

To: Council
Date: 22 February 2018
Author: Stuart Robinson, Head of Business Development & Improvement
Lead Officer: Janet Waggott, Chief Executive
Executive Member: Councillor M Crane, Leader of the Council

Title: Pay Policy Statement 2018/19

Summary:

The purpose of this report is to seek approval of the Council's Pay Policy Statement 2018/19 in accordance with section 38 of the Localism Act 2011.

Recommendation(s):

- i. That Council approve the Pay Policy Statement for 2018/19 (Appendix)

Reasons for recommendation

To comply with Localism Act 2011 (the Act) to prepare a Pay Policy Statement articulating the Council's policy towards the pay of the workforce.

1. Introduction and background

Local Authorities are required under section 38(1) of the Localism Act 2011 (the Act) to prepare a Pay Policy Statement (Appendix A). The Statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees.

2. The Report

- 2.1 Each local authority is an individual employer in its own right and has the authority to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Act do not seek to change this or to determine what decisions on pay should be taken but they require individual employing authorities to be more open

about their own policies in relation to pay and how decisions are made in this regard.

- 2.2 Section 40 of the Act requires authorities in developing their Pay Policy Statement to have regard to any guidance published by the Secretary of State. This includes the Local Government Transparency Code 2015 and 'Openness and accountability in local pay. Guidance under section 40 the Localism Act 2012'.
- 2.3 A table detailing the Terms and Conditions relating to pay can be found within the Pay Policy Statement.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

The Localism Act 2011, Chapter 8 refers to 'Pay Accountability' and sets out the requirements for councils to determine and publish annual pay policy statements.

The pay policy statement must be approved before the start of each financial year and must set out an authority's policies relating to;

- Chief Officer remuneration
- Remuneration of its lowest paid employees
- The relationship between chief officer remuneration and that of other staff

An authority may amend its pay policy statement during the period but must comply with the statement in force in making decisions on relevant remuneration.

3.2 Financial Issues

At this stage, no agreement has been reached on the National Joint Council (NJC) for Local Government Services pay award for 2018/19. The National Employers made a 'final pay offer' covering the period 1 April 2018 to 31 March 2020 in December 2017. The offer is complex. However, National Employers estimate the first year of this offer (2018/19) would increase the national paybill by 2.7 per cent.

Both the JNC for Chief Officers and that for Chief Executives of Local Authorities have proposed that the pay award for 2018/19 should match whatever is implemented for the generality of staff covered by the National Joint Council for Local Government Services.

4. Conclusion

The provisions contained in the Act bring together the need for increasing accountability, transparency and fairness in the setting of pay which has culminated in the formalisation of the Council's Pay Policy Statement which

outlines the pay and reward of the most senior employees set within the context of the pay of the wider workforce.

5. Background Documents

None

Contact Officer: Stuart Robinson, Head of Business Development & Improvement

Appendices:

Appendix: Statement of Pay Policy

Selby District Council

Statement of Pay Policy for the Period 1 April 2018 to 31 March 2019

Introduction

Sections 38 – 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the Authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the Authority is required to have regard under Section 40 of the Act.

This policy to be considered and approved by Full Council at the Council budget meeting on 22 February 2018.

This policy also has some connection with the data on pay and rewards for staff which the Authority published 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. It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Annex 1 to this Policy Statement.

Definition of officers covered by the Policy Statement

This policy statement covers the following posts:

- Head of Paid Service, which in this Authority is the post of Chief Executive;
- Statutory Chief Officers, which in this Authority is the post of Solicitor to the Council (Monitoring Officer and Deputy Returning Officer); and
- Non-statutory Chief Officers (those who report directly to the Head of Paid Service), which in this Authority are the posts of:
 - Director of Economic Regeneration and Place; and
 - Director of Corporate Services and Commissioning.

The statutory post of s151 Officer is outsourced to North Yorkshire County Council (NYCC) and will, therefore, be included in the NYCC Pay Policy Statement.

Policy on remunerating Chief Officers

The Authority's policy on remunerating Chief Officers is set out in the schedule that is attached at Annex 2 to this Policy Statement. It is the policy of this Authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the Authority's requirements of the post in question at the relevant time.

Policy on remunerating the lowest paid in the workforce

The Authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Authority decisions, these are then incorporated into contracts of employment.

The lowest pay point in this Authority relates to spinal column point 6, currently £15,014 per annum, thus becoming an hourly rate of pay of £7.78 per hour. This pay point is determined by the Authority as part of the pay salary bands for employees employed on Local Government Services Terms and Conditions. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council (NJC) for Local Government Services.

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

The highest paid salary in this Authority is £105,505 which is paid to the Chief Executive. The average median salary is £23,043. The ratio between the two salaries (the 'pay multiple') is 4.57:1.

This Authority does not have a policy on maintaining or reaching a specific 'pay multiple'.

Senior Officers' salaries are subject to review and all other employees are subject to pay rates determined in accordance with National Conditions of Services and local pay determination.

