
REPORT TO:	Council
DATE:	3 March 2021
SERVICE AREA	Organisational Development & Improvement
REPORTING OFFICER:	Head of Organisational Development & Improvement (<i>Kay Atherton</i>)
SUBJECT:	PUBLICATION OF LOCAL PAY POLICY 2021/2022
WARDS AFFECTED:	None
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

1.1 To obtain approval for the publication of the local Pay Policy.

2.0 RECOMMENDATION

2.1 That the Pay Policy at [Appendix One](#) is approved by Council.

3.0 RECOMMENDED REASON FOR DECISION

3.1 The publication of the Local Pay Policy is a legal requirement under the Localism Act 2011.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 None.

5.0 REPORT

5.1 The Localism Act requires local authorities to produce a Pay Policy statement in advance of each financial year.

The Council published its first Pay Policy statement in 2012 and this statement follows the same format and complies with requirements of the Localism Act which requires authorities to be open about the approach and to ensure all councillors determine the Policy.

5.2 The statement complies with the minimum requirements specified by the Act or in guidance from the Secretary of State.

5.3 These are that the Policy:

- Must be produced annually in time for the start of each financial year
- Must be approved by Full Council
- Can be amended during the year by Full Council
- Must be published, as a minimum, on the Council website soon after approval or amendment
- Must be complied with when setting terms and conditions for Chief Officers
- Must include Head of Paid Service (HoPS), Statutory Chief Officers, Non Statutory Chief Officers (those who report to HoPS or a Statutory Chief Officer) and Deputy Chief Officers (those who report to a Non-Statutory Chief Officer)

5.4 The Policy can also be used as an opportunity to go further than these minimum requirements both to embrace the transparency and accountability agenda and to positively explain the authority's approach to remuneration of staff.

5.5 **Minimum requirements**

The Act and the draft guidance indicate that the Policy must address the following:

- Policy on level of remuneration for each Chief Officer including base salary (or payments when on a contract for services), expenses, bonuses, performance related pay (PRP) earn back, honoraria, ex-gratia payments, election fees, joint authority duty payments, other charges, fees or allowances, any benefits in kind, any enhancement or increase to pension entitlement and severance arrangements.
- Policy on remunerating the lowest paid in the workforce including the authority definition of the lowest paid employee and the reasons for the definition, e.g. the authority's lowest pay point and how it was decided.
- Policy on relationship between the remuneration of Chief Officers and other staff – Policy towards maintaining or reaching a specific pay multiple.
- Policy on other aspects of Chief Officer remuneration – recruitment, pay increases and additions, PRP and bonuses, termination payments, transparency, re-employment when the Chief Officer is in receipt of Local Government Pension Scheme (LGPS) pension and/or a redundancy/severance payment.
- Full Council being given the opportunity to consider salary packages in excess of £100k for new appointments before they are offered. It is already the case, under the Council's constitution, that in the case of a senior post which the Council is not required by statute to fill that the Human Resources Committee will decide whether it is necessary and in any case what will be the terms and conditions of the post. No steps are to be taken to fill the post until these decisions have been taken.

5.6 A more detailed approach

The Policy can also be used to take a more detailed approach which, in addition to the minimum requirements, would address some or all of the following:

- References to which terms and conditions apply and their source – national or local terms and conditions, etc.
- Other payments, e.g. professional fees
- Incorporate the already required policy statements regarding discretionary payments on termination, awards of additional pension, flexible retirement, etc
- How the Policy is implemented, e.g. use of remuneration committees, staffing committees, etc
- Supporting evidence – labour market data, pay comparisons
- Any need for differentiated approaches to attracting/retaining talent in particular areas of the workforce
- Information on, or signposts to, levels of responsibility for Chief Officer posts above and beyond job descriptions
- The context for senior pay in the public sector
- Roles of Staffing Committees, Remuneration Committees, etc
- Signpost information on what was paid to Chief Officers in the previous year
- Where the authority has incremental pay scales outline the Policy towards appointment on the scale
- Include employers pensions contributions and how these were determined
- What is provided in the way of outplacement support, coaching, etc, to Chief Officers and other staff
- An extension of the Policy to cover higher paid staff who are not Chief Officers
- Any Policy the authority may have towards the pay of staff working for contractors

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report.

