

# Pay Policy Statement 2021-2022



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

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## **1. Introduction**

- 1.1. South Kesteven District Council recognises that remuneration at all levels needs to enable the Council to attract and retain high quality employees dedicated to the service of the public.
- 1.2. It is important that local authorities are able to determine their own pay structures in order to address their strategic aims and to compete in the local and national market.
- 1.3. It is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment. The Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is crucial.
- 1.4. The Council may amend the pay policy statement at any point in the year.

## **2. Legislation**

- 2.1. Sections 38 to 43 of the Localism Act 2011 require local authorities to produce a Pay Policy Statement for each financial year.
- 2.2. The Act and supporting statutory guidance provide details of matters that must be included in this statutory pay policy but also recognises that each local authority has the autonomy to determine its own pay structures and pay policies. The Pay Policy must be formally approved by Full Council by the end of March each year. It can be amended in year and must be published on the authority's website. It must be complied with when setting terms and conditions for Chief Officers as defined in the Act.

## **3. Scope**

- 3.1. This Pay Policy Statement includes a policy on:
  - The level and elements of remuneration for the Chief Executive
  - The remuneration of the lowest paid employee
  - The relationship between the remuneration of Chief Officers<sup>1</sup> and other officers
  - Other specific aspects of Chief Officer remuneration such as fees, charges and other discretionary payments.
- 3.2. Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and termination payments.

## **4. Definition of officers covered by the Pay Policy Statement**

- 4.1. This policy statement covers the following posts:

Head of the Paid Service, which in this authority is the post of:

- Chief Executive

Statutory Chief Officers, which in this authority are the posts of:

- Director of Finance (covering Section 151 responsibilities)
- Director of Law and Governance (Monitoring Officer)

Non-statutory Chief Officers (those who report directly to the Head of the Paid Service) which in this authority are the posts of:

- Deputy Chief Executive
- Director - Commercial and Operational
- Director - Growth and Culture
- Director – Housing and Property
- Assistant Chief Executive

Deputy Chief Officers, (those who report directly to a non-statutory or statutory Chief Officer) which in this authority are the posts of:

- Assistant Director - Growth
- Assistant Director - Commercial and Operational
- Assistant Director – Housing
- Head of Public Protection
- Head of Corporate Operations
- Head of Financial Services
- Head of Revenues and Benefits
- Head of Organisational Development
- Head of Communications
- Head of Democratic Services

Table 1

Job Title	FTE	Salary Band
Chief Executive	1.0	£130,000 - £135,000
Deputy Chief Executive	1.0	£95,000 - £105,000
Director – Commercial and Operational	1.0	£85,000 - £95,000
Director – Growth and Culture	1.0	£85,000 - £95,000
Director of Finance	1.0	£100,000 - £105,000
Assistant Chief Executive	1.0	£85,000 - £90,000
Director – Housing and Property	1.0	£85,000 - £95,000
Director of Law and Governance	0.8	£75,000 - £80,000
Assistant Director – Commercial and Operational	1.0	£75,000 - £80,000
Assistant Director - Growth	1.0	£65,000 - £75,000
Assistant Director – Housing	1.0	£65,000 - £75,000
Head of Service	7.0*	£40,000 - £65,000

The details shown above are based on the new management structure which has recently been implemented by the Council.

- 4.2 Pay details for posts graded Head of Service or above are shown in Table 1. These can also be accessed via the Council's website.
- 4.3 There are a total of 14 Head of Service posts, 7 of which aren't classed as Deputy Chief Officer posts.

## **5. Chief Executive Pay**

- 5.1. The Chief Executive in South Kesteven discharges the accountability of Head of Paid Service – a statutory role defined by the Local Government and Housing Act 1989. The Council determines the level of pay for its Chief Executive through the Employment Committee. The committee and its remit are contained in the Council's constitution.
- 5.2. The Chief Executive of South Kesteven District Council has been appointed as Returning Officer. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the Council.
- 5.3. Special fees are paid for Returning Officer duties which are not part of the post holder's substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role.

