



## **Pay Policy Statement 2021/2022**

### **Status of this statement**

A pay policy statement is required to be produced annually under section 38 of the Localism Act. Regard is to be had to any guidance from the Secretary of State in producing this statement.

Any decision under powers delegated in the Council's Constitution with regard to remuneration to be taken during 2021/22 will be bound by and must comply with this Statement.

The HR Manager must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

### **Coverage**

This statement sets out the Council's policy with regards to:

- the remuneration of Chief Officers
- the remuneration of the lowest paid employees
- the relationship between Chief Officers remuneration and that of other officers

"Remuneration" for the purposes of this statement includes three elements:

- basic salary
- pension
- all other allowances arising from employment

The Council regards the following as its "Chief Officers":

- \* Chief Executive
- \* Executive Director: Strategy & Governance
- \* Executive Director: Commercialisation – Section 151 Officer

- \* Executive Director: Place

For the purpose of the pay policy statement the following posts will also be referred to as “Chief Officers”.

- \* Executive Manager Governance
- \* Executive Manager Information
- \* Executive Manager Growth
- \* Executive Manager People & Innovation
- \* Executive Manager Property & Development
- Place Manager

\* Chief Officer roles shared with Breckland District Council.

The employing body for the Chief Officer roles is Breckland District Council, excluding the Executive Manager Growth and Place Manager which are South Holland District Council employed roles.

At the time of writing (January 2021), a review is currently taking place of how Breckland and South Holland Council’s will work together in the future. Therefore, the details in the Statement may change during the financial year 2021/22.

In this policy statement the term “Chief Officers” refers to the Chief Executive and Executive/Senior Managers in that where there are any differences in terms of the policy it is between this group and all other employees.

## **The Policy for 2021/22**

### Objectives of the policy

(a) to ensure a capable and high performing workforce

In respect of the Chief Executive, Chief Officers and all other employees the Council’s policy is to set remuneration sufficient to attract and retain adequately experienced, trained and qualified individuals to deliver the Council’s priorities.

(b) simplicity, clarity and fairness between employees and between the Council and the community

The Council aims to be transparent on pay to its staff, prospective staff and the wider community.

(c) To differentiate between remuneration and other employee related expenses

The Council will meet or reimburse authorised travel, accommodation and subsistence costs for attendance at approved business meetings and training events. The Council does not regard such costs as remuneration but as non pay operational costs. This policy is applied consistently to the Chief Executive, Chief Officers and other employees.

### **Remuneration subject to national and local determination**

#### **Pay bargaining**

The majority of Chief Officers are employed by Breckland Council and are paid on a Pay Progression Scheme with awards being set locally rather than in accordance with the National Joint Council Pay Spine. As the Chief Officers are shared, this allows the Council to share the salary related costs. Costs are charged to Breckland District Council and South Holland District Council on a 60/40 basis.

For all other staff, the Council's Pay bands were last increased in April 2020 with a further increase expected to be agreed later in 2021 and back dated to 1 April 2021 once the pay scales have been nationally agreed, as per the National Joint Council (NJC) Pay Scheme.

#### **Car Allowances**

The Council pays car allowances for use of private vehicles on council business in accordance with the National Joint Council agreement on pay and conditions of service. The Council also operates a Shared Officer Travel Scheme applicable to some Chief Officers; qualifying Officers receive an alternative car allowance (replacing the standard Essential User Lump Sum) but retain the Standard Essential User mileage rates in operation at the time. The Current rates are:

	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Shared Officer Travel Scheme</b>			
Annual allowance	£3300	£3000	£2160
(monthly payment pro rata)	£275	£250	£180

<b>Essential User Rates</b>	<b>451 - 999cc</b>	<b>1000 - 1199cc</b>	<b>1200 &amp; Above *</b>
Lump sum per annum	£846	£963	£1,239
(Monthly payment pro rata)	£70.50	£80.25	£103.25
Per mile - first 8,500 miles	36.9p	40.9p	50.5p
Per mile - after 8,500 miles	13.7p	14.4p	16.4p
<b>Casual User Rates</b>			
Per mile - first 8,500 miles	46.9p	52.2p	65.0p
Per mile - after 8,500 miles	13.7p	14.4p	16.4p