- 6.1 **Financial** – None at present, salaries referred to in the statement are within current budgets
- 6.2 **Legal** – The Localism Act 2011 requires the Council to have a Pay Policy Statement.

7.0 CONCLUSION

- 7.1 The Pay Policy meets the Council's obligations under the Localism Act 2011.

OFFICER CONTACT: Please contact Head of Organisational Development & Improvement, if you require any further information on the contents of this report. The officer can be contacted on 01423 500600 x56844.

HARROGATE BOROUGH COUNCIL – STATEMENT OF PAY POLICY FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

1.0 INTRODUCTION

- 1.1 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 Communities and Local Government to which the authority is required to have regard under Section 40 of the Act.
- 1.2 This Policy was considered and approved by Full Council at the Council meeting which took place on 3 March 2021.
- 1.3 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 Regulations (2015). It should be noted that the requirements to publish data under the Secretary of State 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 A](#) to this policy statement.

2.0 DEFINITION OF OFFICERS COVERED BY THE POLICY STATEMENT

- 2.1 This Policy statement covers the following posts:
1. Head of the Paid Service, which in this authority is the Chief Executive.
 2. Statutory Chief Officers, which in this authority are the posts of:
 - Section 151 Officer responsibilities carried out by Head of Finance
 - Monitoring Officer responsibilities carried out by Head of Legal & Governance
 3. Non-statutory Chief Officers, (those who report directly to the Head of the Paid Service or a Statutory Chief Officer) which in this authority are the posts of:
 - Director of Corporate Affairs
 - Director of Community
 - Director of Economy & Culture
 - Director of Harrogate Convention Centre

4. Deputy Chief Officers, (those who report directly to a non-statutory Chief Officer) which in this authority are the posts of:
- Managing Director, Brimhams Active
 - Head of Parks & Environmental Services
 - Head of Housing & Property
 - Head of Safer Communities
 - Head of Place-shaping & Economic Growth
 - Head of Culture, Tourism & Sport
 - Head of Legal & Governance
 - Head of Finance
 - Head of Organisational Development & Improvement
 - Head of Operations
 - Head of Destination Management
 - Chief Solicitor
 - Communication and Engagement Manager
 - Elections Manager
 - Democratic Services Manager
 - Revenues, Welfare and Customer Services Manager
 - Audit Services and Fraud Manager
 - Financial Services Manager

3.0 POLICY ON REMUNERATING CHIEF OFFICERS

- 3.1 The authority's Policy on remunerating Chief Officers is set out on the schedule that is attached to this policy statement at [Annex B](#). It is the policy of this authority to establish a remuneration package for each Chief Officer 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.

4.0 POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE

- 4.1 The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions. These are then incorporated into contracts of employment. The lowest pay point in this authority is Grade A this relates to an annual salary of £17,842 with an hourly rate of £9.25. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services. At the Full Council Meeting on 10 February 2021 it was agreed to pay our lowest paid workers an hourly rate of £9.50 in 2021/22.

5.0 POLICY ON THE RELATIONSHIP BETWEEN CHIEF OFFICERS REMUNERATION AND THAT OF OTHER STAFF

- 5.1 The highest paid salary in this authority is £118,447, which is paid to the Chief Executive. The median salary in this authority is £22,627. The ratio between the two salaries, the 'pay multiple' is 5.23. This is considered reasonable given the Hutton enquiry which states that the multiple should not be more than 1:20. This authority does not have a policy on

maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this Policy statement. The authority's approach to the payment of other 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 or national collective agreements, or authority decisions regarding pay.

