

## **CABINET**

<b>DATE</b>	10/02/2021
<b>REPORT OF</b>	Councillor Philip Jackson, Leader of the Council
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot, Executive Director for Environment, Economy and Resources
<b>SUBJECT</b>	Pay Policy Statement 2021 - 2022
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB 02/21/01

### **CONTRIBUTION TO OUR AIMS**

The policy statement meets statutory requirements and contributes to the Council's aim to be an effective and efficient council by strengthening our governance and promoting transparency

### **EXECUTIVE SUMMARY**

The Localism Act 2011 requires local authorities to prepare pay policy statements. These statements must set out an authority's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. Pay policy statements must be prepared for each financial year and must be approved by Full Council and published. The policy also relates to the Code of Recommended Practice for Local Authorities on Data Transparency. The provisions in the Act do not apply to schools

### **RECOMMENDATIONS**

That Cabinet approves in principle the pay policy statement for the period 2021/22 and refers the matter to Full Council to be held on 18<sup>th</sup> March 2021 for final approval.

### **REASONS FOR DECISION**

To ensure compliance with legislation and recommended practice on data transparency.

#### **1. BACKGROUND AND ISSUES**

- 1.1 Section 38 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement each year to include the remuneration of its chief officers, the remuneration of its lowest paid employees and the 'pay multiple (ratio between the highest paid salary and the median salary for the whole of the authority's workforce). Appendix 1 fulfils our requirements under the Localism Act 2011.
- 1.2 The Department for Communities and Local Government (DCLG) has also issued a code on the publication of data for the public, to support the transparency of decision making and the public's opportunity to consider how money is being used in the pay and reward of senior staff and the structure of overall workforce and includes:

An organisational chart covering staff in the top three levels of the council and include for each member of staff the job title, department, whether permanent or temporary, contact details, salary in £5,000 bands and salary ceiling.

Senior salaries – in addition to the information published under the Accounts and Audit Regulations 2015 (Statutory Instrument 2015/234) it should also publish a list of responsibilities (for example the services and functions they are responsible for, budget held and number of staff), the inclusion of bonus details or ‘benefits-in-kind’ for all senior employees whose salary exceeds £50,000.

The ‘pay multiple’ – the ratio between the highest paid salary and the median average salary of the whole of the authority’s workforce.

- 1.3 Information is available on the Council’s website to reflect these requirements, including a copy of the pay policy statement.

## **2. RISKS AND OPPORTUNITIES**

There are no risk implications in respect of: Crime and Disorder; Human Rights or the impact on the social, economic and environmental well-being of the Borough. The policy statement has previously been screened for equality and diversity impact and no further action is required

## **3. OTHER OPTIONS CONSIDERED**

None

## **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

The revised leadership team arrangements implemented in 2020/2021 reflects the capacity of the organisation to deliver across an increasingly complex and dispersed agenda (in an environment where demand is not diminishing).

## **5. FINANCIAL CONSIDERATIONS**

The pay policy statement has been considered for affordability and incorporated into the Council’s medium term financial planning assumptions. The revised leadership arrangements introduced in 2020/21 support the strategic direction the Council is taking by aligning the Council’s leadership team more closely to strategic priorities and through this the achievement of its long-term objectives around financial resilience and sustainability

## **6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

There are no implications contained within this report

## **7. CONSULTATION WITH SCRUTINY**

The proposed statement has not been subject to review by scrutiny

## **8. FINANCIAL IMPLICATIONS**

The assumptions outlined within the pay policy statement for the period 2021/2022 have been considered for affordability and incorporated into the

Council's medium-term financial planning assumptions

**9. LEGAL IMPLICATIONS**

Sections 38-43 Localism Act 2011 require public authorities to publish a statement of pay policy. The policy must be approved on or before 31<sup>st</sup> March each year. The statement reflects a number of existing policies and decisions that have been approved by Council

**10. HUMAN RESOURCES IMPLICATIONS**

Contained within the report

**11. WARD IMPLICATIONS**

None

**12. BACKGROUND PAPERS**

Cabinet 2020

Council 2020

[www.nelincs.gov.uk/meetings](http://www.nelincs.gov.uk/meetings)

**13. CONTACT OFFICER(S)**

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**COUNCILLOR PHILIP JACKSON**  
**LEADER OF THE COUNCIL**





# **Pay Policy Statement 2021-2022**

Date: 01/04/2021, Version: 1.0

# Pay Policy Statement 2021-2022

## Introduction

Under Sections 38 – 43 of the Localism Act 2011 the Council is required to produce a policy statement that covers a number of matters concerning the pay of the Council's Senior staff. This policy statement meets the requirements of the Localism Act and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the council is required to have regard under Section 40 of the Act.

This policy has been approved by the full Council and is publicised on the Council's website. This policy also relates to the data on pay and rewards for staff 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 (2011). This policy statement does not cover or include school staff and is not required to do so.

