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South Holland District Council

PAY POLICY STATEMENT 2023 - 2024

Introduction

Under section 38 of the Localism Act, each local authority must produce a pay policy statement annually to be approved by the Council and published externally.

This updated Pay Policy Statement will be published on the Council's website as soon as possible following Council approval.

This Statement will be reviewed annually and amended as necessary to reflect the prevailing legislation at the time. The information and data in this Statement is current as of 31 December 2023.

This Pay Policy Statement sets the Council's pay policies for the financial year of 2023/2024 and including existing arrangements for the period up to 31 March 2024.

Any changes to this statement or policies contained within the statement must be approved by Council.

Any decision under powers delegated in the Council's constitution with regard to remuneration, to be taken during 2023/2024 must comply with this statement.

Summary

Each local authority has the autonomy to take its own decisions on pay and pay policies. This statement reflects current practice and existing policies at the Council.

The Localism Act refers to posts of Chief Executive, Chief Officer and Deputy Chief Officer (those that report to a Chief Officer). Whilst the Council does not employ any post with the designation Chief Officer or Deputy Chief Officer, it is considered for the purposes of this legislation that the definition relates to the posts of Deputy Chief Executive and Assistant Director.

In August 2021 the Council implemented a strategic partnership with Boston Borough Council and East Lindsey District Council, forming the South & East Lincolnshire Councils Partnership (S&ELCP). Chief Executive, Deputy Chief Executive and Assistant Directors are shared posts across the Partnership.

Policy Statement

The Council is committed to delivering quality public services that provide value for money for the communities they serve.

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In order to do this we must employ high quality employees and reward them appropriately. This statement provides the framework under which the Council will reward all of its employees.

The Council aims to ensure simplicity, clarity and fairness towards employees and to be transparent on pay to its staff, prospective staff and the wider community.

The policy statement covers 3 main areas;

- The detail and level of remuneration of Council's Chief Officers (which for the purposes of this document includes Deputy Chief Officers) and the Chief Executive
- The detail and level of remuneration of the lowest paid employees
- The relationship between Chief Officers' (including the Chief Executive) remuneration and that of other officers

Joint Authority Duties

Under Section 113 of the Local Government Act 1974, the post of all Chief Officers employed by South Holland District Council (SHDC) are placed at the disposal of Boston Borough Council (BBC) and East Lindsey District Council (ELDC) to undertake the statutory, strategic and operational duties designated by their role.

The proportion of time undertaking duties for each individual Council in the S&ELCP is:

SHDC – 31%

ELDC – 46%

BBC – 23%

Where an officer's post is shared with one or more authority under Section 113 of the Local Government Act 1972 the salary costs (including on-costs) are to be shared with each authority. Where the post has not been designated as a Chief Officer post in the context of this Pay Policy the share agreed will depend on each circumstance and dealt with as set out in the Memorandum of Agreement signed by the three Councils.

Recruitment of Chief Officers and the Chief Executive

The Council is responsible for determination of the appropriate remuneration for its Chief Executive / Chief Officers when a vacancy occurs. When determining salary levels relevant valid reward evidence is considered, to include other salaries at the Council, other sectors, budget constraints and external market conditions.

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The Council's constitution sets out the arrangements for the Chief Officer Employment Panel.

As the Council works in Partnership and shares a number of senior roles there are arrangements set out in the Memorandum of Agreement between the three Partnership Councils for a Joint Chief Officer Employment Panel (www.selcp.co.uk).

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.

The actual salary paid to the Chief Executive and Chief Officers is published annually in the Statement of Accounts and on the employing Council's website.

Chief Executive Remuneration

The Chief Executive is employed by East Lindsey District Council and is shared in accordance with Section 113 of the Local Government Act 1974 with Boston Borough Council and South Holland District Council.

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. Any cost of living increases are paid, if agreed by the JNC, at a national 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. For Chief Officers this is set out under the Joint Negotiating Committee for Local Authority Chief Officers National Salary framework & Conditions of Service Handbook.

East Lindsey District Council (the employing Council) on 11 October 2023, approved a change to the shared Chief Executive and Head of Paid Service pay bands. This followed a review 2 years after the formation of the Partnership following the implementation plan that the Council approved as part of the business case for the Partnership in July 2021.