## **6. Chief Officer Pay Determination**

- 6.1. The Localism Act 2011 refers to Chief Officers. The Chief Officers at South Kesteven District Council are the following:
  - The Chief Executive who is Head of Paid Service, the Section 151 Officer,
  - and the Monitoring Officer (the "Statutory Officers"),
  - Deputy Chief Executive
  - Directors
  - Assistant Chief Executive
- 6.2. The Council does not have a separate pay policy in relation to Chief Officers.
- 6.3. The Council pays its Chief Officers at rates based on job evaluation and these are detailed in the Council's salary scale each year. The total remuneration package defined in employment contracts for the Chief Executive and Chief Officers is the same as all staff. It includes a spot rate salary or salary band, the same holiday entitlement based on length of service, the same sick pay arrangements, the same pension scheme arrangements and no enhanced remuneration elements are included.
- 6.4. The Council publishes senior management salary rates and gender pay details on its website in line with the requirements of the Government's transparency agenda.

## **7. Lowest Paid Employees**

- 7.1. The lowest paid staff within the Council's pay structure are on Grade 1. For this reason, we have chosen staff employed on Grade 1 as our definition of the 'lowest paid' for the purposes of this policy. Grade 1 for 2020/2021 is £17,193 per annum.
- 7.2. The terms and conditions of employment for Grade 1 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly known as Green Book). These are supplemented by local collective agreements reached with the trade union recognised by the council and by the rules of the council.

## **8. Pay Determination Arrangements**

- 8.1. The level of pay for all staff is determined, except for the Chief Executive as set out in 6.3, through the relevant job evaluation scheme. The job evaluation score determines the grade at which the employee is paid.
- 8.2. The Council employs all staff on local terms and conditions. It has a collective agreement in place for local cost of living pay awards that is based upon pay reviews by the National Joint Council and Local Government Services (NJC).
- 8.3. The Council makes its own determination of cost of living pay awards for all staff in accordance with this local agreement, taking account of the rate of inflation (current and Bank of England forecast), labour market conditions, the level of previous years' cost of living awards and any specific budgetary constraints.
- 8.4. Where salary bands are used, appointment within these will be based on an assessment against the levels of competency required for the role.
- 8.5. The salary for newly appointed staff (including Chief Officers) is determined on appointment in relation to the job evaluation score for the post. The job evaluation score assumes full competence at the job. Where a new appointee for the job has some development needs, the Council may choose to place the employee on a salary progression until full competence has been confirmed or qualifications have been completed.
- 8.6. Pay grades are reviewed annually to ensure that the requirements of the National Living Wage are being fully met. The National Living Wage is the minimum wage payable to workers in the United Kingdom aged 25 and over. With effect from 1 April 2021 this will be payable to workers aged 23 and over. The National Living Wage with effect from 1 April 2021 is £8.91
- 8.7. The Council's current pay and reward arrangements have been designed to ensure consistency through the job evaluation process and with reference to the external market. A review of pay and reward is required to ensure that pay and reward arrangements enable us to attract and retain the right people and support the Council to be able to deliver the corporate strategy and focus on growth, agility and competitiveness.

- 8.8 The Council will monitor pay locally and nationally as required and will undertake market reviews in relation to specific posts. Where a post is hard to recruit to at any level, particularly where there are supply pressures, the Council has a process in place to consider applying market supplements, or to offer recruitment incentives. Market supplements are kept under review and may be withdrawn if market conditions change.
- 8.9 Local government elections and neighbourhood planning referendums are a separate statutory responsibility and rates of pay for local elections are set in accordance with a Lincolnshire County wide election scale of fees and charges. These rates differ according to the size of the ward contested.

## **9. Allowances**

- 9.1 The Council will pay job related allowances to staff where it is a requirement of the job to do so. Staff who are required to respond to emergencies outside normal working hours are also currently in receipt of standby and call out arrangements, depending on the nature of the work.
- 9.2 Overtime is payable at flat rate and can only be done with the prior approval of the line manager. Chief Officers and managers are required to work evenings and weekends to meet the requirements of the job.
- 9.3 The Council does not pay essential car allowances or provide cars to any individual member of staff as the Council operates a pool car system available to all employees. Where the Chief Executive, Chief Officers or staff use their own cars for Council business they are reimbursed at a flat rate of 45p per mile in line with the HMRC guidelines. This practice will be reviewed as part of the overall review of pay and reward.
- 9.4 Honoraria and acting up payments may be paid for those staff who have taken up additional responsibilities for a defined period of time to cover absence, or additional duties. Where possible such payments will be based on the job evaluated rates of pay for those responsibilities. Each case will be considered on its own merits and a fair recompense will be calculated.
- 9.5 Temporary short-term appointments of staff will be paid in line with the job evaluated rate for the job and the prevailing market rate for such short-term appointments.
- 9.6 Remuneration for staff on secondment will be in line with the Council's secondment policy (see Appendix 1)

