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South Holland District Council

Pay Policy Statement 2022

A pay policy statement is required to be produced annually under **section 38 of the Localism Act 2011 (opens new tab)**. Regard is to be had to any guidance from the Secretary of State in producing this statement.

Any decision under powers delegated in the Council's constitution with regard to remuneration to be taken during 2022/23 will be bound by and must comply with this statement.

The HR Manager must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

This statement sets out the Council's policy with regard to the:

- remuneration of Chief Officers
- remuneration of the lowest paid employees
- relationship between Chief Officers remuneration and that of other officers.

'Remuneration' for the purposes of this statement includes three elements:

- basic salary
- pension
- all other allowances arising from employment.

The Council regards the following as its "Chief Officers":

- Chief Executive
- Deputy Chief Executives

For the purpose of the pay policy statement the following posts will also be referred to as "Chief Officers":

- Assistant Directors

Joint Authority Duties

Where a senior officer takes up a post shared with one or more authorities the salary costs (including on-costs) are to be shared with each authority.

The share agreed will depend on each circumstance.

Under Section 113 of the Local Government Act 1974 all Chief Officers employed by South Holland District Council are placed at the disposal of East Lindsey District Council and Boston Borough Council to undertake the Statutory, strategic and operational duties designated by their role. The proportion of time undertaking duties for each individual Council in the SELCP is;

SHDC – 31%

ELDC – 46%

BBC – 23%

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Pay policy objectives for 2022/23

(a) to ensure a capable and high performing workforce.

In respect of the Chief Executive, Chief Officers and all other employees the Council's policy is to set remuneration sufficient to attract and retain adequately experienced, trained and qualified individuals to deliver the Council's priorities.

(b) simplicity, clarity and fairness between employees and between the Council and the community.

The Council aims to be transparent on pay to its staff, prospective staff and the wider community.

(c) to differentiate between remuneration and other employee related expenses.

The Council will meet or reimburse authorised travel, accommodation and subsistence costs for attendance at approved business meetings and training events. The Council does not regard such costs as remuneration but as non-pay operational costs. This policy is applied consistently to the Chief Executive, Chief Officers and other employees.

Remuneration subject to national and local determination

Pay bargaining

The nationally agreed terms and conditions of the Chief Executive/Head of Paid Service are determined by the Joint Negotiating Committee (JNC) for Chief Executives with variation at a local level.

The Council have adopted a set of local terms and conditions for the workforce which are supplemented by those set out for Chief Executive's under the Joint Negotiating Committee for Local Authority Chief Executive's National Salary framework & Conditions of Service Handbook.

In 2021 As part of the formation of the SELCP, the Chief Officers pay grading was reviewed, in light of the additional responsibilities incurred by undertaking Chief Officer duties across three Local Authorities. The review took into consideration comparable data on Chief Officer salaries available at comparative Local Government Employers.

For all other staff, the Council's pay bands were last increased in April 2020. Currently no pay award has been agreed by the NJC and the Trade Unions, therefore employees have not received a percentage increase in salary, although incremental increases have been received as standard where applicable.

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Chief Officer Benefits

The value of car allowances, car loans and private medical insurance are categorised as 'Benefits in Kind' and are subject to tax and National Insurance via the payroll.

The Council pays car allowances for use of private vehicles on Council business in accordance with the National Joint Council agreement on pay and conditions of service. Current Chief Officers receive an Essential Car User Allowance as part of their Remuneration package, amounts ranging from £846 to £3,300 per annum.

The value of private medical insurance available to Chief Officers across the SELCP at the time of this policy ranges from £261.96 per annum to £571.20 per annum and the cost is dependent on the individual's personal circumstances. The level of health care provision is consistent across all roles.

Pension Scheme and Retirement

The Local Government Pension Scheme and policy with regard to the exercise of discretions. Pension provision is an important part of the remuneration package. All employees may join the local government pension scheme. The scheme is a statutory scheme with contributions from employees and from employers.

The employee pension contributions paid is between 5.5% and 12.5% depending on their salary. The more an employee earns the higher their pension contribution rate.

The employer contributes a percentage of pay to the pension fund. The Council's current contribution rate is 17.7%.

