



Council – 26 June 2019

Pay Policy Statement 2019-20

Purpose of Report:

This report is submitted to Council so that the Pay Policy Statement 2019-20 can be approved and published in accordance with our obligations under Section 38 (1) of the Localism Act 2011 and the Local Government's Transparency Code 2014.

Attachments:

Appendix 1 – Pay Policy Statement 2019-20

1.0 Introduction

- 1.1 The attached Pay Policy Statement has been produced in accordance with our obligations under Section 38 (1) of the Localism Act. The statement also contributes to the Council's adherence to its data publication obligations under the Local Government's Transparency Code 2014.
- 1.2 The aim of a Pay Policy Statement is to provide transparency around chief and senior officer remuneration in local government. The Personnel Sub-Committee considered the Pay Policy Statement at its meeting held on 17 June 2019, approving it for submission to Council for its consideration and approval.
- 1.3 The attached Pay Policy Statement is not a policy in itself. It is an extract of the Pay Policy data already approved, relating to the remuneration of its Chief Officers, that the Council is obliged to publish.
- 1.4 Pay Policy Statements must be formally approved by Full Council and published on the Council's internet. Pay Policy Statements are subject to review on an annual basis.
- 1.5 The format of the 2019-20 Pay Policy Statement has been revised to reflect Council policy relating to the Government's transparency obligations. It is also set out in a style that is similar to statements produced by our neighbouring North Northamptonshire Councils in an attempt to harmonise such publications prior to Unitary.
- 1.6 The Council's full Pay Policy is unaffected by this statement and will remain available on the council's intranet - the ENCHub.

2.0 Proposed Pay Policy Statement

- 2.1 The Pay Policy Statement is required to set out Council's policies in relation to:
 - levels of remuneration for chief officers;
 - remuneration of the lowest paid employees;
 - ratio between the pay of the Chief Executive and that of other employees; and
 - other specific aspects of chief offer remuneration.
- 2.2 In addition, it sets out the Council's policy on the award of discretionary payments under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
- 2.3 The Council's current Pay Policy Statement, dated April 2018, states that mileage will be paid in accordance with NJC and HMRC rates. In practice, there is a disconnect between actual rates paid at ENC and NJC and HMRC rates, as shown below:

Type	NJC Rates	ENC Rates	HMRC Rates
Essential User			
Annual Lump Sum allowance	£795 - £1,170	£846 - £1,239	n/a
Per mile – up to 8,500 miles *	33.6p – 46.4p	36.9p – 45p	n/a
Per mile – after 8,500 miles	11.7p – 14.2p	25p flat rate	n/a
Casual			
Per mile – up to 8,500 miles *	42.9p – 60.1p	45p flat rate	45p
Per mile – after 8,500 miles	11.7p – 14.2p	45p flat rate	25p

* ENC and HMRC is based on a threshold of 10,000 miles

2.4 The Personnel Sub-Committee, at its meeting on 17 June 2019, provided the Chief Executive, following consultation with the Chair of the Sub-Committee, authority to commence consultation with the Trade Unions to seek a collective agreement to align mileage rates with NJC or HMRC rates, as shown in section 2.3 above. Any significant impacts identified through consultation will be taken back to the Sub-Committee for further consideration.

2.5 Consideration of neighbouring authorities' mileage rates will be taken into account during such consultations to ensure terms and conditions are no less favourable ahead of Unitary.

3.0 Equality implications

3.1 Equality Impact Assessments have been completed upon the design and approval of policies. The Pay Policy Statement is a reflection of previously agreed policy decisions and is not a policy in its own right.

4.0 Legal implications

4.1 The report meets the Council's legal obligations under Section 38 (1) of the Localism Act and Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

5.0 Risk management

5.1 Failure to agree and publish a Pay Policy Statement would be a breach of our obligations under Section 38 (1) of the Localism Act and the Local Government's Transparency Code 2014.

