

Statutory Pay Policy Statement for Chief Officers 2020 21

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1. Purpose of the Report

- 1.1. Section 38(1) of the Localism Act 2011 requires English local authorities to produce an annual statutory pay policy statement.
- 1.2. In the context of managing scarce public resources, remuneration at all levels within the Council needs to be adequate to secure and retain high- quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive.

2. Forward Plan

- 2.1 This report is an annual report.

3. Public Interest

- 3.1 The pay policy statement must be formally approved at a Full Council meeting by the end of Financial Year, though it can be amended in-year with Full Council approval.
- 3.2 The pay policy statement must be published on the authority's website.

4. Recommendation

- 4.1 That Council consider and approve the proposed Statutory Pay Policy Statement for publication.

5. Background & Scope

- 5.1 The definitions of chief officer and deputy chief officer to be covered by the pay policy statement are defined by the legislation.
- 5.2 The Pay Policy Statement for South Somerset District Council (SSDC) will apply to the following posts which collectively will be referred to as 'chief officers' for the purpose of this statement:
 - Chief Executive Officer
 - Director posts
 - Head of Paid Service
 - Monitoring Officer
 - Section 151 (Finance) Officer
 - A person for whom the head of the authority's paid service is directly responsible.
 - A person who, as respects all or most of their post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority
- 5.3 A deputy chief officer who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to one or more of the statutory or non-statutory chief officers.

Note: A person whose duties are solely secretarial or clerical or are otherwise in the nature of support services shall not be regarded as a non-statutory chief officer or a deputy chief officer.

6. Remuneration and Pay Ratios

The levels and elements of remuneration for chief and senior officers (at year end 31st March 2019)

6.1 Below are listed the salaries of Chief Officers in posts where the FTE remuneration is above the £58,200 threshold level.

| Post | Statutory Role | Salary (per annum) | Bonus or Performance related pay | Other Allowances (excludes business mileage claims) | Pension Enhancement in Year | Post end date |
|---|----------------------|---|----------------------------------|---|-----------------------------|---------------|
| Chief Executive | Head of Paid Service | £113,322 | No | Essential Car User Allowance £1,048 | No | |
| Director – Strategy and Commissioning | | £79,300 | £5,000 | No | No | |
| Director – Commercial and Income Generation | | £79,300 | £5,000 | No | No | |
| Director – Service Delivery | | £79,300 | £5,000 | Essential Car User Allowance £1,048 | No | |
| Lead Specialist - Legal | Monitoring Officer | £61,776 | No | No | No | |
| Section 151 Officer | Section 151 | Contracted from SWAT* £42,680 per annum (2 days per week) | No | No | No | |

*Somerset West and Taunton

The full time remuneration of the lowest paid employee

| Definition | Salary (per annum) | Bonuses or Performance related pay | Other Benefits | Pension Enhancement in Year |
|---|--------------------|------------------------------------|----------------|-----------------------------|
| Employee on lowest pay spine point scp 11 £17007 for contracted staff | £17,007 | No | No | No |

6.2 The lowest paid employee is defined as an employee on the lowest spine point of Pay Grade 1 (scale point 8) – the lowest grade for posts within the authorities pay scheme. Excluded for this purpose are any appointments under the Work Placement Schemes and Internships Policy, apprenticeships and casual employees.

6.3 Under the Single Status Scheme approved by Full Council this is the minimum starting salary for any employee covered by the scheme. Nationally the lowest pay point is National Pay Scale 6 (£16,394).

6.4 Through this policy the pay multiple of highest paid employee will be monitored annually. Should the multiplier between the annual salary paid to a full time employee on the lowest spine point and the annual remuneration paid to the highest paid employee be greater than 10 then this will be reported by the Leader of the Council to Full Council for consideration.

6.5 The multiplier of remuneration of highest paid employee to other officers

| | Total remuneration per annum (including lease car value and travel allowance) |
|--|---|
| FTE median pay for all employees | £24,174 |
| Pay multiple of highest paid employee to median average FTE salary | 4.60 |
| Pay multiple of highest paid employee to lowest paid FTE | 7.03 |

7. Remuneration of Chief Officers on Appointment (directly employed posts)

7.1 **Chief Executive and Director Posts** - The Leader of the Council will, after taking independent pay advice from South West Councils or similar, recommend the remuneration package on appointment to the above posts to Full Council prior to advertisement of the vacancy. The remuneration package will then be subject to the approval of Full Council.

