


Agenda Item No:	17	
Committee:	Council	
Date:	23 February 2021	
Report Title:	Senior Manager Pay Policy Statement	

## Cover sheet:

### 1 Purpose / Summary

The purpose of this report is for Council to adopt the Senior Manager Pay Policy Statement for 2021/22 attached to the report.

### 2 Key issues

- Last year, Members approved the Council's Senior Manager Pay Policy Statement as part of the Localism Act 2011 (s38) on the 20<sup>th</sup> February 2020. The act also states that this must be reapproved every year by the 31<sup>st</sup> March.
- The statement has been updated for 2021/22 to reflect national pay awards.
- The policy must include pay and remuneration for chief officers and other employees, including the lowest paid.
- This statement does not change any policies regarding remuneration and is a set of principles and does not concern data relating to a particular individual.
- Since 2010, the Senior Managers of the Council have been reduced with Corporate Management Team reducing from 11 to 4 members. In addition, further restructuring has reduced the number of Heads of Service and Managers.
- Overall staff numbers (excluding casuals) have reduced by 38% since 2010, delivering over £5.5m of annual savings for the Council and taxpayers (over £2m in management), whilst ensuring the Council continues to deliver excellent services.

### 3 Recommendation

It is recommended that Council adopts the Senior Managers Pay Policy Statement for 2021/22 at Appendix 1 as required by the Localism Act 2011.

<b>Wards Affected</b>	N/A
<b>Forward Plan Reference</b>	N/A
<b>Portfolio Holder(s)</b>	Cllr Chris Boden, Leader and Portfolio Holder, Finance Councillor Kim French, Chairman of Audit and Risk Management Committee
<b>Report Originator(s)</b>	Paul Medd, Chief Executive Peter Catchpole, Corporate Director and Chief Finance Officer Sam Anthony, Head of HR & OD
<b>Contact Officer(s)</b>	Paul Medd, Chief Executive Peter Catchpole, Corporate Director and Chief Finance Officer Sam Anthony, Head of HR & OD

## **1. INTRODUCTION**

- 1.1 The Localism Act 2011 (s38) requires English local authorities to produce a pay policy statement for 2013/2014, and for each financial year thereafter. Council approved the 2020/21 statement last year as set out in the act and the 2021/22 statement has been updated to reflect national pay awards and the employee contribution rate changes for pensions.
- 1.2 The Act states that the policy must include pay and other remuneration for chief officers and other employees, including the lowest paid. The Act defines remuneration widely, to include pay, charges, fees, allowances, benefits in kind, pension and termination payments.
- 1.3 This policy has been developed in response to this and sets out Fenland District Council's approach to the pay and remuneration of the Council's Senior Managers.
- 1.4 This statement does not change any policies regarding remuneration and is a set of principles and does not concern data relating to a particular individual.

## **2. CONSIDERATIONS**

- 2.1. As stated, the Localism Act 2011 requires local authorities to produce a pay policy statement. This follows Will Hutton's 2011 Review of Fair Pay in the Public Sector which has been a key driver for the Government's aim for greater transparency and value for money in terms of senior public sector pay.
- 2.2. Fenland District Council, under the direction of the Leader and Cabinet, has been at the forefront of ensuring value for money in the Council's senior management arrangements by looking at business need, capacity and management savings.
- 2.3. A number of reviews have taken place since 2010 which has seen the Corporate Management Team reduce from 11 to 4 members and further restructuring which has reduced the number of Heads of Services and Managers.
- 2.4. Overall staff numbers (excluding casuals and staff transfers associated with the Leisure Management Contract) have reduced by 38% since 2010, delivering over £5.5m of annual savings for the Council and taxpayers (over £2m in management), whilst ensuring the Council continues to deliver excellent services
- 2.5. Therefore, it is important that the Council's approach to Senior Manager's pay is a balance between securing and retaining employees to continue delivering member priorities and quality services whilst providing value for money.
- 2.6. Appendix 1 sets out the Council's Senior Manager's Pay Policy Statement for 2021/2022, in line with the Localism Act 2011 for adoption by the Council.