6.0 Resource and Financial implications

6.1 Financial implications have already been considered within the relevant national or locally agreed polices applicable to the remuneration of officers within the scope of this Pay Policy Statement. These are reflected in the revenue budget 2019/20 approved by Council in March 2019.

7.0 Constitutional Implications

7.1 There are no constitutional implications arising from the Pay Policy Statement.

8.0 Implications for our Customers

8.1 There are no customer service implications arising from the Pay Policy Statement.

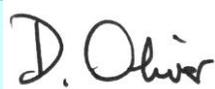
9.0 Corporate outcomes

- 9.1 This proposal contributes to the Corporate Outcome of Effective Management - ensuring that the Council complies with its legal obligations to disclose information in relation to chief officers' pay.

10.0 Recommendations

- 10.1 Council is recommended to **approve** the Pay Policy Statement 2019/20.

[Reason: To enable the Council to publish the statement in accordance with the requirements of the relevant legislation].

Legal	Power: Localism Act 2011 and the Local Government's Transparency Code 2014				
	Background report:				
Person Originating Report: Stella Jinks (Interim) HRSS Manager ☎ 01536 464655 ✉ sjinks@east-northamptonshire.gov.uk or stella.jinks@corby.gov.uk					
Date: 17/06/2019					
CFO 17/06/19		MO (Deputy) 17/06/19		CX 17/06/19	

(Committee Report Confidential Rev. 24)



PAY POLICY STATEMENT: 2019/2020

1. Introduction:

- 1.1 East Northamptonshire Council recognises that remuneration at all levels needs to be adequate to attract and retain high quality employees dedicated to providing the public services we deliver.
- 1.2 In particular, it recognises that senior management roles in local government are complex and diverse functions within a highly politicised environment, where national and local pressures can often conflict.
- 1.3 It is important that local authorities are able to determine their own pay policies that address local priorities and can compete in the local labour market.
- 1.4 The aim of this statement is to provide transparency.

2. Policy Scope:

- 2.1 This Pay Policy Statement includes the council's policies relating to:
 - the level and elements of remuneration for each Chief Officer
 - remuneration of its lowest paid employees
 - relationship between the remuneration of its Chief Executive and other officers
 - other specific aspects of Chief Officers' remuneration
- 2.2 This statement applies particularly to Chief Officers and the council's lowest-paid employees, but has general application regarding the council's pay policy for all officers.
- 2.3 "Chief Officer" has the definition given in Section 43 (2) of the Localism Act 2011 and includes the following: Chief Executive (Head of Paid Service), Executive Director & Monitoring Officer and Executive Director (S151/ Resources and Commercial)

The other senior pay group covered by this policy is Heads of Service who, with the Chief Officers, are collectively known as the Corporate Management Team.

3. Policy on Remuneration:

3.1 The policies on remuneration for each group are as follows:

3.2 Chief Executive (Head of Paid Service)

(a) Remuneration of the Chief Executive (Head of Paid Service) is determined locally by Full Council and falls within the following pay ranges:

Chief Executive £91,539 to £111,384

(b) The remuneration package is considered an all inclusive rate of pay that does not attract shift allowance, overtime or out of hours allowances. Appointments should commence at the bottom of the pay scale appropriate to the level of post. Appointment above this requires approval by Full Council.

(c) Annual leave is prescribed by the JNC terms and conditions. Current provision is 34 days plus bank holidays.

(d) Other terms and conditions are as prescribed by the Joint Negotiating Council (JNC) Terms and Conditions for Local Authority Chief Executives or other locally agreed policies, as and where applicable.

3.3 Executive Directors

(a) Remuneration of Executive Directors is determined locally by Full Council and falls within the following pay ranges:

Executive Director £82,368 to £89,086

(b) The remuneration package is considered an all-inclusive rate of pay that doesn't attract shift allowance, overtime or out of hours allowances. Appointments should commence at the bottom of the pay scale appropriate to the level of post. Appointment above this requires approval by Personnel Sub Committee with delegated authority from Full Council.