\*Breckland employed Chief Officers only

### **Benefits**

The value of car allowances, car loans and private medical insurance are categorised as 'Benefits in Kind' and are subject to tax and National Insurance via the payroll and reported to HMRC via P11D. At the time of publication the estimated values of these benefits in kind for 2021/22 in respect of Chief Officers will be:

<b>Post</b>	<b>Benefit in Kind 2021/22 (estimated)</b>
Chief Executive	£3,300 subject to the post being filled in 2021/22
Executive Director: Strategy & Governance	£3,602
Executive Director: Commercialisation	£3,660
Executive Director: Place	£3,556
Executive Manager Governance	£3,644
Executive Manager Information	£3,602
Executive Manager Growth	£3,609
Executive Manager People & Innovation	£3,506
Executive Manager Property & Development	£3,694

Place Manager	£1,140
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**The Local Government Pension Scheme and policy with regard to the exercise of discretions**

Pension provision is an important part of the remuneration package.

All employees may join the local government pension scheme. The scheme is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the local government pension scheme see:

<http://www.lgps2014.org/>

Neither the scheme nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to the Chief Executive, Chief Officers and other staff.

The scheme provides for the exercise of discretion that allow for retirement benefits to be enhanced. The Council's published pension policy is to not enhance benefits for any of its employees. This policy statement reaffirms this in respect of Chief Officers and other employees.

The pension scheme provides for flexible retirement. It is the Council's policy to allow Flexible Retirement (where the business case permits) where no costs are payable by the employer. In applying the flexible retirement provision no distinction is made between Chief Officers and other employees.

**Job Evaluation and Pay Bands**

Employees, covered by the National Joint Council (NJC) for Local Government Services, as set out in the 'Green Book' have their basic pay grade determined by a job evaluation scheme (using the Gauge system) which ensures that different jobs having the same value are paid at the same rate / within the same pay band. The "job score" determines the pay band for the post within which there is provision for progression by way of annual increments, until the top of the pay scale is reached. In the same way, SHDC Senior Managers' pay is based on their roles having being job evaluated using a bespoke job evaluation scheme held by the LGA (Local Government Association). The Senior Manager Pay grades have been set locally and agreed by Full Council, including consultation with the recognised Union.

The Chief Officer roles have been graded according to Breckland District Council's job evaluation scheme (the Inbucon scheme).

## **Allowances on appointment**

The Council's policy is to not pay any form of "signing on" fee or incentive payment when recruiting.

Where it is necessary for a newly appointed employee to relocate to take up appointment the Council may make a contribution towards relocation expenses.

The same policy applies to Chief Officers and other employees in that payment will be made against a range of allowable costs for items necessarily incurred in selling and buying a property and moving into the area.

Details of the full scheme can be found in the Council's Relocation Policy.

## **Termination payments**

### **Redundancy**

The Council has a single redundancy scheme which applies to all employees without differentiation.

The redundancy payment is based on the length of continuous local government service which is used to determine a multiplier which is then applied to actual pay; the Council uses the Statutory Redundancy pay calculation method, but bases weekly pay on contractual pay rather than the capped statutory method. The maximum number of years' service taken into account is 20 and the resulting maximum potential payment is 30 weeks' pay for anyone aged 61 or older. Details of the full scheme can be found in the Council's Redundancy Policy.

### **Other termination**

The Council does not provide further payment to employees leaving the Council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving, or other contractual entitlement.

The Council does however recognise that situations may arise, and where the need for expediency is such, that it may be in the best interests of the authority to make individual payments relating to termination of employment.

In such cases these will be approved in accordance with the Council's constitution.

**Professional fees and subscriptions.**

The Council will meet the cost of employees’ professional fees and/or subscriptions where these are relevant to the office or employment, and are included in HM Revenues & Customs ‘List 3’, in accordance with section 343 and 344 Income Tax (Earnings and Pensions) Act 2003. This applies to both Chief Officers and other staff.

**Returning Officer Fees**

The Council’s appointed Returning Officer receives a Returning Officer fee in respect of County, District and Parish Council Elections. The fee for undertaking this role in Lincolnshire is calculated in accordance with a formula approved annually by the Lincolnshire Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group. Fees for conducting Parliamentary Elections are determined by way of a Statutory Instrument.