6.0 POLICY ON OTHER ASPECTS OF CHIEF OFFICER REMUNERATION

6.1 Other aspects of Chief Officer remuneration are covered by this Policy statement. These other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an Local Government Pension Scheme (LGPS) pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this Policy statement at [Annex C](#).

7.0 APPROVAL OF SALARY PACKAGES IN EXCESS OF £100K

7.1 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 £100k 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.

8.0 FLEXIBILITY TO ADDRESS RECRUITMENT ISSUES FOR VACANT POSTS

8.1 In the vast majority of circumstances the provisions of this Policy 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 this Policy can be implemented without having to seek Full Council approval for a change of the policy statement. Such a departure from this Policy will be expressly justified in each case and will be approved through an appropriate authority decision making route.

9.0 PENSION CONTRIBUTIONS

9.1 For employees who are members of the Local Government Pension Scheme the Council makes payments towards the employee's pension in addition to the contributions made by the employee. The current rate for employers' contributions is 16.3% of pensionable pay. The Pension Fund, which is administered by North Yorkshire County Council, is subject to a triennial valuation by an independent actuary. The rate payable is calculated by the actuary and is intended (together with the employee's

contribution) to produce a return that is sufficient to fund the pension earned in the period to which the contribution relates.

10.0 GENDER PAY GAP REPORTING

10.1 From 2017 public sector organisations including government departments, the armed forces, local authorities, NHS bodies and most schools with 250 employees or more must publish and report specific figures about their gender pay gap (GPG). The GPG is the difference between the average earnings of men and women, expressed relative to the men's earnings. The figures are calculated using a specific reference date or "snapshot date". This date is 31st March each year and organisations must publish this information on their public facing website within 12 months. The Council's GPG will be reported by 31 March 2021 and full details will be published on the Harrogate Borough Council website.

11.0 LOCAL GOVERNMENT PAY AWARD 2021-22

11.1 The National Joint Council negotiates the pay, terms and conditions of staff in local authorities. It agrees an annual uplift to the national pay spine, on which each individual council decides where to place its employees. Each council takes into account a number of factors such as job size and local labour market conditions when deciding an employee's salary. The pay award for 2021/22 has not yet been agreed.

12.0 PAY AND REWARD STRATEGY AND REVIEW

12.1 The Council has reviewed options around strategic approaches to pay and reward. The focus of this review is to enable the Council to attract, recruit and retain high quality staff and have a pay structure that is affordable, competitive and responsive. This review will be considered by the Human Resources Committee.

13.0 AMENDMENTS TO THE POLICY

13.1 It is anticipated that this Policy may not need to be amended during the period it covers (April 2021 to March 2022) 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 Full Council for consideration.

14.0 POLICY FOR FUTURE YEARS

14.1 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.

Pay Policy Statement

The Secretary of State for CLG 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 £58,200
- An organisational chart of the staff structure of the authority including salary bands and details of currently vacant posts
- The 'pay multiple' – the ratio between the highest paid salary and the median salary of the whole authority workforce

The Accounts and Audit Regulations (2015) require that the following data is included in the authority's accounts:

- Numbers of employees with a salary above £50k per annum (pro-rata for part-time staff) in multiples of £5k
- 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 £150k 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