The salary range for the Chief Executive is £155,250 to £170,775 and includes an increase of 3.5% for Chief Executives that was agreed by the JNC and applied from 1 April 2023.

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The level of remuneration set for the post of Chief Executive encompasses consideration of a number of elements including the size and complexity of the organisation, the population to which services are delivered and factors such as market conditions.

The Chief Executive will automatically progress an increment in April 2024 in line with changes agreed by Full Council at East Lindsey District Council (the employing authority).

The Chief Executive pay band (following the planned 2023 review), will include from April 2025 progression through the incremental scale of the relevant grade which will be subject to an annual assessment of performance. There are currently no provisions for bonus payments for the Chief Executive.

Chief Officer Remuneration

The Chief Officers are identified as the Deputy Chief Executives and for the purposes of this Policy - Assistant Directors.

The nationally agreed terms and conditions of Chief Officers are generally determined by the Joint Negotiating Committee (JNC) for Chief Officers with variation at a local level.

As anticipated in the Pay Policy Statement published earlier in 2023, the review of Chief Officer remuneration and terms and conditions was completed at the end of January 2024 after appropriate consultation, with remuneration and progression effective from April 2023 in accordance with that review and other terms and conditions effective from April 2024 and so full details of this review will be provided in the next Pay Policy Statement.

The salary range for the appointed Chief Officers is £81,907 to £122,442. An increase of 3.5% per annum for Chief Officers was agreed by the JNC and applied from 1 April 2023.

There are currently no provisions for bonus or performance related pay.

Chief Executive and Chief Officer Benefits

The value of 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 has removed the provision of Essential Car User Allowance for Chief Executive and Chief Officers who change roles or who are newly appointed. Those with the protected provision will continue to receive an Essential Car User Allowance as part of their Remuneration package with amounts ranging from £846 to £3,300 per annum.

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The value of private medical insurance available to Chief Officers across the SELCP at the time of this policy ranges from £258.60 per annum to £1,345.68 per annum and the cost is dependent on the individual's personal circumstances. The level of health care provision is consistent across all roles.

Returning Officer Fees

The fees and charges for UK Parliamentary and County Council elections are set by external bodies at each relevant election however, there are no express statutory provisions governing fees payable to Returning Officers for local government elections.

Historically, the setting of fees for the administration of District and Parish elections have therefore been set in accordance with the Lincolnshire county wide scale of fees.

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.

This Council's Returning Officer is the Deputy Chief Executive - Corporate Development.

The Returning Officer fees are as follows:

- **County & District** – per contested division/ward - £200 per division/ward plus £15.00 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 for the first 500 electors plus £18 for each additional 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 – discretionary, recommended equivalent to a maximum of 50% of Returning officer fees.

Workforce Remuneration

Remuneration for the rest of the Council's workforce is determined and awarded by the NJC (National Joint Council). The Council's pay bands were last increased on 1 April 2023. Incremental increases are received as standard where applicable.

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Any subsequent pay awards are also determined via this national body.

Local terms and conditions exist to supplement those set nationally. Job evaluation involves assessing each job and allocating a number of points to each job.

The Council adopted and implemented the Local Government Single Status Job Evaluation Scheme (LGJES). This consists of 10 pay grades for employees other than Assistant Directors, Deputy Chief Executives and the Chief Executive. This ensures that different jobs having the same value are paid at the same rate/within the same pay band.

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 grade is set based on number of points allocated to the job. This ensures fair treatment for all employees and is recognised as a scheme that objectively evaluates jobs without any element of bias.

Starting salaries are normally at the bottom of the relevant pay grade unless market or other relevant factors such as skills and experience exist to create a business case to pay at a higher point within the grade.

Where an evaluation job score results in a reduction in the substantive salary being reduced, employees will have their current pay protected for a fixed period to reduce any impact or financial hardship the reduction may cause.

Pay Multiples

The median average salary for the Council is £29,777 per annum and this figure is used to determine the pay multiplier.

The Council does not set a formula for the relationship between the lowest and highest paid employees.

The pay multiplier between the median average pay and the Chief Executive's remuneration is 5.2, an increase of 0.19 from 2022.

