



## Personnel Sub-Committee 19 June 2017

### Pay Policy

#### Purpose of report

This report asks the Committee to recommend approval of the pay policy by Full Council

#### Attachments

Appendix A – Pay Policy 2017/18

#### 1.0 Background

- 1.1 ENC is required by law to agree and publish an annual pay policy.
- 1.2 The first pay policy was published for 1 April 2012 – 31 March 2013. This has then been updated each year.

#### 2.0 The policy

- 2.1 Last year's pay policy has been reviewed and updated. Most of the updates are required to implement changes that have already been agreed (such as the pay scales and the creation of the new Head of Economic and Commercial Development).
- 2.2 At the time of the first pay policy, a special responsibility allowance of £2,000 was created to be paid to the Deputy s151/Chief Finance Officer, who is the Finance Manager. The allowance was created to recognise the increased responsibility for the Deputy from when the Chief Finance Officer role began to be provided from LGSS on a part time basis. Now that this arrangement has been in place for 5 years, it seems appropriate to convert the flat rate to a proportion of the Finance Manager's role. When the current Finance Manager was appointed, £2,000 equated to approximately 5% of their starting salary of £42,958, so it is recommended that this is the percentage that is included (see section 10.1 and 10.2 of the pay policy). 5% in 17/18 would amount to £2,315.
- 2.3 This year's updates include:
  - Update of staff salaries (to incorporate the 1% pay rise) – including apprentices.
  - Addition of the new Head of Economic and Commercial Development
  - Annual calculation of the Chief Executive's salary compared to the lowest and average salaries.
  - Deletion of the Head of ICT role.
  - Conversion of the Deputy s151 payment to a % rather than a flat rate (as above).

#### 3.0 Financial implications

- 3.1 Implemented from 1 April 2017 there would be an increased cost of £410 (including 30% on costs) to pay for the rise in the special responsibility allowance for the Finance Manager; this can be met within existing budgets.

**4.0 Legal implications**

4.1 The implementation of this policy will ensure that ENC is meeting its legal obligations.

**5.0 Risk implications**

5.1 The approval of this policy should reduce risks of legal challenge.

**6.0 Equality implications**

6.1 An equality impact assessment is not needed as there are no substantive changes.

**7.0 Constitutional Implications**

7.1 There are no constitutional implications arising from this report.

**8.0 Customer Service Implications**

8.1 There are no customer service implications arising from this report.

**9.0 Corporate Outcomes**

9.1 The Corporate Outcome to which this policy contributes is Effective Management – good use of resources

**10.0 Recommendations**

10.1 The Sub-Committee is asked to recommend to Full Council that it approves this policy.

*(Reason: To ensure compliance with legislation and clarity of payment mechanisms)..*

<b>Legal</b>	Power: Local Government Act 1972				
	Other considerations:				
<b>Background Papers: None</b>					
<b>Person Originating Report: Aime Armstrong – HR Manager</b>					
<b>Date: 30 May 2017</b>					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 22)



East  
Northamptonshire  
Council

# Pay Policy Statement

July 2017

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## **Section one: introduction and background information**

### **1.0 Introduction**

- 1.1 East Northamptonshire Council ('the Council') recognises that, in the context of managing scarce public resources, pay and benefits at all levels need to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time need to avoid being unnecessarily generous or otherwise excessive.
- 1.2 It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the labour market.
- 1.3 In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where national and local pressures often conflict. The Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is crucial if the Council is to maintain its current high performance levels.
- 1.4 The Council recognises and welcomes the aim behind this Pay Policy Statement to ensure that the Council's approach to pay is transparent to customers and to enable local taxpayers to take an informed view of whether local decisions on all aspects of pay and benefits are fair and make the best use of public funds.