This policy statement covers 'chief officer' posts defined in Section 43(2) of the Localism Act.

Further information on the Senior Management Team and Organisation Structure and Council Workforce is available on the Councils website.

## Policy on remunerating Chief Officers and Senior Officers

The Council's policy on remunerating Chief Officers and Senior Officers is set out on the schedule that is attached to this policy statement at Annex A. It is the policy of this Council 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 Council's requirements of the post in question at the relevant time.

## Policy on remunerating the lowest paid in the workforce

The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate national and local collective bargaining mechanisms, these are then incorporated into contracts of employment. From April 2021 the lowest pay point in this Council is £9.25 per hour. This is the minimum rate paid to all directly employed council staff who are employed on National Joint Council (NJC) Local Government Services Terms and Conditions.

## Policy on the relationship between Chief Officer remuneration and that of other staff

The highest paid salary in this Council from 1<sup>st</sup> April 2021 is £165,000 which is paid to the post of Joint Chief Executive for North East Lincolnshire Council & NHS North East Lincolnshire Clinical Commissioning Group (CCG). The CCG contribute £30,000 towards the total salary of the Joint Chief Executive. The median full time equivalent salary in this Council (excluding Schools) is £23,541. The pay multiple between the median full time equivalent salary and the new post of Joint Chief Executive is 1 to 7.01. This Council does not have a policy on maintaining or reaching a specific 'pay multiple', however the Council 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 Council as expressed in this policy statement. The Council's approach to the payment of other staff is to pay that which the Council 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 Council meets any contractual requirements for staff including the application of any local or national collective agreements, or Council decisions regarding pay.

The Council operates a 'market supplement' procedure, which, subject to certain qualifying conditions would pay an addition to the salary where market pressures would otherwise prevent the council from being able to recruit and/or retain.

### **Policy on other aspects of Chief Officer remuneration**

Other aspects of Chief Officer remuneration are appropriate to be 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 a pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Annex B.

### **Approval of Salary Packages in excess of £100k**

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

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

In the vast majority of circumstances, the provisions of this policy will enable the Council 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.

### **Amendments to the policy**

It is anticipated that this policy will need to be amended during the period it covers (1 April 2021 to 31 March 2022) once the relevant negotiating bodies have agreed the 2021/2022 pay award. If circumstances dictate that a change of policy is considered to be appropriate then a revised policy will be presented to full Council for consideration.

### **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 Council prior to the start of each financial year.

## Annex A

Post	FTE	Remuneration/Full Time Equivalent
<b>Chief Executive</b> <sup>1</sup> North East Lincolnshire Council & North East Lincolnshire Clinical Commissioning Group <sup>1</sup> ( <i>Head of Paid Service</i> )	1	£160,000 - £170,000 (*£30,000 contribution from CCG)
<b>Executive Directors (incl chief finance officer)</b>	2	£110,000 - £130,000
<b>Directors</b> Including 5 Statutory Officer Posts ( <i>Director Children's Services</i> ) ( <i>Director of Public Health</i> ) ( <i>Director of Adult Services</i> ) ( <i>Scrutiny Officer</i> )	4	£90,000 - £99,950
<b>Assistant Directors Band 3</b> Including 1 Statutory officer post ( <i>Monitoring Officer</i> )	1	£80,000 - £85,000
<b>Assistant Directors Band 2</b>	4	£75,000 - £79,999
<b>Assistant Directors Band 1</b>	3	£70,000 - £74,999

<sup>1</sup> Pay award not taken up by post-holder in 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21.



## Annex B

Aspect of Chief and Senior Officer Remuneration	Council Policy
Recruitment	The post will be advertised and appointed to at the appropriate approved salary 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 Council decision making process.
Pay Increases	The Council 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 Council will also apply any pay increases that are as a result of Council 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	<p>The Council would not make additional payments beyond those specified in the contract of employment, conditions of service or council procedures which would include expenses, honoraria and election fees.</p> <p>There are no plans for the payment of any ex-gratia payments.</p>
Performance Related Pay	The Council does not operate a performance related pay system for leadership posts as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Earn-Back ( Withholding an element of base pay related to performance)	The Council does not operate an earn-back pay system.
Bonuses	The Council does not pay bonus payments to any of its employees.
Termination Payments	The Council applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers. The Council also applies the appropriate Pensions regulations and Exit Payment cap regulations when they apply. The Council 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 Council regarding senior officers are published in the Council accounts as required under the Accounts and Audit (England) Regulations 2011.
Transparency	The Council meets its requirements under the Localism Act 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 an LGPS Pension or a redundancy/severance payment	<p>The Council is under a statutory duty to appoint on merit and must ensure that it complies with all appropriate employment and equalities legislation. The Council 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 Council 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 an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the Council. Clearly where a former employee left the Council on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist. The Council 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. Relevant Exit Payment Cap regulations will be applied.</p>
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