A pay award of £1,925 was awarded to full time employees (pro rata for part time) on SCP2 to SCP43 and an award of 3.8% per annum was awarded to those on SCP50 to SCP51 with effect from 1 April 2023

Lowest Pay

The lowest paid employees does not include apprentices who are placed on a standard apprenticeship wage.

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The lowest paid workers for the purpose of this pay policy are those roles on the lowest grade on the payscale and a salary of £22,366 per annum.

The Council opted to pay the equivalent of the Voluntary Living Wage, as determined by the Living Wage Foundation (LWF),, with effect from 1st April 2021 and have applied enhancements at the lower end of payscale to ensure that the lowest paid employees receive at least the Living Wage Foundation rate.

The LWF rate of £10.90 was announced in November 2022 and was implemented in line with organisational incremental increases on 1 April 2023. This was then superseded by the NJC pay award increasing the lowest substantive SCP point to £11.59 per hour, which was applied retrospectively from 1 April 2023.

In November 2023 the new LWF rate of £12.00 was announced. Subject to Council approval (as part of the budget), this increase will be applied to all employees by an enhancement, where the National Joint Council Spinal Column Point rate is below the new LWF rate of pay.

Employment of Officers and Pension Provision

Any appointment to a post at the Council is made upon merit and is subject to the normal pre-employment checks undertaken for all prospective employees.

All employees are eligible to join the Local Government Pension Scheme. The Scheme requires contributions from employees based upon their earnings and from 1st April 2014 is a career average scheme. All employees may join the Local Government Pension Scheme. The Scheme is a statutory scheme with contributions from employees and from employers. Under legislation from 1 November 2013 auto enrolment applies to all eligible employees.

The employee pension contributions paid is between 5.5% and 11.4% 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 23.8%.

The Scheme provides for the exercise of discretion that allow for retirement benefits to be enhanced. Details are available in the Council's Pension Discretions Policy.

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.

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Redundancy and Severance Payments

This Council's approach to redundancy and severance payments as set out in this Pay Policy Statement apply to all Officers including Chief Officers (employed by this Council).

Provisions relating to redundancy pay in the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 still applies.

Redundancy payments are 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. More information is available in the Council's Redundancy Policy.

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 such as payment in lieu of notice. 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, but will be done so in consideration to the Localism Act 2011 and guidelines on special severance payments.

Where these are outside of the budgetary framework the appropriate approval must be sought in accordance with the Council's Redundancy Policy and/or Constitution.

In line with the guidance on special severance payments any payments of £100,000 or above will be approved by full Council; between £20,000 and £100,000 by Head of Paid Service with a record of the Leader's approval. Below £20,000 can follow normal delegations.

Expenses

The Council will reimburse business travel and reasonable additional expenses incurred through undertaking duties on the role. This applies to all employees including Chief Officers and the Chief Executive. More information is available in the Council's expenses guidance.

Gender Pay Gap

From 31 March 2018, the Council has been required to publish its annual Gender Pay Gap figures if the organisation's headcount is above 250 employees.

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Full details of the published Gender Pay Gap figures are available in the Council's Gender Pay Gap Report. The March 2022 Gender Pay Gap is due to be submitted to the Government's website and published on the Council's website by 31st March 2023.

Honoraria/Acting Up

Where temporary additional duties/responsibilities are given to an existing employee an honoraria/acting up payment can be made. This is delegated to the Council's Corporate Management Team.

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

These payments are only used on a temporary basis and 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. More details are available in the Council's Honorarium Policy

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.

The use of such practices only applies where a business case has been prepared and agreed.

Any ongoing supplements should be reviewed regularly and at least every 3 years, to ensure there is still a business case to continue payment. Employment contracts should be explicit in this regard.

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Contract for Services

All of the facts will be taken into account where a former employee is put forward or puts themselves forward for a contract for services. Where work is sought under a contract for service from officers in receipt of severance pay from this authority each situation will be judged upon merit, however, such a contract would only be offered in exceptional circumstances.

Other posts may be filled under a contract for services where a business case exists for doing so. Due regard should be paid to the requirements of Her Majesty's Revenues & Customs and IR35 regulations and the particular requirements on public sector employers when making any such arrangements. Any appointment will be dealt with on a case by case basis. The 'recovery regulations' will need to be considered in any such decision – see the section on 'Recovery Regulations' for more information.

Aileen Whatmore
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Public Sector Partnership Services

20 March 2024