### **2.0 Legislation**

- 2.1 Section 38/11 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year thereafter.
- 2.2 The Act and supporting statutory guidance provide details of matters that must be included in this statutory pay policy but also emphasise that each local authority has the autonomy to take its own decisions on pay and pay policies.
- 2.3 The Pay Policy Statement:
  - must be approved formally by full Council by the end of March each year
  - can be amended during the year by a resolution of full Council
  - must be published on the Council's website
  - must be complied with when setting the terms and conditions of Chief Officer employees
- 2.4 The Council welcomes the government's recognition that each local authority remains an individual employer in its own right, and, as such, has the autonomy to make decisions on pay that are appropriate to local circumstances and deliver value for money for local taxpayers.

### **3.0 Scope of the Pay Policy Statement**

- 3.1 In complying with the Act, this policy statement covers the following senior roles at the Council:
  - Chief Executive (Head of Paid Service)
  - Executive Director (Monitoring Officer – the officer responsible for ensuring the Council's compliance with the law in all its activities)
  - Heads of Service (Head of Customer and Community Services, Head of Environmental Services, Head of Economic and Commercial Development, Head of Planning and Head of Resources and Organisational Development)

- Head of Joint Planning Unit (a hosted role only – not a member of CMT)
- 3.2 Collectively, these roles are known as the Corporate Management Team (CMT).
- 3.3 The Chief Finance Officer (sometimes referred to the S151 officer as the role is defined in s 151 of the Local Government Act 1972), is a member of CMT but is “bought in” from LGSS rather than employed by ENC, and is therefore not covered by this policy.
- 3.4 The Council’s Chief Officers are:
- Chief Executive (Head of Paid Service)
  - Executive Director (Monitoring Officer)
- 3.5 The policy statement also covers the Council’s lowest-paid employees. The Council has determined that for the purpose of this policy statement, it will follow guidance issued by the Local Government Association (LGA) which states that the simplest and most easily understood definition of lowest-paid employee is:
- “the lowest pay point routinely used by the council for its substantive roles, calculated at full time equivalent. This should not include grades or pay points put aside as trainee or development scales but should relate to the minimum point used for a competent employee taken on a defined role”. [Localism Act: Pay Policy Statements Guidance For Local Authority Chief Executives; LGA]
- 3.6 Following this definition, the lowest-paid employees within the Council are therefore those employees who are paid on grade one.
- 3.7 Apprentices are paid the following rates:
- 55% of National Living Wage per week (first 6 months)
  - 80% of National Living Wage per week (second 6 months)
  - National Living Wage (after 12 months as an apprentice at ENC)

#### **4.0 Context**

- 4.1 In relation to other organisations in all sectors across the UK, the Council is a complex organisation that provides a diverse range of services. Many of those services are vital to the wellbeing of individuals and groups of residents in the local community, and are delivered in very challenging circumstances, taking account of resources available to meet them.
- 4.2 As at 31 March 2017 the Council had 173 full time equivalent (FTE) employees that are included in these calculations. According to the 2011 census, there are approximately 86,765 people living in the district served by the Council.
- 4.3 The Council’s CMT is responsible for working with elected politicians to determine the overall strategic direction of the Council and, as senior managers, to develop the scale, nature, efficiency and effectiveness of all the services provided by the Council, and to provide day-to-day management of those services.

#### **5.0 The Council’s overall approach to pay and benefits**

- 5.1 The Council recognises that it has to compete with other employers in the area (and, in some cases, in the country) to recruit and retain employees who are capable of



meeting the challenges of providing services to the required standards. This has an important bearing on the levels of pay and benefits it offers to its employees.

- 5.2 At the same time, the Council is under an obligation to secure the best value for money for its residents and tax-payers in taking decisions on pay levels. The Council believes that, like much of local government and the public sector, it strikes a fair balance between these competing pressures.
- 5.3 The Council's approach to pay and benefits aims to ensure:
- compliance with equal pay, discrimination and other relevant employment legislation
  - that its overall remuneration packages align with market norms for the local government and public sectors whilst taking account of:
    - pay levels in the local area, including neighbouring public sector employers;
    - the relative cost of living in the local area, particularly housing costs;
    - the responsibilities and accountabilities of particular posts, which may be very demanding
- 5.4 The Council seeks to maintain this overall approach by carefully monitoring pay data and pay surveys provided by various organisations including the LGA.
- 5.5 In terms of pay differentials, the Council recognises that the Chief Executive (Head of Paid Service) leads the organisation's workforce and has the greatest level of accountability, and so warrants the highest pay level in the organisation.
- 5.6 The Council recognises, through analysis of job demands, that the Executive Director (Monitoring Officer) has a greater level of responsibility and accountability than other senior managers, and therefore provides higher pay and benefits for that role.
- 5.7 Below Executive Director level, the Council recognises that the demands on, and accountabilities of, different roles vary considerably and seeks to align pay levels with the relative importance and responsibilities of jobs using a process of job evaluation.