**Setting Salaries**

For the post of Chief Executive:

the Council will set the starting salary by way of Full Council agreement, as per the Council’s constitution. Where an independent recruitment partner is contracted to deal with the recruiting of a Chief Executive, advice will be taken as to an appropriate starting salary level.

For Chief Officer posts:

the Council’s ‘Joint Appointments and Disciplinary Committee ’ will agree the appointment of a Chief Officer as per the Council’s constitution (Part 3, Section D - Delegations to Committees (Non-Executive functions)).

**Pay ceilings**

For 2021/22 the basic pay ceiling for current employees, is the maximum of the respective pay band. The NJC pay bands and pay ranges for 2021/22 are as follows\*:

	Min	Max
<b>A</b>	£17,842	£17,842

<b>B</b>	£18,198	£18,933
<b>C</b>	£18,933	£19,698
<b>D</b>	£19,698	£21,748
<b>E</b>	£21,748	£25,481
<b>F</b>	£25,991	£29,577
<b>G</b>	£30,451	£34,728
<b>H</b>	£33,782	£38,890
<b>I</b>	£39,880	£43,857
<b>J</b>	£42,821	£48,010

*\*This information is subject to change as the 2021/22 NJC Pay Scales have not yet been agreed.*

For the Senior Managers, who are employed by SHDC, their pay grades from 2021/22 are:

	Min	Max
<b>4</b>	£38,890	£45,090
<b>3</b>	£44,863	£51,253
<b>2</b>	£52,403	£61,742
<b>1</b>	£59,743	£70,018

*\*This information is subject to change as the 2021/22 NJC Pay Scales have not yet been agreed. As stated above a review is underway as a result of the proposed changes to arrangements between South Holland and Breckland District Council.*

Staff employed under Apprenticeship Schemes are subject to the appropriate Apprentice rate in operation at that time.

### **Chief Officer Pay bands**

Chief Executive	Grade 1	** £113,521 to £139,544
Executive Director: Strategy & Governance	Grade 2	** £92,349 to £113,521
Executive Director Commercialisation – Section 151 Officer	Grade 2	** £92,349 to £113,521
Executive Director: Place	Grade 2	** £92,349 to £113,521
Executive Manager Governance	Grade 3b	** £61,119 to £75,132
Executive Manager Information	Grade 3b	** £61,119 to £75,132



Executive Manager Growth	Grade 3a	** £75,132 to £92,349
Executive Manager People & Innovation	Grade 3b	** £61,119 to £75,132
Executive Manager Property & Development	Grade 3a	** £75,132 to £92,349
Place Manager	Grade 1 (SH)	Δ£59,743 to £70,018

\*\* Salaries/salary related costs charged to Breckland District Council and South Holland District Council on a 60/40 basis.

Δ This information is subject to change as the 2021/22 NJC Pay Scales have not been published yet.

### **Pay floor**

The pay floor is the remuneration of the lowest paid employees. For the purpose of this statement “Lowest paid” is defined as the average pay of the 2% (5 individuals) of the Council’s employees, subject to the above pay scales, with the lowest full-time equivalent (FTE) annual salary.

As at 31 March 2021 this average was £18,057.

The Council will not pay basic pay less than the amount applicable to the bottom point of the Grade A pay band. Employees in this group will be entitled to all other benefits – fringe payments, car allowances, pension, relocation, redundancy as all other employees.

### **Pay multiples**

The council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required.

In terms of overall remuneration packages the Council’s principle is to differentiate by setting different levels of basic pay to reflect differences in responsibilities but not to differentiate on other allowances, benefits and payments it makes.

The relationship between remuneration of the highest paid officer in the Council, the Chief Executive, and the remuneration of the lowest paid employee (as defined in the ‘Pay Floor’ paragraph above), is within a 10:1 ratio.

### **Future appointments and interim arrangements**

In the event of a vacancy – Chief Executive, Chief Officer or other employee – the arrangements set out above will apply in respect of permanent appointments.

If the need arises to provide agency or interim cover the principle is to seek to cap the cost of that appointment at no more than that of the permanent appointment taking into account additional employment costs – pension contributions, national insurance, paid leave etc. However, where necessary a higher “market rate” will be paid to secure a suitable individual and market rate will be established by reference to soft market testing, external advice and dialogue with peer authorities.

### **Publication and access to information**

The publication of and access to information relating to remuneration of Chief Officers will be set out in this document and published on the Council’s website.