HARROGATE BOROUGH COUNCIL PAY POLICY POLICY ON REMUNERATING CHIEF OFFICERS 2021/2022

Post	Base Salary ()	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Additional Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£112,209 - £118, 447	Travel and other expenses are re-imbursed through normal authority policy and procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do not provide for PRP	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 apply in exceptional circumstances	There are no plans for the postholder to receive any ex-gratia payments	Additional payments such as subscription to professional bodies are paid in accordance with council policy and the contract of employment	Election duty fees are in accordance with normal authority procedures. Additional payment for other national elections are paid at the nationally agreed rate depending upon the type of election	There are no payments anticipated in relation to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder.
Directors	£85,839 - £92,194	As above	As above	As above	As above	As above	As above	As above	Election duty fees are in accordance with normal authority procedures	As above	As above
Director HCC	£104,502	As above	As above	As above	As above	As above	As above	As above	As above	As above	As above
Managing Director (Brimhams Active)	£71,792 - £76,350	As above	As above	As above	As above	As above	As above	As above	As above	As above	As above
Heads of Service	£60,394 - £63,584	As above	As above	As above	As above	As above	As above	An additional payment of 5% of salary (£3,179) is paid for Section 151	Election duty fees are in accordance with	As above	As above

Post	Base Salary ()	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Additional Payments	Election Fees	Joint Authority Duties	Severance Arrangements
								<p>duties to the Head of Finance.</p> <p>An additional payment of 5% of salary (£3,179) is paid to the Monitoring Officer The Head of Legal and Governance.</p> <p>Additional payments such as subscription to professional bodies are paid in accordance with council policy and the contract of employment</p>	<p>normal authority procedures</p> <p>A proportion of the returning officer fee is paid to the Head of Legal and Governance to act as their Deputy This varies according to the type of election and the duties undertaken.</p>		
Chief Solicitor	£54,347 - £59,516	As above	As above	As above	As above	As above	As above	Additional payments such as subscription to professional bodies are paid in accordance with council policy and the contract of employment	Election duty fees are in accordance with normal authority procedures	As above	As above
Communication and Engagement Manager	£39,880 - £41,881	As above	As above	As above	As above	As above	As above	As above	As above	As above	As above
Election Manager	£32,910 - £35,745	As above	As above	As above	As above	As above	As above	As above	As above	As above	As above
Democratic Services Manager	£39,880 - £41,881	As above	As above	As above	As above	As above	As above	As above	As above	As above	As above
Revenues, Welfare and Customer Services Manager	£48,438 - £53,150	As above	As above	As above	As above	As above	As above	As above	As above	As above	As above
Audit Services and Fraud Manager	£42,821 - £46,845	As above	As above	As above	As above	As above	As above	As above	As above	As above	As above
Financial Services Manager	£48,438 - £53,150	As above	As above	As above	As above	As above	As above	As above	As above	As above	As above

**HARROGATE BOROUGH COUNCIL PAY POLICY
ASPECTS OF CHIEF OFFICER REMUNERATION
2021/2022**

Aspect of Chief Officer Remuneration	Authority Policy
Recruitment	The post will be advertised and appointed to at the appropriate approved salary and remuneration package for the post in question unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the authority's policy and any variation will be approved through the appropriate authority decision making process.
Pay Increases	The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or 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 flexing of 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 not operate a performance related pay system Any areas of under-performance are addressed rigorously.
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 to ensure high performance from its senior officers.
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 accounts as required under the Accounts and Audit Regulations 2015.
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.

Aspect of Chief Officer Remuneration	Authority Policy
<p>Re-employment of staff in respect of an LGPS Pension or a redundancy/severance payment</p>	<p>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 also 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 from candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS 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, 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.</p> <p>In line with the Government's long-term commitment to ensure that Public Sector exit payments are fair and proportionate to employers, employees and taxpayers, The Restriction of Public Sector Exit Payments Regulations 2020 ("the Regulations") came into force on 4th November 2020. The legislation set a £95,000 cap on exit payments ("the cap") for public sector authorities and offices listed in the Schedule. 1.3.</p> <p>On Friday 12 February 2021, the Government announced that it will be revoking the Public Sector Exit Payments Regulations 2020, which place a £95,000 cap on public sector exit payments.</p> <p>It is likely that Treasury will revisit its commitment to cap exit payments when it has considered and addressed the unintended consequences of its original programme for change.</p> <p>Relevant council employment policies will be amended once the full details and implications are known with regard to any changes to regulations concerning exit payments.</p>