## Section two: annual salaries

### 6.0 Annual salaries

- 6.1 Annual salaries for all employees of the Council are based on a 37 hour working week and are set in accordance with the following pay structures which are all provided in **Appendix A**:

	<b>Pay Structure</b>
Chief Executive	<b>1</b>
Executive Director	<b>2</b>
All other employees (including Heads of Service)	<b>3</b>

- 6.2 The pay structures consist of grade ranges which contain a number of incremental salary points. The pay structures are determined locally by the Council.
- 6.3 The Council's Chief Executive, Executive Director and apprentices have individual pay structures. Heads of Service and all other employees are on the same pay structure; Heads of Service are paid on grade 10 and the Council's lowest-paid permanent employees are on grade 1.

Service are paid on grade 10 and the Council's lowest-paid permanent employees are on grade 1.

## 7.0 Salaries on appointment

7.1 Recruitment to positions follows rules set out in Part 4.7 of the Council's Constitution (Officer Employment Procedure Rules). Starting salaries for new appointments will normally be at the minimum incremental point of the post's grade. There may be circumstances where it is considered necessary to appoint above the minimum incremental point. This might be:

- where someone is joining the Council from another Local Authority where they work in a similar role and they are in receipt of higher pay
- where the Council is recruiting to a specialist role

7.2 Where a current employee receives an internal promotion or their post is re-graded, they will usually be offered a salary which is at least one spinal column point above their current salary. Where the promotion has been achieved because of significant experience or skills obtained in a previous role it may be appropriate to offer them a higher starting salary.

7.3 Any appointment above the minimum incremental point of a post's grade must be approved by:

Position being appointed to	Approval by
Chief Executive	Full Council
Executive Director (Monitoring Officer)	Personnel Sub-Committee with delegated authority from full Council
All other employees (including lowest paid employees and Heads of Service)	Chief Executive

## 8.0 Pay progression

8.1 Employees receive an incremental pay rise annually on the anniversary date of their appointment to post until they reach the top of their grade.

## 9.0 Pay awards

9.1 Pay levels are increased in line with awards agreed nationally by the Joint Negotiating Committee for Chief Officers of Local Authorities (JNC) and the National Joint Council for Local Government Services (NJC).

9.2 There may be occasions where local negotiations take place with employees and trade unions to agree pay increases greater than those agreed nationally.

## 10.0 Special responsibility allowance

10.1 The Finance Manager (Deputy Section 151 Officer) is the only position in the Council to receive a special responsibility allowance (SRA). The allowance is provided to recognise the additional statutory responsibility the position holds for overseeing the Council's finances. The role of Chief Finance Officer (sometimes called s151 officer) is a statutory role. Currently ENC "buys in" a part time Chief Finance Officer from LGSS. When the Chief Finance Officer is not at ENC, the Finance Manager takes on the statutory responsibilities as Deputy Section 151 Officer.

10.2 The annual SRA for the Finance Manager (Deputy Section 151 Officer) is 5% of their annual salary.

### **11.0 Performance related pay and market supplements**

11.1 The Council does not pay:

- performance related pay; or
- bonuses

11.2 The Council will pay market supplements when agreed by Personnel Sub Committee; or the Chief Executive and Chair/Deputy Chair of Personnel Sub Committee if needed for expediency. These will only be paid where there is a proven difficulty to recruit.