(c) Annual leave is prescribed by the JNC terms and conditions. Current provision is 34 days plus bank holidays.

(d) Other terms and conditions are as prescribed by either the JNC or National Joint Council (NJC) Terms and Conditions of Service or other locally agreed policies, as and where applicable

3.4 Heads of Service

(a) Remuneration of Head of Service is determined locally by Full Council and falls within the following pay ranges;

Spinal Point 53 to 56; £59,322 to £66,730

(b) Appointments should commence at the bottom of the pay scale appropriate to the level of post. The Chief Executive is afforded discretion as to what factors are taken into account in deciding on what Scale Point a new employee is appointed to.

- (c) Annual leave is determined locally by Full Council. Current provision is 24 days, increasing by one day per year to maximum of 34 days. Bank Holidays are in addition to this allowance.
- (d) Other terms and conditions are as prescribed by the NJC Terms and Conditions of Service or other locally agreed policies, as and where applicable

The structure of the Corporate Management Team is set out in Appendix 1.

3.5 Appointments and Severance Payments

The Personnel Sub-Committee has the delegated authority from Full Council to appoint the Head of Paid Service, the Monitoring Officer and the Section 151 Officer.

Where the Council proposes to appoint a Head of Service, an Appointment Panel drawn from the Personnel Sub Committee and relevant Committee Chairmen and Vice-Chairmen will make the appointment.

Appointments below Head of Service level are the responsibility of the Head of Paid Service or their nominated deputy.

In relation to the termination of employment, the Council will have due regard to the making of any appropriate payments where it is in the Council's best interests. Any such payment will be in accordance with contractual or statutory requirements and take into account the potential risks and liabilities to the Council, including any legal costs, disruption to services, impact on employee relations and management time. The Council will have specific regard to the legal requirements which apply to the termination of employment of Statutory Officers; Head of Paid Service, Section 151 Officer and the Monitoring Officer.

Severance packages for the Head of Paid Service (Chief Executive) or Executive Directors will be subject to Full Council approval. All other severance payments that can be met within existing budget provisions are subject to the Chief Executive's approval. If the severance payment cannot be met within existing budgets, the Council's financial rules will apply. Termination payments do not include redundancy pay or pay in lieu of notice.

3.6 Other

- (a) Local government pay remains a matter for free collective bargaining between the national employers and trade unions through either the Joint Negotiation Committee (JNC) or the National Joint Council (NJC). Progression through the grade is based on length of service and results in automatic annual increments until the employee reaches the top of their grade. Pay awards are agreed nationally by the JNC or NJC and, where a pay deal is agreed, are generally implemented in April of that year.
- (b) Under the Modification Order an employee will lose their entitlement to redundancy pay if they take up employment with East Northamptonshire Council (or other body covered by the Order) not more than four weeks after the date of redundancy, and the offer of the new job has been made before the completion of their service with their current Council.

In addition, the Council has determined not to re-employ a Chief Executive, Executive Director, Monitoring Officer or Section 151 Officer in the same or a similar post within one year of the date in which their employment terminated on the grounds of redundancy.

- (c) It is Council policy not to re-engage, under a contract for services, any Chief Executive, Executive Director, Monitoring Officer or Section 151 Officer who left their previous Council with a redundancy, severance or termination payment within 3 years from cessation of employment. However, the Council accepts there may be the rare cases where re-engagement may be required, for example, in instances such as representing the Council in court proceedings. Approval in these instances must be obtained by the Leader of the Council and the Chair of the Personnel Sub-Committee.
- (d) Where the Council employs a Chief Executive or Chief Officer who is in receipt of an LGPS pension, the administering body's rules on abatement of pensions will be applied.

