

COUNCIL

DATE	14/03/2024
REPORT OF	Councillor Philip Jackson, Leader and Portfolio Holder for Economy, Net Zero, Skills and Housing
RESPONSIBLE OFFICER	Sharon Wroot, Executive Director Place and Resources
SUBJECT	Pay Policy Statement 2024 - 2025
STATUS	Open

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

It is recommended that Council:

1. Approves the pay policy statement for the period 2024/25.
2. That in accordance with the Localism Act 2011, directs that the approved policy be appropriately published.

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 Government 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 which includes:

- An organisational chart covering staff in the top three levels of the council and 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 job titles, responsibilities (for example the services and functions they are responsible for, budget held and number of staff), and details of bonuses 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

Both the organisation structure and pay structure reflect 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 and pay award projections have been considered for affordability and incorporated into the Council’s medium term financial planning assumptions.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

There are no implications contained within this report.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

There are no implications contained within this report

8. CONSULTATION WITH SCRUTINY

The proposed statement has not been subject to review by scrutiny.

9. FINANCIAL IMPLICATIONS

The assumptions outlined within the pay policy statement for the period 2024/2025 have been considered for affordability and incorporated into the Council's medium-term financial planning assumptions.

10. 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 31st March each year. The statement reflects a number of existing policies and decisions that have been approved by Council.

11. HUMAN RESOURCES IMPLICATIONS

In addition to those contained within the report, directly employed Council employees will be paid a minimum of the Living Wage Foundation rate of pay if this is higher than the local government services pay award agreement for 2024/2025, to fulfil the Council's ongoing commitment to pay 'The Real Living Wage'.

12. WARD IMPLICATIONS

None

13. BACKGROUND PAPERS

None

14. CONTACT OFFICER(S)

Sophie Tillison, Workforce & Governance Service Manager, 01472 326661

COUNCILLOR PHILIP JACKSON
LEADER AND PORTFOLIO HOLDER FOR ECONOMY, NET ZERO, SKILLS
AND HOUSING



Pay Policy Statement 2024-2025

Date: 01/04/2024, Version: 1.0

Pay Policy Statement 2024-2025

Introduction

Under Sections 38 – 43 of the Localism Act 2011 the Council is required to produce a policy statement that covers matters concerning the pay of the Council's Chief Officers. This policy statement meets the requirements of the Localism Act and 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 employees based in maintained schools and is not required to do so.

Further information on the Council's Senior Organisation Structure is available on the [Council's website](#).

Definition of Officers covered by this Policy Statement

This Policy Statement covers the following posts:

1. Head of the Paid Service, which is the post of:
Chief Executive
2. Statutory Chief Officers, which are the posts of:
Executive Director Place and Resources (Section 151 Chief Financial Officer)
Director of Children's Services (Director Children's Services)
Director of Adult Social Care (Director Adult Social Services)
Director of Public Health (Director Public Health)
Assistant Director Law and Governance (Monitoring Officer)
3. Non-statutory Chief Officers, which are the posts of:
Assistant Chief Executive
Director of Economy, Environment and Infrastructure
Deputy Director Public Health
Assistant Director Public Health
Assistant Director People and Organisational Development
Assistant Director Finance
Assistant Director Policy, Strategy and Resources
Assistant Director Environment
Assistant Director Regeneration
Assistant Director Infrastructure
Assistant Director Safer Towns and Communities
Assistant Director Adult Services
Assistant Director Education and Inclusion
Service Director Regulated Provision
Service Director Safeguarding and Early Help

Policy on remunerating Chief Officers and Senior Officers

Chief Executive and Chief Officers conditions of service are in line with the Joint Negotiating

Committees for Chief Executives and Chief 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 Appendix A.

It is the policy of the Council to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain employees with 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, which may include reference to appropriate market benchmarks.

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 Appendix B.

Pay relationship

From April 2024, the lowest pay rate in the Council's pay structure (excluding apprentice rates) equates to a full time equivalent annual salary of £22,366 and can be expressed as an hourly rate of £11.59. This pay rate is the bottom point of the national pay scale for those employed on National Joint Council (NJC) Local Government Services Terms and Conditions. The highest paid salary in this Council from 1st April 2024 is £170,775, which is paid to the post of Chief Executive for North East Lincolnshire Council and Executive Place Lead (NEL Health and Care).

The median full time equivalent salary in this Council is £27,334. The pay multiple between the median full time equivalent salary and the post of Chief Executive is 1 to 6.25.

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.

Pay rates may increase in accordance with any pay settlements reached by the relevant national negotiating bodies.

Salary Packages over £100,000

The Council will ensure that 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, fees, routinely payable allowances, and benefits in kind that are due under the contract.

Flexibility to address recruitment issues for vacant posts

In most 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. Such a

departure from this policy will be expressly justified in each case and will be approved through an appropriate decision-making route.

Policy for future years

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

Annex A

Grade	Full Time Equivalent Remuneration Range
Chief Executive (NELC) and Executive Place Lead (Health and Care)*	£170,000 - £175,000
Executive Director/ Deputy Chief Executive	£120,000 - £125,000
Director of Children's Services	£135,000 - £140,000
Director Band 2	£110,000 - £115,000
Director Band 1	£95,000 - £100,000
Assistant Director Band 3	£88,000 - £93,500
Assistant Director Band 2	£81,100 - £86,000
Assistant Director Band 1	£76,000 – 81,000

*£30,000 contribution from Health and Care Partnership for Executive Place Lead role.

Annex B

Aspect of Chief and Senior Officer Remuneration	Council Policy
Recruitment	<p>Posts are advertised and appointed to at the appropriate approved salary for the post unless there is 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.</p> <p>In such circumstances a variation to the remuneration package is appropriate under the Council's policy and any variation will be approved through the appropriate Council decision making process.</p>
Pay Increases	<p>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 decisions to significantly increase the duties and responsibilities of a post beyond the normal flexing of duties and responsibilities that are expected in senior posts.</p>
Additions To Pay	<p>The Council does not make additional payments beyond those specified in the contract of employment.</p>
Performance Related Pay	<p>The Council does not operate a performance related pay system for Chief Officers as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior leaders.</p> <p>Any areas of under-performance are addressed through capability procedures.</p>
Earn-Back (Withholding an element of base pay related to performance)	<p>The Council does not operate an earn-back pay system.</p>
Bonuses	<p>The Council does not pay bonus payments to any of its employees.</p>
Termination Payments	<p>The Council's normal redundancy payments arrangements apply to all employees including Chief Officers and the Chief Executive. The Council has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations.</p> <p>Any costs that are incurred by the Council for Chief Officer posts are published in the Council accounts as required under the Accounts and Audit (England) Regulations 2011.</p>
Transparency	<p>The Council meets its requirements under the Localism Act, the Local Government Transparency Code 2015 and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.</p>
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</p>

	<p>always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.</p> <p>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 that post.</p> <p>The Council will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant.</p> <p>Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.</p>
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