11.3 No market supplements were paid in the period 2012 to 2016.

### **Section three: other allowances and benefits**

#### **12.0 Other allowances and benefits**

12.1 In addition to annual salaries, the Council provides other allowances and benefits to employees. In some cases these are available to all employees and in other cases only certain groups of employees are eligible to receive them. Information about other allowances and benefits, including who can receive them, is provided below.

#### **13.0 Annual Leave**

13.1 The Chief Executive and Executive Director (Monitoring Officer) receive an annual leave entitlement which is in line with conditions of service as set out by JNC. All other employees receive an annual leave entitlement which is in line with conditions of service as set out by NJC. Annual leave entitlements are documented below:

<b>Annual Leave Entitlements</b>	
<b>Chief Executive and Executive Director (Monitoring Officer)</b>	34 days paid annual leave in a full year from date of appointment. In addition, entitlement to eight Bank Holidays.
<b>All other employees (including lowest paid employees and Heads of Service)</b>	24 days paid annual leave in a full year. This will increase by one day for each fully completed year of service, up to a maximum of 10 days. In addition, entitlement to eight Bank Holidays.

13.2 Continuous service with relevant employers (as set out in the Modification Order under the Employment Rights Act 1996) counts towards an employee's annual leave entitlement.

#### **14.0 Car Loans**

14.1 The Council's Car Loan Scheme is available to employees of the Council who are designated essential car users.

14.2 Interest on car loans is charged at the HMRC recommended rate, which at the time of writing this document is 2.5%.

## 15.0 Essential car user allowance

- 15.1 A number of the Council's employees have to travel in order to undertake their duties. All essential car users are entitled to receive an annual car user allowance, this is in line with national terms and conditions set out by the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (NJC). Current essential car user allowances are set out below:

	451 – 999cc	1000 – 1199cc	1200 – 1450cc
<b>Annual essential car user allowance</b>	£846	£963	£1,239

- 15.2 Essential car user allowances are updated in line with increases made by the NJC.
- 15.3 None of the Council's lowest-paid employees are essential car users, so none of them receive the allowance and none of them are eligible for a car loan.
- 15.4 Each employee's entitlement to receive essential car user allowance will be reviewed annually.

## 16.0 Mileage rates

- 16.1 The Council reimburses employees at the following rates:

	451 – 999cc	1000 – 1199cc	1200 – 1450cc
<b>Essential car users</b>			
<b>Per mile first 10,000</b>	36.9p	40.9p	45p
<b>Per mile after 10,000</b>	25p	25p	25p
<b>Casual car users</b>			
<b>Per mile first 10,000</b>	45p	45p	45p
<b>Training – qualification courses</b>			
	13.7p	14.4p	16.4p

- 16.2 These mileage rates are applicable to all employees of the Council.

## 17.0 Telephones

- 17.1 All members of CMT are provided with a mobile telephone. The mobile telephones are provided because they are considered necessary for CMT to undertake their duties effectively, including for emergency planning and business continuity purposes. The Council funds the provision of the phone and business calls.
- 17.2 In addition to CMT, other employees in the Council have mobile telephones provided to them for work purposes. Many of the Council's employees undertake their work in the community. It is important that these employees are contactable and the Council ensures their health and safety is managed whilst working off site.
- 17.3 None of the Council's lowest-paid employees has a mobile telephone provided to them because they all work in office-based roles and are not required to be contactable outside of office hours.
- 17.4 The Head of Environmental Services receives a phone line paid for by the Council. This is to reflect his duties in respect of emergency planning both locally and nationally.

## **18.0 Gym membership**

18.1 A reduced annual corporate membership rate has been agreed with Freedom Leisure for ENC staff who wish to use their gyms, swimming pools and fitness classes. This is provided at no cost to ENC, and is deducted in monthly instalments from individuals' salaries.

## **19.0 Election fees**

19.1 In most years the Chief Executive receives fees for undertaking the statutory duties of Returning Officer (RO). The RO is someone who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of RO is one which involves and incurs personal responsibility and accountability and is statutorily separate to the duties as an employee of the Council.

19.2 The fees paid to the RO are not incorporated into the Chief Executive's contractual pay, but paid as and when incurred.

