay	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for the postholder to receive any ex-gratia payments	Election duty fees are paid to the postholder when due	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2021/22.





Aspect of Senior Officer Remuneration	Authority Policy
Recruitment	The post will be advertised and appointed to at the appropriate salary level up to the approved level for the post in question based on skills, knowledge, experience, abilities and qualities.
Pay Increases	The authority will apply any pay increases that are agreed through local negotiations. The authority will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal duties and responsibilities that are expected in senior posts.
Additions To Pay	The authority would not make additional payments beyond those specified in the contract of employment.
Performance Related Pay	The authority does operate a performance related pay scheme, the terms of which are set out in the schedule that is attached to this Policy Statement at Annex 4.
Earn-Back (Withholding an element of base pay related to performance)	The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place together with a performance related pay scheme which ensures high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Bonuses	The authority does not pay bonus payments to senior officers.
Termination Payments	The authority applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers. The authority also applies the appropriate Pensions regulations when they apply. The authority has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred by the authority regarding senior officers are published in the authority accounts as required under the Accounts and Audit (England) Regulations 2011.

Aspect of Senior Officer Remuneration	Authority Policy
Transparency	The authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.
Re-employment of staff in receipt of a Local Government Pension Scheme Pension or a redundancy/severance payment	The authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post. The authority will therefore consider all applications for candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of a Local Government Pension Scheme pension or a redundancy payment this will not rule them out from being re-employed by the authority. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist. The authority will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

## Performance Related Pay Scheme

1. The scheme is set in the context of the Council's approach to performance management. The co-ordination and control of the scheme will be the responsibility of the Chief Executive in consultation with the Leader of the Council.
2. The aims of the scheme are:-
  - a) to incentivise and reward the delivery of the Council Plan, key projects and Commercialisation Strategy;
  - b) to assist in the recruitment, retention and development of high calibre senior officers;
  - c) to create a more commercially minded organisation;
  - d) to critically assess individual and team performance against agreed performance criteria; and
  - e) to drive continued performance improvement.
3. The scheme comprises two parts. The first element comprises an annual assessment of an individual's performance. The second element comprises an annual assessment as a whole of the performance of senior managers covered by this Policy. Assessments will be undertaken in the final quarter of the year and shall assess performance for that year.
4. The Leader of the Council shall assess the individual performance of the Chief Executive.
5. The Chief Executive shall assess the individual performance of all other senior officers covered by this Policy.
6. The Leader (in consultation with the Cabinet) shall assess the performance as a whole of the senior managers covered by this Policy.
7. Individual and team performance shall be assessed against agreed performance criteria in accordance with the following matrix which is expressed as a percentage of gross salary. Each assessment may award up to a maximum of 10 percent (twenty percent in total).

### Individual Performance

0%	Limited effectiveness
2.5%	Generally effective
5%	Consistently effective
7.5%	Highly effective
10%	Exceptional

## Team Performance

0%	Limited effectiveness
2.5%	Generally effective
5%	Consistently effective
7.5%	Highly effective
10%	Exceptional

8. The salary on which the percentage should be based is that at 31 March in any given year, except where a change of post or re-grading has occurred, in which case the salary as at 31 December will apply. Any award shall be made in accordance with normally salary apportionment rules where an employee commenced in that particular year, i.e. pro rate for part month.
9. Any annual award made shall be paid on 25 March in any respective financial year.
10. The scheme itself is subject to review and amendment at any time.