

## Pay Policy Statement 2021/22

### 1. Context

1.1. This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 ("the Act"), which, from 2012 onwards, requires all local authorities to publish an annual statement of their policy for the relevant financial year in relation to:

- The remuneration of their most senior employees, which the Act defines as:
  - The Head of Paid Service (Chief Executive),
  - The Monitoring Officer,
  - The Chief Officers (or Directors), and
  - The Deputy Chief Officers (i.e. managers who report directly to a Chief Officer);
- The remuneration of their lowest-paid employees; and
- The relationship between the remuneration of their most senior employees and that of other employees.

1.2. The Secretary of State has produced guidance on the provisions in the Act relating to transparency and accountability in local pay, which local authorities must have regard to in preparing and approving their annual pay policy statements. This Pay Policy Statement takes full account of this guidance as well as the provisions of the Act.

1.3. The policy statement also refers to information which the Council already publishes under other legislation:

- Information on the level of remuneration paid to senior managers, as required by the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817).
- Policy on the exercise of its discretions over payments upon termination of employment under the Local Government Pension Scheme, as required by Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008
- Policy on the exercise of its discretions over payments upon termination of employment under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as required by Regulation 7 of those regulations.

1.4. This Pay Policy Statement must be reviewed on an annual basis and a new version of the policy will be submitted to Full Council for approval by 31 March immediately preceding the financial year to which it relates.

- 1.5. The Pay Policy statement can also be amended during the course of the financial year, but only by a resolution of the Full Council. If it is amended during the year to which it relates, the revised version of the statement must be published as soon as possible after the amendment is approved by Full Council.
- 1.6. This policy statement was considered by Full Council on 24<sup>th</sup> February 2021. It is available on the Council's website. The Council's website also includes separately published data on salary information relating to Senior Officers and this can be viewed on our website.
- 1.7. For the purpose of the pay policy statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989:
- a) The Head of Paid Service (i.e. the Chief Executive) as designated under section 4 of that Act;
  - b) The Monitoring Officer designated under section 5(1) of that Act;
  - c) A statutory Chief Officer and non-statutory Chief Officer under section 2 of that Act;
  - d) A deputy Chief Officer mentioned in section 2 of that Act.

## **2. Remunerating Chief Executive Officer/Chief Officers**

- 2.1. The remuneration for Chief Executive Officer/Chief Officers within the Council can be found at Appendices A and B.

## **3. Remunerating the Lowest Paid in the Workforce**

- 3.1. The Council 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 Council decisions, these are then incorporated into contracts of employment. The lowest pay point in use by the Council for employees on the council's pay scale is spinal column point (SCP) 1. This relates to an annual salary of £17,842 (full time equivalent (FTE) and can be expressed as an hourly rate of pay of £9.248. This rate was effective from 1 April 2020 and remains in place at the date of this statement, as the national negotiations on Local Government pay scales are ongoing. Employees on this pay point are defined as our lowest paid employees. This pay point and salary has been determined by the National Joint Council (NJC). Full Council agreed to pay a Living Wage supplement where rates of pay were below the 'real living wage'. The 'real living wage' is currently £9.50 per hour and should any employee be paid below this rate the supplement would be received. See Appendix C for pay scales for staff on grades 5-12. Continuation of the Living Wage supplement will be reviewed and determined annually.

3.2. The Council employs a number of apprentices and the salary for these staff complies with the National Minimum Wage.

#### **4. The Relationship between Chief Officer Remuneration and that of other employees**

4.1 The highest paid salary point in the Council is that of the Chief Executive at £110,976 as at 1 April 2021. Again, this rate is subject to change as the pay negotiations are ongoing at a national level. The median for Chief Officers is £60,124 and for non-Chief Officers is £29,577. This gives a ratio of 1:2.03. The Council does not have a policy on maintaining, reaching or applying a specific pay multiple.

However, the Council is conscious that remuneration at all levels needs to be adequate to secure and retain high quality employees but not be seen as excessive.