19.3 The RO fees for District Council elections and by-elections are calculated by using a scale which is based on the number of wards in the Council's District, the type of election, whether it is contested, the number of electors and the number of Councillors returned.

19.4 The method of calculation was agreed locally by the Council's Policy and Resources Committee, and fees are increased in line with national pay awards agreed by the JNC.

19.5 Where the Chief Executive takes on roles in respect of national or European elections or referendums, the fees receivable are set nationally and paid by Central Government.

## **20.0 Honorariums**

20.1 In some circumstances, the Council will award honorarium payments to employees below the level of Executive Director. An honorarium might be paid where someone temporarily takes on substantial additional responsibilities (such as temporarily acting up to cover a vacant post), where it would not be considered appropriate to re-grade the post. All honorarium payments are approved by the Chief Executive.

20.2 Acting up honorariums are typically calculated by comparing the employee's salary with the role in which they are acting up, and then giving a proportion of the difference, based on the percentage of the role covered, for the duration of acting up. For example, if someone earning £30,000pa covers 50% of a £42,000pa role for 6 months, they will receive £3,000.

## **21.0 Relocation and Removal Expenses**

21.1 The Council will sometimes contribute to the cost of relocation and/or removal expenses. Any payments are agreed by:

<b>Position</b>	<b>Approval by</b>
Chief Executive and Executive Director (Monitoring Officer)	Personnel Sub-Committee with delegated authority from full Council

All other employees (including lowest-paid employees and Heads of Service)	Chief Executive
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21.2 In the main, relocation and removal expenses are paid when recruiting to CMT and specialist roles. It is very unlikely that relocation and/or removal expenses would be payable to the lowest-paid employees.

## **22.0 Professional subscriptions**

22.1 The Council will generally cover the cost of one subscription, but some employees may have two subscriptions reimbursed. In all cases, reimbursement will only occur where it is identified that the employee requires the subscription in order to be able to do their job effectively or where the subscription benefits the Council.

22.2 This policy is applied to all employees of the Council but it is noted that it is highly unlikely that a lowest-paid employee would require a subscription in order to be able to undertake their role.

## **23.0 Out of hours payments**

23.1 The Council operates an Out of Hours Policy which covers all employees below the level of Heads of Service. The rate for the Out of Hours payment from 1 April 2017 is £75.60 per day. CMT are not entitled to receive Out of Hours payments.

## **24.0 Flexitime Scheme**

24.1 The Council operates a Flexitime Scheme which covers most employees below Head of Service level. The key principles of the scheme are:

- Normal office hours – 8:45am to 5.00pm
- 37 hours (full time contracted hours) Monday to Friday
- Can work between 7.30am and 6.30pm (with line manager agreement)
- Core hours 10.00am to Midday and 2.00pm to 4.00pm
- If an employee works 6 hours or more they must take a rest break of at least 30 minutes

## **25.0 Payment of hours worked outside the Council's flexitime scheme**

25.1 The Council does not normally pay overtime, and where it does it is paid in line with nationally-agreed NJC terms and conditions.

25.2 However, it is accepted there may be times when an individual has to work extra hours, for example during an election or to attend evening committee meetings.

25.3 In these circumstances an employee usually receives time off in lieu (TOIL).

25.4 To meet the needs of the service, where taking TOIL would have a detrimental effect on service delivery, the Chief Executive can approve the payment of accrued TOIL. Payment will always be at plain rate<sup>1</sup> and is only payable to employees below the grade of Executive Director.

<sup>1</sup> The employees hourly rate as determined by the spinal column point they are currently on.