Neither the scheme nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to the Chief Officers and other staff.

The scheme provides for the exercise of discretion that allow for retirement benefits to be enhanced. The Council's published pension policy is to not enhance benefits for any of its employees. This policy statement reaffirms this in respect of Chief Officers and other employees.

The pension scheme provides for flexible retirement. It is the Council's policy to allow Flexible Retirement (where the business case permits) where no costs are payable by the employer. In applying the flexible retirement provision no distinction is made between Chief Officers and other employees.

Job evaluation and pay bands

Employees, covered by the National Joint Council (NJC) for Local Government Services, as set out in the 'Green Book' have their basic pay grade determined by a job evaluation scheme (using the Gauge system) which ensures that different jobs having the same value are paid at the same rate/within the same pay band.

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The "job score" determines the pay band for the post within which there is provision for progression by way of annual increments, until the top of the pay scale is reached. The Senior Manager Pay grades have been set locally and agreed by Full Council, including consultation with the recognised Unions. South Holland District Council has defined an updated pay scale structure during 2021 for Chief Officers (based on the Breckland District Council pay structure using the Inbucon scheme).

Allowances on appointment

The Council's policy is to not pay any form of "signing on" fee or incentive payment when recruiting.

Where it is necessary for a newly appointed employee to relocate to take up appointment the Council may make a contribution towards relocation expenses. The same policy applies to Chief Officers and other employees in that payment will be made against a range of allowable costs for items necessarily incurred in selling and buying a property and moving into the area.

Details of the full scheme can be found in the Council's Relocation Policy.

Termination payments

- **Redundancy**

The Council has a single redundancy scheme which applies to all employees without differentiation. The redundancy payment is based on the length of continuous local government service which is used to determine a multiplier which is then applied to actual pay; the Council uses the Statutory Redundancy pay calculation method, but bases weekly pay on contractual pay rather than the capped statutory method. The maximum number of years' service taken into account is 20 and the resulting maximum potential payment is 30 weeks' pay for anyone aged 61 or older. Details of the full scheme can be found in the Council's Redundancy Policy.

- **Other termination**

The Council does not provide further payment to employees leaving the Council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving, or other contractual entitlement. The Council does however recognise that situations may arise, and where the need for expediency is such, that it may be in the best interests of the authority to make individual payments relating to termination of employment.

In such cases, these will be approved in accordance with the Council's constitution.

Professional fees and subscriptions

The Council will meet the cost of employees' professional fees and/or subscriptions where these are relevant to the office or employment, and are included in HM Revenues and Customs 'List 3', in accordance with section 343 and 344 Income Tax

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(Earnings and Pensions) Act 2003. This applies to both Chief Officers and other staff.

Returning Officer fees

The Council's appointed Returning Officer receives a Returning Officer fee in respect of County, District and Parish Council Elections. The fee for undertaking this role in Lincolnshire is calculated in accordance with a formula approved annually by the Lincolnshire Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group. Fees for conducting Parliamentary Elections are determined by way of a Statutory Instrument.

The Returning Officer's fees are regarded as a special responsibility payment in relation to the independent duties carried out. They are personal to the Returning Officer, and in addition to salary, for performing the duties which a Returning Officer is required to perform.

The Council's Returning Officer is the Deputy Chief Executive – Corporate Development and Section 151 Officer.

The Returning Officer fees are as follows:

- **County & District** – per contested division/ward - £200 per division/ward plus £15 per 1000 electors or part thereof per division/ward
- **County & District** – per uncontested division/ward - £66 per division/ward
- **Parish** – per contested parish/parish ward - £53 per parish/parish ward plus £18 per 500 electors or part thereof per parish/parish ward
- **Parish** – per uncontested parish/parish ward - £21.50 per parish / parish ward

Parish – where DRO full powers appointed - £11 (per contested parish/parish ward) £5.50 (per uncontested parish/parish ward)

Setting salaries

The Chief Officer Employment Panel makes recommendations to Full Council with regards to the appointment of the Head of Paid Service, Monitoring Officer and Section 151 Officer, statutory posts currently held by the Chief Executive, Assistant Director – Governance and Deputy Chief Executive – Corporate Development respectively. No offer of appointment can be made until the proposed appointment has been approved by the Full Council and until notice of the proposed appointment has been given by the Proper Officer to the Cabinet Members and the Leader has not reported any material well-founded objections within the time given for response.