4. Pension

- 4.1 All employees who are members of the Local Government Pension Scheme (LGPS) make individual contribution rates in accordance with the table below:

Contribution Rate (%)	Pensionable Pay Range
5.5 %	£0 - £14,400
5.8%	£14,401 - £22,500
6.5%	£22,501 - £36,500
6.8%	£36,501 - £46,200
8.5%	£46,201 - £64,600
9.9%	£64,601 - £91,500
10.5%	£91,501 - £107,700
11.4%	£107,701 - £161,500
12.5 %	Over £161,501

- 4.2 East Northamptonshire Council's pension discretions, within the LGPS scheme, are set out in its Pensions Discretions Policy. This policy applies to all officers within the Local Government Pension Scheme. Please refer to Section 8(c)

5. Other Pay Elements

5.1 Recognition Payments

The Council may consider granting an honorarium (of an amount dependent upon the circumstance of each case) to an officer who performs duties of a higher grade post, or outside of the scope of their post, for an extended period or performs duties that are considered exceptionally onerous. The Chief Executive and Executive Directors are excluded. All honorarium payments for Heads of Service or below must be approved in advance by the Chief Executive.

5.2 Market Supplements

The Council will consider applying a Market Supplement where there is a proven difficulty to recruit. Any such payments must be pre-approved by Personnel Sub-Committee or the Chief Executive and Chair/Deputy Chair of Personnel Sub-Committee if needed for expediency.

5.3 Relocation Allowances

In exceptional cases, East Northamptonshire Council may consider contributing towards the approved costs of removal expenses and other incidental expenses reasonably attributed to the removal. Personnel Sub-committee has the delegated authority from Full Council to consider such payments for Chief Executive or Executive Director roles.

5.4 Sick Pay Scheme

The Council adheres to the nationally agreed sick pay provisions, which are based on length of service and calculated at a normal day's pay, in accordance with JNC and NJC conditions of service. Maximum provision is six months' full pay and six months' half pay, after 5 years' service. Eligibility for the scheme is set out in the Council's Staff Management Policy.

5.5 Other Rewards

- (a) The Council operates a salary sacrifice scheme for childcare vouchers which, subject to meeting the eligibility criteria, is open to all permanent employees within the scope of this pay policy statement.
- (b) It is the policy of the Council to reimburse professional officers one subscription per year to a professional body that is directly relevant to their role.
- (c) The Council offers a reduced annual corporate leisure membership for all staff that wish to use its gyms or swimming pools or attend fitness classes at its leisure facilities.
- (d) CMT may be issued with mobile phones or laptops for work purposes only. In the event that they are required to be on emergency duties, costs for a home phone line will be reimbursed.
- (e) Business mileage can be claimed, subject to evidence of adequate insurance provisions and driving licence. Rates for casual and essential mileage users range from 36.9p to 45p per mile, subject to engine size. After 10,000 miles these rates drop to 25p per mile. Where an employee qualifies for essential car user allowance, due to travel being an intrinsic part of the role, allowances range from £846 to £1,239 per year. Mileage rates for essential car users are the same as casual mileage rates.
- (f) A car loan scheme is open to all employees employed in a role that is designated to be an essential car user. Interest is charged in line with current HMRC guidelines applicable at the time.

5.6 Deviation from nationally agreed conditions of service

The Council reserves the right to deviate from nationally agreed conditions of service, subject to relevant consultations and, where necessary, Full Council approval.

6. Returning Officer Duties

- 6.1 The Chief Executive receives a fee for undertaking the statutory duties of Returning Officer. This role incurs personal responsibility and accountability and is statutorily separate to the duties as an employee of the Council.
- 6.2 Fees are only paid when the duties occur.
- 6.3 District Election and by-election fees are set by the Council and increased in line with JNC pay awards.
- 6.4 National and European election fees are set and paid for by the Government.

7. Relationship between the remuneration between the Council's Chief Executive and other officers

- 7.1 The lowest paid employee (excluding apprentices) is paid at spinal point 2, for which the full time equivalent basic pay rate is £17,711 (£9.18 p.hr) per annum.
- 7.2 The Council does not have a formal policy on the ratio between chief officer remuneration and its other officers and does not favour the adoption of introducing numerical targets for the multiple. The median pay ratio for 2019-20 is 3.91. This ratio will be monitored each year within this pay policy statement.