## 26.0 Local Government Pension Scheme (LGPS)

26.1 All employees who are members of the LGPS make individual contributions to the scheme as set out in the table below :

The employee contribution bands for the period 1st April 2017 to 31st March 2018 are:

<b>Pay rate</b>	<b>ENC Grades</b>	<b>Main contribution rate</b>	<b>50/50<sup>2</sup> contribution rate</b>
Up to £13,700	None	5.50%	2.75%
£13,701 to £21,400	1 – 4	5.80%	2.90%
£21,401 to £34,700	4 – 7	6.50%	3.25%
£34,701 to £43,900	7 – 9	6.80%	3.40%
£43,901 to £61,300	9 - 10	8.50%	4.25%
£61,301 to £86,800	Executive Director	9.90%	4.95%
£86,801 to £102,200	None	10.50%	5.25%
£102,201 to £153,300	Chief Executive	11.40%	5.70%
£153,301 or more	None	12.50%	6.25%

26.2 The Council makes employer's contributions into the scheme, which are reviewed every three years by the pension fund's actuary.

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<sup>2</sup> The LGPS allows members to pay half the contribution in return for half the benefit. This option was created by LGSS to try to encourage some employees who felt they could not afford the full contribution to be able to save for their retirement.

## **27.0 Other allowances and benefits**

- 27.1 All other allowances and benefits paid by the Council are in line with NJC and JNC terms and conditions of employment or, where agreed locally, are applied equally to all employees.
- 27.2 Where an employee requests it, ENC may “buy back” some or all accrued annual leave as a reasonable adjustment under the Equality Act 2010 when they enter into half sick pay. This can only be done with agreement by the Head of Resources and Organisational Development and the Chief Executive.

## **Section four: Payments on termination of employment**

### **28.0 Redundancy pay**

- 28.1 The Council has a Redundancy Policy that applies to all employees of the Council.
- 28.2 Under the Employment Rights Act 1996, employees who have two years or more continuous service with the same employer qualify for a redundancy payment. For each full year's service, up to a maximum of 20 years, the entitlement to redundancy pay is calculated as follows:
- aged 21 or less: ½ week's pay
  - between the ages of 22 and 40: 1 week's pay
  - aged 41 and over: 1½ weeks' pay
- 28.3 The Council defines a week's pay as contractual gross pay rather than the statutory minimum. The redundancy payments apply to all employees of the Council, including CMT and the Council's lowest-paid employees.
- 28.4 The Council does not normally pay in lieu of notice (PILON), and will consider each redundancy situation on an individual basis.
- 28.5 All employees are entitled to apply for voluntary redundancy at any time. Each application will be considered on its own merits.

### **29.0 Flexible retirement**

- 29.1 Employees aged 55 or over, who have at least three months' total membership in the LGPS, can request flexible retirement (as defined in the Pensions Discretion Policy) with actuarially reduced benefits. It is the responsibility of the Council's Personnel Sub-Committee to decide whether to approve the request.
- 29.2 The policy only applies to Heads of Service and below (including the Council's lowest-paid employees). The Council does not currently have a policy on flexible retirement for the Chief Executive or the Executive Director.

### **30.0 Early retirement on compassionate grounds**

- 30.1 The Council will consider requests from employees who are active members of the LGPS to retire from age 55 on compassionate grounds without actuarial



reduction of benefits. It is the responsibility of the Council's Personnel Sub-Committee to decide whether to approve the request.

30.2 The policy only applies to Heads of Service and below (including the Council's lowest-paid employees). The Council does not currently have a policy on early retirement on compassionate grounds for the Chief Executive or the Executive Director.

### **31.0 Other termination payments**

31.1 The Council's policy is not to make any other termination payments to its employees, other than where it has received specific legal advice to the effect that a payment may be necessary to eliminate risk of legal claims against the Council.

31.2 Other termination payments do not include redundancy pay or PILON.

31.3 Termination payments to Heads of Service and below will be authorised by the Chief Executive providing the cost of the termination payment can be met from existing budgets. Where there is not enough money in the budget to cover the cost of the termination payment, the Council's financial rules will apply.

31.4 Any termination payment made to the Chief Executive or Executive Director must be approved by full Council.

## **Section five: re-engagement of employees following termination of employment with a severance or termination payment**

### **32.0 Re-engagement as an employee**

32.1 Subject to any relevant provisions in employment and equalities legislation, where a Chief Executive, Executive Director, Monitoring Officer or Section 151 Officer has had their employment terminated on grounds of redundancy, they will not be re-employed in the same or similar post for a period of one year following the date of their termination of employment.

