

Title of Report	PAY POLICY STATEMENT 2021/22	
Presented by	Councillor Robert Ashman Deputy Leader	
Background Papers	Held in room 125 of the Council Offices and on the I-Trent HR/Payroll system. Some of the papers are confidential because they relate to individual employees	Public Report: Yes
Financial Implications	No additional financial implications.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The Council are required by Section 38 Localism Act 2011 to consider and approve an annual pay policy statement.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	This report relates to the pay and remuneration arrangements for the Councils most senior employees.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The Council is required by the Localism Act 2011 to prepare and approve a pay policy statement in respect of each financial year before the commencement of that financial year. This report has been produced to provide the relevant information in accordance with the relevant provisions of the Act.	
Recommendation	THAT THE COUNCIL APPROVES THE PAY POLICY STATEMENT 2021/22 AS ATTACHED AT APPENDIX 1 OF THIS REPORT.	

1.0 BACKGROUND

- 1.1 Under Section 38 of the Localism Act 2011, the Council is required to produce a Pay Policy Statement for each financial year, which must be approved by full Council before the beginning of the financial year to which it relates.

- 1.2 The Statement must set out the Council's policies in relation to:
- Senior Officers
 - Its lowest paid employees; and
 - The relationship between the pay of Senior Officers and the pay of other employees
- 1.3 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.
- 1.4 The proposed pay policy statement attached sets out the Council's policy and explains the processes that apply to performance management and assessment. The Policy Statement also details the other benefits payable to Senior Officers and the approach to the engagement of Interim Senior Officers who may be in receipt of a previous public sector pension.
- 1.5 In accordance with the requirements of the Localism Act, the statement details the Council's pay multiple, which is (the relationship between the median average pay of the Council's workforce compared to the salary of the most Senior Officer (the Chief Executive)). This multiple has increased slightly to a factor of 5.16, which compares to a factor of 5.05 in last year's pay statement.

2.0 CHANGES

- 2.1 The following changes are worthy of mention in this year's pay statement:-
- The senior management structure of the Council comprises a Chief Executive, two Strategic Directors and eight Heads of Service. A further Head of Service, the Joint Strategic Planning manager, although employed by this Council is a shared funded post with Leicester and Leicestershire Authorities and the LLEP.
 - The Head of Regeneration post (at time of writing this report) is vacant following the departure of the permanent postholder in September 2019.
 - (Paragraph 3.5) Cost of living pay increases are determined under National consultative arrangements, The cost of living pay increase for 2021/22 had not been determined at the time this report was prepared (February 2021.) The report shows the current (February 2021) pay rates, which includes a pay award of 2.75% across all pay grades from April 2020.
 - (Paragraph 4.5) The car allowance rates have not changed. They remain at the same level as during 2018/19.
 - (Paragraph 5.2). The pension discretions applicable to all employees including Senior Officers were reviewed and updated in September 2018.
 - (Paragraph 11.2). The Council agreed to adopt the "Voluntary Living Wage" for all of its employees from 1st April 2014. The Living Wage rate changed to £17,957 per annum (£9.50 per hour) in November 2020.
 - (Paragraph 11.3) The pay multiple ratio between the median average pay and the salary of the most highly paid senior officer has increased slightly to a factor of 5.16. This is a minor change on the previous year when the multiple was 5.05. This is the result of the annual pay award as well as incremental progress through the spinal points.

Policies and other considerations, as appropriate	
Council Priorities:	No specific links to Council priorities.
Policy Considerations:	The Councils Pensions Discretions Policy and Employment stability Policy are relevant.
Safeguarding:	No specific considerations
Equalities/Diversity:	No specific considerations
Customer Impact:	No direct impacts
Economic and Social Impact:	Not applicable
Environment and Climate Change:	No direct impacts
Consultation/Community Engagement:	A copy of the report has been provided to the local trade unions and to the employees in the job roles detailed in the report.
Risks:	No specific risks
Officer Contact	<p>Bev Smith Chief Executive and Head of Paid Service bev.smith@nwleicestershire.gov.uk</p> <p>Mike Murphy Head of Human Resources and organisation development. mike.murphy@nwleicestershire.gov.uk</p>

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

Pay Policy Statement 2021/22

1.0 Introduction

1.1 This Statement sets out the Council's policies in relation to the pay of its workforce, particularly its Senior Officers, in line with Section 38 of the Localism Act 2011. In accordance with that Act, the Statement is required to be approved by Full Council each year. The statement will be published on the Council's website. The Council is committed to an open and transparent approach to the pay and benefits that apply to its workforce.

1.2 This Statement sets out the Council's policies relating to the payment of the workforce particularly:

- Senior Officers
- Its lowest paid employees; and
- The relationship between the pay of Senior Officers and the pay of other employees

1.3 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.

2.0 Objectives of this Statement

2.1 This Statement sets out the Council's key policy principles in relation to pay. The Council has employment law and contractual responsibilities in relation to the pay and benefits of its existing employees and these have been taken into account when formulating the Statement.

2.2 This Statement aims to ensure the Council's approach to pay and benefits attracts and retains a high performing workforce whilst ensuring value for money. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency.