#### **5. Other Aspects of Chief Officer Remuneration**

5.1 Other aspects of Chief Officer remuneration are appropriate to be covered by this policy statement. These other aspects are defined as remuneration on recruitment, pay increases, additions to pay, performance related pay, earn back, enhancements of pension entitlements and termination payments. These elements are shown in Appendix A.

#### **6. Pay Awards**

6.1 Pay awards are determined nationally in accordance with the Joint Negotiating Committee (JNC) for Chief Executives, the Joint Negotiating Committee (JNC) for Chief/Deputy Chief Officers and the National Joint Committee (NJC) for staff paid under the national spinal column points covered by internal grades 5-12 (appendix C).

#### **7. Tax Avoidance**

7.1 The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council will utilise the procurement policy and the Employment Status for Tax guidelines to ensure that the correct employment status is identified before being engaged. When a need arises for an 'interim' appointment, the Council may consider the use of an agency.

**8. Re-engagement of ex North Norfolk District Council staff within the scope of this policy**

- 8.1 All permanent / fixed term posts are advertised in accordance with the Council's recruitment practices and procedures and appointment is made on merit. Interim management appointments are made in accordance with the Council's procurement policy.

**9. Review**

- 9.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. The next statement will be submitted to Full Council for approval by 31 March 2022.
- 9.2 As necessary, the Council may by resolution amend the pay policy statement at times other than that of the prescribed annual statement.

**Appendix A – Other aspects of Chief Officer Remuneration as at 1 April 2021**

| <b>Post</b>                           | <b>Salary grade</b> | <b>Expenses / car allowances</b>   | <b>Bonuses / PRP / Earn Back</b>  | <b>Honoraria / Acting Up</b>                  | <b>Market/Salary Supplements</b>                                   | <b>Election Fees</b>  | <b>Severance Arrangements</b>  |
|---------------------------------------|---------------------|--|---|---|--|---|--|
| Chief Executive Officer               | 1                   | Travel and other expenses are reimbursed through normal Council procedures. Car allowances are paid in accordance with the rates set out in Council's Travel Policy (see Appendix D) | The current terms and conditions of employment do not provide for any of the above elements | Honoraria and acting up payments do not apply | None   | Returning Officer fees for national elections are set by Central Government. Local election fees are paid in accordance with a scale of fees which is based on national election rates and agreed locally. Election fees are paid separately. | The Council's normal policies regarding redundancy and early/flexible retirement apply to the postholder |
| Director for Resources – S151 Officer | 2                   | As above   | As above  | As above                                      | None   | As above (where applicable)   | As above   |
| Director for Place and Climate Change | 2                   | As above   | As above  | As above                                      | None   | As above (where applicable)   | As above   |
| Director for Communities              | 2                   | As above   | As above  | As above                                      | None   | As above (where applicable)   | As above   |
| Monitoring Officer                    | TBC                 | As above   | As above  | As above                                      | £4,965 per annum, pro rata (Monitoring Officer responsibilities)   | As above (where applicable)   | As above   |
| Assistant Director for Planning       | 4                   | As above   | As above  | As above                                      | £4,965 per annum, pro rata (specialist delegated responsibilities) | As above (where applicable)   | As above   |