32.2 If they are re-employed into another post within four weeks after the effective date of redundancy, any other employee will lose their right to a redundancy payment, including any enhancements under the provisions of the LGPS or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

32.3 Any re-employment will be subject to the Council following the strict application of the normal process of competitive selection for employment.

### **33.0 Re-engagement under a contract for services**

33.1 The Council's policy is not to re-engage, under a contract for services, any former Chief Executive, Executive Director, Monitoring Officer or Section 151 Officer who left the Council for any reason and was in receipt of a redundancy, severance or termination payment, for a period of three years from cessation of employment.

- 33.2 However, the Council accepts that there may be rare occasions where re-engagement under a contract for services might be necessary. This might be where, for example, the ex-employee is needed to represent the Council in court proceedings.
- 33.3 Where re-engagement is proposed, approval must be given by the Leader of the Council and the Chair of the Personnel Sub-committee.

#### **34.0 Employment of those in receipt of an LGPS pension**

- 34.1 Where the Council employs as Chief Executive or Chief Officer a person who is in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council's Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the Local Government Pension Scheme (Administration) Regulations 2008 will be applied.

### **Section six: pay relationships**

#### **35.0 Pay multiples and how the Council ensures pay levels are fair**

- 35.1 This section sets out the Council's overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation, including the current pay multiple which applies within the Authority.
- 35.2 The Council believes that the principle of fair pay is important to the provision of high quality and well-managed services and is committed to ensuring fairness and equity in its remuneration practices.
- 35.3 The Council's pay policies, processes and procedures are designed to ensure that pay levels are appropriately aligned with and properly reflect the relative demands and responsibilities of each post and the knowledge, skills and behaviours necessary to ensure they are undertaken to the required standard, as well as taking account of relevant market considerations. This includes ensuring that there is an appropriate relationship between the pay levels of its Chief Officers, as defined in section 3.1 of this pay policy statement, and of all other employees.
- 35.4 The Council has adopted a number of policies and practices to ensure fairness in the overall pay relativities within the Authority. These include:
- ensuring that the relationship between Chief Officer pay levels and those of the rest of the Council's workforce is taken into account when setting senior management pay levels
  - adopting a clear policy with regard to the desired relationship between Chief Officer remuneration and that of the rest of the workforce, as expressed through the use of a "pay multiple" (see below), and how it is intended this will be achieved and maintained
  - monitoring this pay multiple on an annual basis and reporting on any changes and the factors which may have contributed to this
  - using an analytical job evaluation scheme to determine the grading of all posts up to and including Head of Service level
  - applying a clear and objective methodology for evaluating all new and changed jobs to ensure they are properly graded and that pay levels properly reflect their level of responsibility
  - establishing a defined procedure for employees who wish to request a

review of their job grade or who wish to appeal against their grading outcome

- undertaking corporate monitoring of the application of pay progression arrangements to ensure these are applied and operated on a fair and consistent basis across the organisation
- reviewing the roles and responsibilities of individual posts annually during the Council’s appraisal procedure and as part of any organisational restructuring

35.5 Under the provisions of the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government under Section 2 of the Local Government Planning and Land Act 1980, the Council is expected to publish its “pay multiple”, i.e. the ratio between the highest, the lowest and the average salaries of the whole of the Council’s workforce.

35.6 The pay ratios between the Chief Executive and the Council’s employees are set out below:

	13/14 ratio	13/14 actual	14/15 ratio	14/15 actual	15/16 ratio	15/16 actual	16/17 ratio	16/17 actual
Chief Exec.		£110,965		£108,326		£116,806		£113,644
Lowest paid	7.00	£15,851	7.43	£14,580	7.21	£16,200	7.87	£15,186
Average (mean)	4.81	£23,078	3.85	£28,158	4.21	£27,766	3.97	£28,602
Average (median)	5.11	£21,735	4.26	£25,441	4.59	£25,441	4.40	£25,827
Average (mode)	4.46	£24,893	5.42	£20,001	5.84	£20,001	5.56	£20,436

36.7 For the purpose of the pay ratio the Chief Executive’s remuneration comprises salary, Returning Officer fees and essential car user allowance.