3.0 Basic Salaries of Senior Officers

3.1 From a legal perspective, for the purposes of this Statement Senior Officers are defined as those posts paid on Chief Executive or Chief Officer conditions of service.

3.2 In North West Leicestershire District Council eleven posts are engaged under Chief Executive or Chief Officer terms and conditions of service. The Council has three relevant salary bandings – the Chief Executive Band, which applies to one post, a Director Band which applies to two posts, and a Head of Service Band which applies to nine posts.

3.3 The following posts are determined to be statutory, Chief or Deputy Chief Officer posts in the Council:-

Chief Executive (Head of Paid Service and Returning Officer)
Strategic Directors – (2)
Head of Legal and Commercial Services (Monitoring Officer)
Head of Finance (S151 Officer)
Head of Human Resources and Organisation Development
Head of Housing
Head of Planning and Infrastructure
Head of Community Services
Head of Economic Regeneration
Head of Customer Services, Corporate Property and Assets
Joint Strategic Planning Manager (Jointly funded Partnership post, but actually an employee of North West Leicestershire District Council)

There has been one change to the senior team during 2020/21 – the Head of Economic Regeneration left in September 2019, and while the post was advertised during early 2020 we were not successful in making a permanent replacement. Temporary interim arrangements were put in place, and the post has been readvertised during early 2021.

3.4 It should also be noted for completeness that two other posts at Service Manager Level are Deputy Chief Officers within the definition applied to the Council's Constitution because of their functions within the Council as Deputy Monitoring Officer and Deputy Finance Officer. Their information has not been included within this statement because they are not engaged on Chief Officer terms and conditions of service

3.5 The Heads of Service are all located within a salary range £57,764 to £67,313 (9 incremental points), The Director salary range is £79,406 to £88,968 (6 incremental points) and the Chief Executive Salary range is £122,894 to £131,570. (4 incremental points). The cost of living increase for the 2021/22 financial year has not been agreed (a nationally negotiated rise applicable across Local Government) at the time this report was written.

3.6 The salaries of all Senior Officers have been set previously by formal meetings of elected members. The Chief Executive's salary level was reviewed as part of the decision to replace the post in 2017.

3.7 A member review of the salaries of the Heads of Service last took place in 2011. The Directors and Heads of Service are all subject to an annual appraisal process, and are required to report on their progress against the Council Delivery Plan and performance indicators to the Corporate and Community Scrutiny Committees and Cabinet on a quarterly basis.

3.8 Increments for all employees including Senior Officers are paid on an annual basis until the maximum of the scale is reached. The Chief Executive, or her nominated

representative, has the discretion to award and withhold increments of officers' dependant on satisfactory or unsatisfactory performance.

4.0 Car Allowance payments made to Senior Officers.

- 4.1 It is a requirement of the contracts of all Senior Officers that they be on a call-out rota to be available for Service Emergencies or to act in the event of a civil local or national emergency situation. The rota offers 24/7 365 days a year cover.
- 4.2 Due to the need to respond to emergencies out-of-hours and being on-call, Senior Officers have either a Car Lease or Essential car allowance. These criteria also apply to other employees in the workforce.
- 4.3 The annual car leasing value to Senior Officers varies depending on the year renewal date of their vehicle and the relative value of "benchmark" vehicles in the Car Leasing scheme, which change from time to time. The actual current Council contributions range between £2,362 and £3,939 per annum (for the Senior Officers in this statement).
- 4.4 All Officers who are provided with a lease car are tied to a 4-year contract, with penalties payable if they terminate the contract prematurely. Officers are responsible for their own car insurance and petrol / diesel costs. If Officers with a lease car use the car for business mileage they are reimbursed at 16.6p per mile. This rate is reviewed periodically by reference to the National Conditions of Service petrol element. This mileage rate has not changed during the course of the 2020/21 financial year
- 4.5 The Car Allowance rates for Senior Officers are identical to those for all other employees in the Council, and these have been determined at National Level by the annual negotiations between the Employers' Organisations and the Trade Unions. The current rate is a lump sum allowance of £963 per annum paid in monthly instalments. Officers are then paid a fixed mileage rate for any business miles undertaken, which varies from 36.9p per mile to 40.9p per mile. These rates have not been changed since 2010.

5.0 Local Government Pension Scheme

- 5.1 All Council 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.lgps.org.uk/>

- 5.2 Neither the Scheme nor the Council adopt different policies with regard to benefits for any category of employee and the same terms apply to all staff. The Council policies relating to pension discretions were reviewed and updated in a report to Council in September 2018. The reviewed discretions apply to all employees (and former employees) in the workforce equally. The Council will consider each case on its merits. There is no scope for the discretions to be applied more favourably to Senior Officers.
- 5.3 The Local Government Pension Scheme is an optional benefit. If senior officers are members of the scheme the employee contribution rates range between 8.5% and 11.4%.