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## 1.0 Introduction

The Localism Act 2011 (s38) requires English local authorities to produce a pay policy statement for 2012/2013, and for each financial year thereafter. The Act states that the policy must include pay and other remuneration for chief officers and other employees, including the lowest paid. The Act defines remuneration widely, to include pay, charges, fees, allowances, benefits in kind, pension and termination payments.

This policy has been developed in response to this and sets out Fenland District Council's approach to the pay and remuneration of the Council's Senior Managers.

The Council is committed to equality and fairness for all staff. This policy has been developed for Fenland District Council and with specific reference to national terms and conditions and legislative requirements.

## 2.0 Scope

The Council's senior managers are classified in the following groups:

- Chief Officers
- Corporate Management Team
- Heads of Service

### 2.1 Chief Officers

At Fenland District Council, the Chief Officers are:

- The Chief Executive (Head of Paid Service)
- The Chief Finance Officer / Section 151 Officer (a statutory Chief Officer role with responsibility for financial governance)
- The Monitoring Officer (a statutory Chief Officer role with responsibility for legal governance)

These posts are currently also part of the Corporate Management Team.

### 2.2 Corporate Management Team

At Fenland District Council, there are four posts that fall within this category which include the Chief Officer posts set out in 2.1.

### 2.3 Heads of Service

At Fenland District Council, there are ten posts that fall within this category.

## 3.0 Remuneration

Major decisions on pay, such as annual pay awards, are determined for most local authorities in England and Wales by the National Agreement on Pay, arrived at through a system of central collective bargaining between representatives of the Local Government Employers and representatives of the relevant trades unions on the National Joint Council.

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### **3.1 Heads of Service**

a) For Heads of Service subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' (commonly known as the 'Green Book'), the Council uses a Hay Management pay spine that commences at Hay 1, SCP - 1 and ends at Hay 4, local SCP - 4. This pay spine is divided into 4 pay bands, which each contain a number of incremental points. Hay 1 is the lowest and Hay 4 is the highest of these management pay grades. Posts are allocated to a pay band through a process of job evaluation.

b) The values of the SCPs in these pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services. In addition to this, these pay grades will receive an annual increment, subject to the top of their grade not being exceeded.

c) The salary range for these posts is shown below at 4.0.

### **3.2 Corporate Management Team**

a) For Corporate Directors subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services', the Council uses a Senior Management pay spine that commences at £70,000 and ends at £90,157.

b) Salaries within these pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services. In addition to this, progression through the pay grade is also determined by assessment of the employee's performance in line with the Council's Performance and Development Review process, assessed by the Chief Executive in consultation with the Leader of the Council.


c) The salary range for these posts is shown below at 4.0.

d) Chief Officers within the Corporate Management Team may also be subject to the Conditions of Service determined by the Joint Negotiating Committee for Chief Officers of Local Authorities.

### **3.3 Chief Executive**

a) The terms and conditions of employment for the Chief Executive are determined in accordance with collective agreements, negotiated by the Joint Negotiating Committee for Chief Executives.

b) The Chief Executive's salary grade will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.

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c) The Chief Executive also receives a Returning Officer fee in respect of County, District and Parish Council Elections. The fee for undertaking this role is calculated in accordance with a formula approved annually by the Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group. These fees currently are £373 for each contested District ward and £55 for each uncontested District ward, and £104 for each contested Town/Parish ward and £28 for each uncontested Town/Parish ward. If a Town/Parish ward is contested along with a District ward the fee is £34 for the Town/Parish element. Fees for conducting Parliamentary Elections, European and Police and Crime Commissioners are determined by way of a Statutory Instrument.

d) Annual increments for progression to the next scale point are subject to successful performance assessed by a Members' Appraisal. This will include the Leader of the Council and two other members nominated by the Leader.

e) The Chief Executive also receives healthcare provision of £2,000 per year.

f) The salary range for the Chief Executive is shown at 4.0 below.

#### 4.0 Salary Ranges

The current salary ranges for Heads of Service, CMT and the Chief Executive are presented in the table below.

Post	Range	
	From	To
Head of Service	£44,865	£62,160
Corporate Management Team	£70,000	£90,157
Chief Executive	£125,000	£150,053

These salary ranges may change if either local or national pay awards are awarded within the financial year and before the next pay policy statement is produced.