| Aspect of Chief Officer Remuneration   | Council Policy  |
|--|---|
| Recruitment and Retention              | <p>All posts in the Council are evaluated using the Council's job evaluation scheme. Each grade comprises a range of pay points (spinal column points). Employees will receive an annual increment (and in some cases, 6 months after starting work with the Council), subject to the top of their grade not being exceeded.</p> <p>The post will be advertised and appointed to at the appropriate approved salary for the post in question and individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to.</p> <p>Where the Council is unable to recruit to a post at its designated grade, it will consider the use of temporary market supplements or 'Golden Hello's'. Golden Hello's are re-payable in whole or in part in certain circumstances should the officer leave before an agreed period has been served.</p> <p>In areas of skills shortages (locally or nationally) the Council will consider the use of retention payments.</p> <p>Access to appropriate elements of the Council's relocation scheme may also be granted in line with the policy when new starters move to the area.</p> <p>All staff are covered by the Council's appraisal scheme.</p> <p>The above applies to all employees.</p> <p>The rules regarding appointment to a Chief Officer role are set out in the Constitution.</p> |
| Pay Increases                          | <p>The Council will apply any pay increases that are agreed by the relevant national negotiating bodies. The Council will also apply any pay increases that are as a result of Council 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.</p> <p>This applies to all employees.</p>  |
| Additions to Pay                       | <p>The Council would not make additional payments beyond those specified in the terms and conditions of employment and this policy statement.</p> <p>This applies to all employees.</p>   |
| Professional Subscriptions             | <p>These are payable where they are required for the post and should be limited to one subscription per Officer.</p> <p>This applies to all employees.</p>  |
| Employee Assistance Programme (EAP)    | <p>Access to the EAP scheme is available to all employees and elected Members.</p>  |
| Contract for Services                  | <p>Where the Council remains unable to appoint Chief Officers on recruitment, or there is a need to provide interim support to cover for a vacant substantive Chief Officer post, the Council may, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate value for money from competition in securing the relevant service.</p>  |
| Redundancy and payments on termination | <p>The Council has a single policy statement on discretionary payments which applies to all employees.</p> <p>Where termination of employment is subject to a settlement agreement, that agreement may include a negotiated payment in exchange for which the employee undertakes not to pursue claims against the Council. This is always subject to the completion of a business case and appropriate authorisation as laid out in the above policy.</p>  |
| Pension contribution rates             | <p>Staff who opt to join the Local Government Pension Scheme (LGPS) pay current contribution rates between 5.5% to 12.5%. The employer contribution rate is currently 14.5% and this is the same rate for all staff.</p>  |

## Appendix B

Salary grades for Chief Executive Officer/Chief Officers (1 April 2020) \*

| Grade | SCP | Annual Salary | Monthly Amount | Hrly Rate | Wkly Rate |
|-------|-----|---------------|----------------|-----------|-----------|
| 4     | 331 | £51,615.00    | £4,301.25      | £26.7534  | £989.88   |
|       | 332 | £52,961.00    | £4,413.42      | £27.4511  | £1,015.69 |
|       | 333 | £54,316.00    | £4,526.33      | £28.1534  | £1,041.68 |
|       | 334 | £58,737.00    | £4,894.75      | £30.4449  | £1,126.46 |
|       | 335 | £60,124.00    | £5,010.33      | £31.1639  | £1,153.06 |

|   |     |            |           |          |           |
|---|-----|------------|-----------|----------|-----------|
| 3 | 321 | £61,977.00 | £5,164.75 | £32.1243 | £1,188.60 |
|   | 322 | £63,702.00 | £5,308.50 | £33.0184 | £1,221.68 |
|   | 323 | £69,928.00 | £5,827.33 | £36.2455 | £1,341.08 |
|   | 324 | £71,505.00 | £5,958.75 | £37.0629 | £1,371.33 |
|   | 325 | £73,985.00 | £6,165.42 | £38.3484 | £1,418.89 |

|   |     |            |           |          |           |
|---|-----|------------|-----------|----------|-----------|
| 2 | 311 | £75,849.00 | £6,320.75 | £39.3146 | £1,454.64 |
|   | 312 | £81,544.00 | £6,795.33 | £42.2664 | £1,563.86 |
|   | 313 | £83,637.00 | £6,969.75 | £43.3513 | £1,604.00 |
|   | 314 | £85,989.00 | £7,165.75 | £44.5704 | £1,649.10 |
|   | 315 | £88,432.00 | £7,369.33 | £45.8367 | £1,695.96 |

|   |     |             |           |          |           |
|---|-----|-------------|-----------|----------|-----------|
| 1 | 300 | £108,650.00 | £9,054.17 | £56.3162 | £2,083.70 |
|   | 301 | £110,976.00 | £9,248.00 | £57.5218 | £2,128.31 |

\*Subject to change following completion of national pay negotiations. Until negotiations are complete these rates will continue to be effective.