## **10 Apprentices**

- 10.1 The Council actively supports the employment of apprentices. The salary paid to all newly recruited apprentices is based on the National Minimum Wage in accordance with the person's age and is increased in line with Government recommendations.
- 10.2 Current National Minimum Wage rates for employees are as follows:

April 2020	21-24	18-20	Under 18
	£8.20	£6.45	£4.55
April 2021	21-22	18-20	Under 18
	£8.56	£6.56	£4.62

National Minimum Wage rates are reviewed annually by the Government and any increases take effect from 1 April each year. With effect from 1 April 2021 National Minimum Wage rates apply to employees aged 23 and over.

- 10.3 The cost implications of employing all newly recruited apprentices on the National Living Wage of £8.91 from 1 April 2021 would be as follows per apprentice per year:

April 2021	21-22	18-20	Under 18
	£675	£4,533	£8,274

- 10.4 In accordance with the Apprentice levy any existing employees can be signed up to an appropriate apprenticeship in line with identified professional development needs. These employees receive the job evaluated salary for the post that they are employed in.

## 11. Local Government Pension Scheme

- 11.1 All staff who are members of the Local Government Pension Scheme make individual contributions to the scheme depending on their salary. Contribution rates for 2019-2020 range from 5.5% to 12.5%.
- 11.2 The Council makes employer's contributions into the scheme, which are reviewed by the actuary. The employer contribution rate from 1 April 2021 is 17.5%.

## 12. Pay Multipliers

- 12.1 Whilst job evaluation and the market determine the relationship between the highest and lowest paid employees, an analysis of pay multiples has been undertaken in the light of the requirements of the Localism Act 2011.
- 12.2 The Council defines its lowest paid employees in relation to their grade. This definition has been selected to enable fair comparison on a Full Time Equivalent basis.
- 12.3 The Ratio of the highest paid employee to mean salary per Full Time Equivalent is 1:5.1 (based on actual salary paid).
- 12.4 The Council has no policy about the maximum or minimum levels of such ratio statistics.

### **13. Termination Payments**

- 13.1 The Council recognises that staff leave the Council for a range of reasons, including retirement, redundancy, voluntary resignation, or employment termination. Where a termination payment may apply, each case will be treated on its own merit and will comply with Council policies and the law.
- 13.2 The Council reserves the right to make any appropriate payments to protect the reputation of the Council and manage risk of litigation. This will be in line with legislation and with reference to best value.
- 13.3 The Council does not have any specific termination payments built into any employee's employment contract. It reserves the right to do so should such a need arise in the interests of the efficiency of the service.
- 13.4 The Council has a redundancy policy in place in accordance with current legislation which applies equally to all staff. Where redundancy payments are made to any employee the Council reserves the right to recover the redundancy severance payment.
- 13.5 The Government introduced legislation on 4 November 2020 implementing a cap of £95,000 on public sector exit payments for redundancy and business efficiency reasons. All termination payments based on redundancy or business efficiency will be checked to ensure compliance with the legislation. This policy is currently being judicially reviewed.

### **14. Re-engagement of employees**

- 14.1 Employees who are offered another post with any organisation covered by the Modification Order Act 1999 prior to their redundancy leaving date and commence within 4 weeks of leaving, are not eligible to receive a redundancy payment.
- 14.2 Employees who have been made redundant are eligible to apply for vacancies which may arise after they have left the Council's employment. Any such applications will be considered together with those from other candidates and the best person appointed to the post. Any necessary adjustment to pension would be made in accordance with the scheme regulations.

### **15. Gender Pay Gap Reporting**

- 15.1 The Government introduced a requirement for mandatory gender pay gap reporting for public sector employers with 250 or more employees. The deadline for publishing the data is 31 March each year. The Council will be publishing its annual data in accordance with the regulations and report to Employment Committee with supporting commentary and any action points arising.