6.0 Professional Fees

6.1 The Council reimburses the cost of professional fees for Senior and other Officers where it is essential to the performance of the job role. The Council will reimburse the cost of one fee up to a current maximum of £277 per annum. The annual maximum is linked to a percentage of one of the spinal column points in the main employee salary scale, so is increased when there is a nationally-agreed cost of living rise. The professional fees policy is being reviewed at the time of writing this report, and will be updated in this statement if changes are agreed in the future.

7.0 Election fees

7.1 In accordance with the national agreement the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of returning officer, acting returning officer, deputy returning officer or deputy acting returning officer and similar positions which he or she completes.

7.2 Fees for returning officer and other electoral duties are identified and paid separately for local government elections, elections to the UK Parliament and other electoral processes such as referenda. As these relate to performance and delivery of specific elections duties they are distinct from the process for the determination of pay for Senior Officers. The fees are set externally by legislation and based on a formula linked to the number of electors.

8.0 Employment Stability Policy

8.1 The Council has previously determined that its "Employment Stability Scheme" will apply to all employees of the Council including Senior Officers. The Employment Stability Policy provides that actual weekly pay will be used when calculating an employee's redundancy payment and the number of redundancy weeks payable is the statutory number of weeks redundancy multiplied by a factor of 1.5. This means that the maximum number of weeks payable, depending on age and service, is 45. The National Local Government Pension Scheme Regulations provide that employees aged over 55 years of age gain automatic payment of their pension if they are made redundant by the Council and there can then be an associated pension Capital cost payable by the Council.

8.2 The Employment Stability Policy also includes the potential for any employee (including Senior Officers) who is at risk of being made redundant to receive salary protection for 3 years on a stand-still basis if they are redeployed to a lower graded post. It should be noted that in practice, this is a very rare occurrence

9.0 Whole-time service

9.1 All Senior Officers are expected to devote the whole of their service to the Authority and are excluded from taking up additional business, ad hoc services or additional appointments without consent. Officers at a senior level are restricted from being involved in specified political activities, and all employees of the Council are bound by a code of conduct. Senior Officers are expected to work the hours required to complete the job, subject to a minimum of 36.25 hours per week. No additional payments are normally made for out-of-hours working, and there is an expectation that Senior Officer Roles will include on-call and out-of-hours meetings and duties.

10.0 Other benefits.

- 10.1 A number of the Senior Officers' terms and conditions of Service are determined at National level according to the following frameworks:

National Joint Council for Chief Executives Conditions of Service
National Joint Council for Chief Officers Conditions of Service

These frameworks provide the details of conditions of service such as annual leave, sick pay, maternity allowances, training and development etc.

11.0 Pay Relationships

- 11.1 The Localism Act 2011 requires the Council to set out its policy relating to the relationship between the pay of its Senior Officers and the pay of the rest of its employees. The Council has not previously set its pay structure of any group of employees by reference to a pay multiple. The Council has previously set the pay rates for different groups through processes of job evaluation, market comparability and the prevailing economic and market conditions. These can vary enormously from time to time and between the many occupational groups comprising the Council's workforce.

11.2. Pay of the Council's Lowest Paid Employees

The Council has defined its lowest paid employees as those on the lowest pay grade the Council operates, who are not undergoing an apprenticeship. The Council agreed to pay the "Voluntary Living Wage" rate as a minimum wage figure in April 2014, and this rate was updated in November 2020 to £17,957 per annum.

- 11.3 The Localism Act requires Councils to calculate the pay multiples between the highest and lowest earners. The median average pay of the Council's workforce in February 2021 (including overtime payments) was £25,481 which, when compared to the salary of the most highly-paid Senior Officer at £131,570 per annum, produces a pay multiple factor is 5.16. There has been a slight but not significant increase in the ratio when compared to 2020 when the factor was 5.05.

12.0 Approach to pensioners and Interim Managers.

- 12.1 The Localism Act requires an explanation of the Council's policy in relation to the arrangements that might apply where it could appear that the public sector is paying an individual twice through a salary and a pension for doing the same job. This Council's view is that it is not good value for money for the taxpayer to make a person redundant (and pay a pension if they are aged 55 years and over) for them to then return to the same job. The Council will not condone this approach. However, it should be noted that there may be circumstances where the Council may employ individuals who are in receipt of a public sector pension for new roles where they are the best person for the job. An example of this may be the employment of ex-services or "blue-light" personnel, to a different role in this Council. There might be risks of age or disability claims if the Council was to adopt a contrary position.
- 12.2 The Council has used Interim Managers to fill short-term vacancies or to undertake specific projects where there are capacity issues or a shortage of a particular skill set within the Council's own workforce. This may mean that the Council could engage Interim Managers who are in receipt of a public sector pension from other previous employment where an appropriate assessment has been completed on the value-for-money of the proposed arrangement for the Council. Such assessments will be

completed by the Head of the Paid Service in consultation with the Leader of the Council.

13.0 Review and Changes

The Council will review this policy annually, or if amendments need to be made before the date of the scheduled review, in year, to Full Council. Any significant amendments or changes to the legislation which may affect the pay and benefits of Senior Officers will be determined according to the Council's constitution or legislation by the relevant Committee / Panel / Council meeting.