#### 5.0 Pensions

The employees within the scope of this Statement are entitled to join the Local Government Pension Scheme (LGPS). Employees contribute between 5.5% and 12.5% of their salary. For the purpose of this statement, employees included with the table in section 4.0 contribute between 6.8% and 12.5%, depending on where they are within the salary range. The employer pension contribution rate is 17.4% for all employees and managers (regardless of their grade or salary rate).

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## 6.0 Remuneration on Recruitment

On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.

All permanent or fixed term posts are advertised in accordance with the Council's recruitment Policy and Process, and appointment of Chief Officers is made on merit, in accordance with the rules governing the recruitment of Chief Executive and Chief Officers set out in the Council's Constitution.

Appointment of Heads of Service is the responsibility of the Chief Executive or his/her nominee. The salary on recruitment will be within the current salary range of these posts at that time.

## 7.0 Other Benefits

The expenses which may be payable to the Chief Executive, the Corporate Management Team or Head of Service are as follows:

- Re-imbursment of travel and subsistence – Any excess travelling allowance that is paid will be in accordance with the Council's established policies, and any subsistence allowance that is paid will normally be no higher than the current rates set by Her Majesty's Revenues and Customs (HMRC) . All rail travel for officers will be second class unless there are exceptional circumstances.
- Vouchers are issued in accordance with the Councils' Eye Test Policy.
- The employees within the scope of this policy are entitled to participate in the Council's Salary Sacrifice Scheme, which includes a Childcare Voucher scheme Such schemes are exempt from income tax or National Insurance contributions and therefore represent a saving for employees who then use them to purchase childcare, bicycles or technological products.
- Professional fees for employees, including Chief Officers, Corporate Managers and Heads of Service are paid in accordance with the Council's established process for the payment of professional fees for those employees whose role requires professional qualification and continued professional development.

There are no bonus arrangements payable to the Chief Executive, the Corporate Management Team or Heads of Service.

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## 8.0 Car Allowances

An annual car allowance is also currently payable to the Corporate Management Team and Heads of Service, but whilst this is subject to the normal deductions for tax and National Insurance, this does not count towards pensionable pay and no pension contributions are paid for it, either by the Council or by the employee. The car allowance is linked to grading and salary.

## 9.0 Relationship to the lowest paid employee

The lowest paid staff within the Council are on Band 2 of the Council's pay structure. This band is therefore defined as the lowest paid for the purposes of this policy.

Band 2 is currently £17,842, and therefore lowest pay point on the council's pay scale is currently £17,842 per annum.

The Chief Executive's salary scale is set out in section 4.

The current ratio between the lowest and highest pay points is - 1:8.4

The current ratio between the actual lowest pay grade and actual Chief Executive's salary is - 1:8.4

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

## 10.0 Termination of Employment

On ceasing to be employed by the Council, individuals will only receive compensation:

- (a) in circumstances that are relevant (e.g. redundancy), and
- (b) that is in accordance with our published Policy Statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
- (c) that complies with the specific term(s) of a settlement agreement.

Any decision to re-employ an individual, who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Council will not, however, normally engage such an individual under a contract for services.

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## **11.0 Publication of this policy and salary data**

Salary data for the Chief Officers is published on the Council's website within the Council's statement of accounts. This policy is also published on the website.

## **12.0 Consultation**

All changes to terms and conditions of employment are subject to consultation with the trade unions.

## **13.0 Implications**

### **13.1 Financial Implications**

The pay policy has been produced with input from the finance team.

### **13.2 Legal Implications**

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. The pay policy contains all of the information required by the Localism Act.

### **13.3 Equalities Implications**

There are no specific equality implications in relation to the pay policy itself however, impact assessments are completed in respect of any changes to terms and conditions which impact pay.

An initial equality impact assessment (IEQIA) has not been carried out on the pay policy itself. However, IEQIA's are carried out on any changes that are proposed that impact on pay.

## **14.0 Background Documents**

MHCLG Guidance 'Openness and Accountability in Local Pay': Draft Guidance under section 40.

## **15.0 Review**

This policy will therefore be reviewed at annual intervals to ensure that it remains fit for purpose, and it will be submitted to Full Council for approval by the end of March each year.



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***Please contact Human Resources for further information.***

Author	Human Resources
Date	February 2021
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Links to other People Policies	N/A