36.8 The Council considers that the current pay multiples, as identified above, represent an appropriate, fair and equitable internal pay relationship between the highest salary and those which apply to the rest of the workforce. The pay multiples will be reviewed and published annually.

36.9 The median average salary is the salary value at which 50% of the salaries which apply to the whole of the local authority’s workforce are below that salary value and 50% of the salaries are above it. The lowest pay point in the overall salary range which has been used by the Council in calculating the median average salary is that which applies to its lowest-paid employees, as defined in section 3.4 and 3.5 of this pay policy statement.

36.10 The mode average salary is the single salary earned by the highest number of employees. 25 employees receive the mode salary.

36.11 The mean average salary is the calculation usually referred to simply as an average. This is calculated by adding up all the salaries and dividing the total by the number of employees.

## **Section seven: Publication of CMT remuneration**

### **36.0 Pay information for CMT**

36.1 The remuneration data of CMT which the Council is required to publish is provided in Appendix B.

## Appendix A: Pay Structures

### 1 Chief Executive's Pay Structure

Chief Executive Pay Rates 1/4/2017 to 31/3/2018

SCP	£
6	£107,046
5	£102,928
4	£98,970
3	£95,163
2	£91,503
1	£87,986

### 2 Executive Director's Pay Structure

Executive Director Pay Rates 01/04/2016 to 31/03/2017

SCP	£
116	£85,628
115	£82,336
114	£79,170
113	£76,129
112	£73,199
111	£70,380

East Northamptonshire Council Payscales from 1 April 2017

Grade	1	2	3	4	5	6	7	8	9	10
	£	£	£	£	£	£	£	£	£	£
57										61,335
56										58,976
55										56,702
54										54,523
53										52,427
52										50,410
51									46,298	
50									45,243	
49									44,212	
48									43,200	
47									42,192	
46									41,190	
45								40,184		
44								39,241		
43								38,273		
42								37,321		
41								36,380		
40							35,445	35,445		
39							34,537			
38							33,521			
37							32,605			
36							31,737			
35						30,919	30,919			
34						30,221				
33						29,412				
32						28,605				
31						27,818				
30						27,021				
29					26,218					
28					25,349					
27					24,608					
26					23,881					
25				23,183	23,183					
24				22,679						
23				22,020						
22				21,421						
21			20,880	20,880						
20			20,231							
19			19,600							
18			18,981							
17		18,569	18,569							
16		18,123								
15		17,687								
14		17,290								
13	16,929	16,929								
12	16,666									
11	16,465									
10	15,892									
9	15,699									
	<b>Grade 1</b>	<b>Grade 2</b>	<b>Grade 3</b>	<b>Grade 4</b>	<b>Grade 5</b>	<b>Grade 6</b>	<b>Grade 7</b>	<b>Grade 8</b>	<b>Grade 9</b>	<b>Grade 10</b>
<b>JE Score</b>	<b>0 - 335</b>	<b>336 - 379</b>	<b>380 - 410</b>	<b>411 - 440</b>	<b>441 - 468</b>	<b>469 - 510</b>	<b>511 - 550</b>	<b>551 - 605</b>	<b>606 - 689</b>	<b>690 - 800+</b>

## Appendix B: Corporate Management Team Transparency Data

### Gross salaries on 1 April 2017

Chief Executive	£107,046
Executive Director	£85,628
Head of Resources and Organisational Development*	£61,335
Head of Customer and Community Services	£50,410
Head of Environmental Services	£61,335
Head of Economic and Commercial Development**	£58,976
Head of Planning Services	£58,976
Head of Joint Planning Unit (JPU)***	£61,335

\*The ICT element of this role is shared with the Borough Council of Wellingborough

\*\* This is a new role which commenced on 15 May 2017

\*\*\*This is a hosted role, and the costs are shared with the JPU partners

### Returning Officer's fees during 2016/17

Chief Executive	£6,419
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