The Authority's approach to the payment of all staff is to pay that which the Authority 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 Authority meets any contractual requirements for staff including the application of any local or national collective agreements, or Authority decisions, regarding pay.

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 an LGPS pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached at Annex 2 to this Policy Statement.

Approval of Salary Packages in excess of £100k

The Authority will ensure that, at the latest before an offer of appointment is made, any salary package for any post that is in excess of £100k will be considered by Full Council. The salary package will be defined as base salary, any bonuses, 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 Statement will enable the Authority 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 elements 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 to 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 not need to be amended during the period it covers (1 April 2018 to 31 March 2019). However, if circumstances dictate that a change of Policy is considered to be appropriate during the year, a revised draft 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 Authority prior to the start of each financial year.

Pay Policy Statement – Annex 1

Data Requirements of the Code of Practice and the Accounts and Audit Regulations

The Secretary of State for Communities and Local Government Code of Recommended Practice for Local Authorities on Data Transparency indicates that Local Authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse to consent to this), job descriptions, responsibilities, budgets (including overall salary cost of staff reporting), and the number of staff in receipt of a salary of more than £58,200;
- An organisational chart of the staff structure of the Authority including salary bands and details of current vacant posts; and
- The 'pay multiple' – the ratio between the highest paid salary and the median average salary of the whole Authority workforce.

The Accounts and Audit (England) Regulations 2011 require that the following data is included in the Authority's accounts:

- Numbers of employees with a salary above £50k per annum (pro-rata for part-time staff) in multiples of £5k;
- Job title, remuneration and employer pension contributions for Senior Officers. Senior Officers are defined as Head of Paid Service, Statutory Chief Officers and Non-statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act; and
- Names of employees paid over £150k per annum.

For the above, remuneration is to include:

- Salary, fees or allowances for the current and previous year;
- Bonuses paid or receivable for the current and previous year;
- Expenses paid in the previous year;
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment; and
- Total estimated value of non-cash benefits that are emoluments of the person.

For the above, pension contributions to include:

- The amount driven by the Authority's set employer contribution rate; and
- Employer costs incurred relating to any increased membership or award of additional pension.

Posts which attract a remuneration package of over £50k are listed below:

- Chief Officers:
 - Chief Executive
 - Director of Economic Regeneration and Place
 - Director of Corporate Services and Commissioning
 - Solicitor to the Council (Monitoring Officer and Deputy Returning Officer)

- Deputy Chief Officers:
 - Head of Business Development and Improvement
 - Head of Commissioning, Contracts and Procurement
 - Head of Community, Partnerships and Customers
 - Head of Economic Development and Regeneration
 - Head of Operational Services
 - Head of Planning
 - Democratic Services Manager**

**Note: whilst a Deputy Chief Officer, this post does not attract a remuneration package of over £50k.

Annex 2

Schedule of remuneration for Chief Officers

Post:	Chief Executive
Base Salary:	£105,505 – as part of the Better Together collaborative agreement between Selby District Council (SDC) and North Yorkshire County Council (NYCC), there is a joint role of Chief Executive (SDC) and Assistant Chief Executive (NYCC). SDC's contribution is £84,404 and NYCC's contribution is £21,101 per annum.
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2018/2019.

Post:	Director of Economic Regeneration and Place
Base Salary:	£74,928 plus supplement of £5,000
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2018/2019.

Post:	Director of Corporate Services and Commissioning
Base Salary:	£74,928 plus supplement of £5,000
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2018/2019.

Post:	Solicitor to the Council (Monitoring Officer and Deputy Returning Officer)
Base Salary:	£58,479 plus supplement of £2,673 for Monitoring Officer duties.
Essential Car User (Lump Sum):	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibilities are reimbursed through normal Authority procedures.
Ex-gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2018/2019.

Aspects of Chief Officer Remuneration and the Authority's Policy

Recruitment

These posts will be advertised and appointed at the appropriate and 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 Authority decision making process.

Pay Increases

The Authority 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 Authority will also apply any pay increases that are as a result of Authority 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

The Authority would not make additional payments beyond those specified in the contract of employment.

Performance Related Pay

The Authority does not operate a performance related pay system.

Earn-Back (with-holding an element of base pay related to performance)

The Authority does not operate an earn-back pay system 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.

Bonuses

The Authority does not pay bonus payments to senior officers.

Termination Payments

The Authority applies its normal redundancy payment arrangements to senior officers and does not have separate provisions for senior officers. The Authority also applies the appropriate pension regulations when they apply. The Authority has agreed policies in place on how it will apply any discretionary powers it has under pension regulations. Any costs that are incurred by the Authority regarding senior officers are published in the Authority accounts as required under the Accounts and Audit (England) Regulations 2011.

Transparency

The Authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency 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

The Authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The Authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed to the post. The Authority will, therefore, consider all applications from 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 Authority. Clearly, where a former employee left the Authority on redundancy terms, the old post has been deleted and the individual cannot return to the post as it does not exist. The Authority will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pension regulations also have provision to reduce pension payments in certain circumstances to those who return to work within local government service.