For the post of Chief Executive, the Council will set the starting salary by way of Full Council agreement, as per the relevant Council's constitution. Where an independent recruitment partner is contracted to deal with the recruiting of a Chief Executive, advice will be taken as to an appropriate starting salary level.

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Pay ceilings

The salary range for the appointed Chief Officers is detailed in the table below. An increase of 1.5% for Chief Executives and Chief Officers was agreed by the JNC and applied from 1 April 2021. The pay increase was applicable to the Chief Executive and Deputy Chief Executives.

SELCP CMT 2022/2023	
Chief Executive	£116,377 to £143,054
Deputy Chief Executive	£94,672 to £116,377
Assistant Director	£75,884 to £93,273

There are currently no provisions for bonus or performance related pay. Additional pay will only be paid in exceptional circumstances where significant additional work has to be undertaken outside of the course of normal duties.

The actual salaries paid to Chief Officers are published annually in the Statement of Accounts under the transparency agenda.

Chief Officer salary increases are subject to a pay review every two years.

Pay floor

The pay floor is the remuneration of the lowest paid employees. For the purpose of this statement "Lowest paid" is defined as the average pay of the 2 percent (5 individuals) of the Council's employees, subject to the above pay scales, with the lowest full-time equivalent (FTE) annual salary.

As at January 2022 this average was £18,343.

The Council will not pay basic pay less than the amount applicable to the bottom point of the Grade A pay band. Employees in this group will be entitled to all other benefits - fringe payments, car allowances, pension, relocation, redundancy as all other employees.

Pay multiples

The Council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of

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multipliers cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required.

In terms of overall remuneration packages the Council's principle is to differentiate by setting different levels of basic pay to reflect differences in responsibilities but not to differentiate on other allowances, benefits and payments it makes.

The relationship between remuneration of the highest paid officer in the Council, the Chief Executive, and the remuneration of the lowest paid employee (as defined in the 'Pay Floor' paragraph above), is 7.4.

Honoraria/Acting Up

Where temporary additional duties/responsibilities are given to an existing employee they may be paid an enhanced rate of pay for Acting Up in their role.

This is delegated to the Council's Corporate Management Team.

The amount payable is based on an assessment of the additional duties/responsibilities undertaken.

Acting Up enhancements must be reviewed regularly to ensure appropriateness.

A one off, unconsolidated payment, between £100 and £500 made to a staff member via the payroll in either the October and March payrolls, for undertaking a project or piece of work beyond that expected of the job role. Approval of this is delegated to the Section 151 Officer.

Special responsibility payments

Additional payments may be made in addition to basic salary for statutory duties such as Monitoring Officer.

The Chief Executive will make a recommendation to Council if such a payment is appropriate.

Pay flexibility

Where necessary the use of market supplements may be applicable to deal with pay anomalies which effect recruiting or retaining employees.

A local agreement specifies the conditions when a market supplement should be applied. The discretion to implement rests with the Senior Leadership Team.

Future appointments and interim arrangements

In the event of a vacancy - Chief Executive, Chief Officer or other employee - the arrangements set out above will apply in respect of permanent appointments.

If the need arises to provide agency or interim cover the principle is to seek to cap the cost of that appointment at no more than that of the permanent appointment

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taking into account additional employment costs - pension contributions, national insurance, paid leave etc. However, where necessary a higher "market rate" will be paid to secure a suitable individual and market rate will be established by reference to soft market testing, external advice and dialogue with peer authorities.

Publication and access to information

The publication of and access to information relating to remuneration of Chief Officers will be set out as published on the South Holland District Council Website.

Gender Pay Gap

Employers with 250 employees or more are required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The regulations apply to all employers with 250 or more employees on the "snapshot" date. The "snapshot" date for the public sector is 31 March each year.

Although SHDC employed less than 250 at the "snapshot" date, in the spirit of openness, we share the **Gender Pay Gap** which is published on the Council's website.

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13 February 2022