8. Discretionary Payments

- 8.1 The following sets out the Council's policy for the award of any discretionary payments under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. The following apply to all staff, regardless of their pay level.

(a) Calculating redundancy payments.

For the purpose of calculating redundancy payments, there is a statutory limit on a week's pay. There is discretion for local authorities to use the employee's actual weekly pay rather than the statutory definition of a week's pay, when calculating statutory redundancy payments. East Northamptonshire Council has adopted this discretion and bases redundancy calculations on employee's actual weekly pay.

(b) Discretionary multiplier.

Under the discretionary compensation regulations the authority has the discretion to apply a multiplier. This has a statutory cap of 104 weeks (inclusive of both statutory and compensatory payment elements). The Council has adopted this discretion and applies a multiplier of 2.4.

(c) Pension discretions within the LGPS

Employer discretions within the LGPS are currently under review and, subject to approval, will be published separately on the Council's website.

9. Disclosure

- 9.1 This Pay Policy Statement will be published on the Council's website.

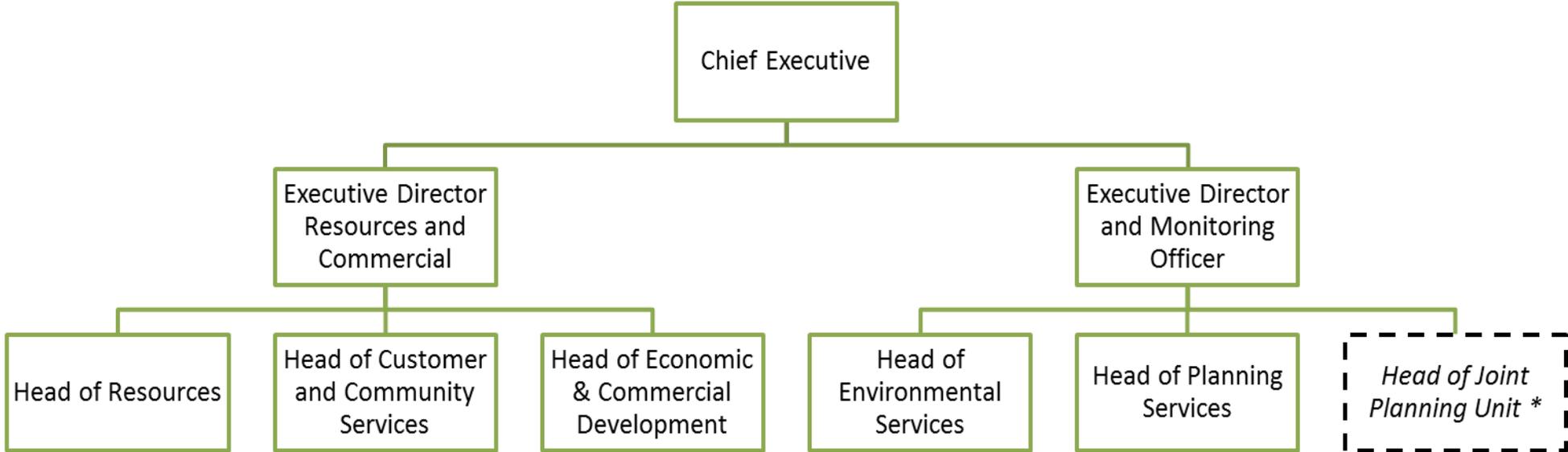
10. Policy Review

- 10.1 The Localism Act 2011 requires that Pay Policy statements must be formally approved by Full Council, can be amended in year and must be published.

Approved at Full Council: [date]



Appendix One:



* Joint role for North Northamptonshire, hosted by ENC. Head of Service grade, although role sits outside of CMT .