7.2 **All other chief officer posts** - The remuneration on appointment for all other posts covered by this Pay Policy Statement for Chief Officers will be set within the Single Status Scheme approved by Full Council.

8. Increases in remuneration post appointment for each Chief Officer (directly employed posts)

8.1 **Chief Executive and Director Posts** - The Leader of the Council shall recommend to Full Council within the remuneration package prior to appointment how salary progression and any annual pay reviews will be administered or calculated. Any other subsequent changes to the remuneration package will be subject to further Full Council approval.

8.2 **All other Chief Officer posts** - The salary progression for all other posts covered by this Pay Policy statement will be set within the Single Status Scheme approved by Full Council. Salary increases in relation to the cost of living will be made in line with National Joint Council recommendations

9. Use of Performance Related Pay for Chief Officers

9.1 Any performance related pay schemes for chief officers will be subject to approval by Full Council prior to implementation. No performance related pay scheme is currently operated or exists for chief officers.

10. Use of Bonuses or Honoraria for Chief Officers

10.1 Bonus or honoraria payments to chief officers (other than the Chief Executive) will only be paid if approved by the Chief Executive in consultation with the Leader.

10.2 Bonus or honoraria payments to the Chief Executive will only be paid if approved in advance by the Full Council. None are currently paid and none have been approved.

11. Use of Market Supplements

11.1 Market supplements may be applied to posts in certain circumstances as outlined in the Market Supplement Policy. When a decision is made to use market supplements for any chief officer post this will be reported to Full Council. We have not applied to any senior posts.

12. Payment of chief officers on their ceasing to hold office under or be employed by the authority

12.1 Any termination payments to chief officers on ceasing office will comply with the current Redundancy and Severance Pay Policy, which was approved by Full Council in December 2010. This policy applies equally to all employees of the Council. No additional termination payments will be made without the approval of Full Council. Any statutory caps on final termination payments in place on the termination date will be applied.

13. Remuneration of chief officers who return to Local Authority employment

13.1 Where the chief officer was a previously employed chief officer who left with a severance payment and applies to comeback as a chief officer, District Executive approval would be required to authorise re-employment, (if within the severance payment payback period.)

13.2 Where the chief officer was previously employed by the same authority and have comeback as a chief officer under a contract for services District Executive will be required to approve any award of a 'contract for services'.

13.3 If an employee receiving a pension from the Local Government Pension scheme becomes re-employed then their pension could be affected. If their pension plus the earnings from their new job is higher than the final pay their pension was calculated on, then their pension will be affected. For every pound that their earnings plus pension exceed previous pay, then their pension will reduce by a pound. This abatement will last for as long as the person exceeds their limit (so either when the new job ends or they reduce their hours so their earnings drop down below the acceptable level). However, abatement is not applied where the member's pension is less than £3,000 per annum.

14. Publication of and access to information relating to remuneration of chief officers

14.1 The remuneration of chief officers earning over a salary of £58,200 per annum will be published on the South Somerset District Council website.

15. Payments for Duties at Elections

15.1 Fees, in addition to salary, are paid to the individual undertaking the role of Returning Officer. This practice happens nationally and the fees are paid in a variety of ways depending on the type of election that is taking place. The Electoral Claims Unit (ECU) pays for national referenda and the Police and Crime Commissioner (PCC) fees are determined according to the Fees and Charges Order from the Secretary of State. County, District, Town and Parish Councils pay for their elections. These payments are not within the scope of this policy.

16. Financial Implications

16.1 There are no direct financial implications resulting from the Pay Policy Statement for Chief Officers.

17. Corporate Priority Implications

17.1 The recommendation will support decision making in the financial interests of the Council.

18. Carbon Emissions and Climate Change Implications

18.1 There is no impact resulting from the recommendations of this report.

19. Equality and Diversity Implications

19.1 The principles of equal pay have been fully considered in the production of this statement.