

# New Forest District Council

## Pay Policy Statement Financial year 2021-22

### Background

1. The purpose of this Pay Policy Statement (“Pay Statement”) is to set out New Forest District Council’s pay policies relating to its workforce for the financial year 2021-22, including the remuneration of its Chief Officers and that of its lowest paid employees. Once the Local Pay Award for 2021-22 has been agreed the Pay levels in this document will be amended accordingly.
2. The functions of appointment, dismissal and related matters for all employees below Chief Officer Level shall be dealt with by the Chief Executive and Executive Heads, or such other employees as may be authorised. Standing Orders for General Procedures deal with procedures for appointing and dismissing employees at Chief Officer Level.
3. With the exception of apprentices on the National Minimum Wage, pay for all staff, including Chief Officers, is formally discussed and consulted upon at the Employee Side Liaison Panel before recommendations are taken forward to the HR Committee who will make recommendations to Council.
4. For the purposes of this Pay Statement and in accordance with the Localism Act 2011 (“Localism Act”), staff employed by the Council have been separated into two groups:
  - (a) Chief Officers as defined by the Localism Act
  - (b) Employees who are not Chief Officers as defined by the Localism Act
5. An “employee who is not a Chief Officer” refers to all staff that are not covered within the “Chief Officer” group as outlined below. This includes the “lowest paid employees”. In the context of the Council, the “lowest paid employees” are those employed at Band 1 on the District Council’s pay structure (this is appended as item 1).
6. Section 43(2) of the Localism Act defines Chief Officers for the purposes of the Localism Act. The following roles within the Council fall within the definition “Chief Officers”: -
  - (a) Head of Paid Service (Chief Executive)
  - (b) Monitoring Officer
  - (c) Section 151(Chief Finance Officer)
  - (d) Non-Statutory Chief Officers (Executive Heads and Chief Planning Officer)
  - (e) Officers reporting directly to those officers falling within (a), (b), (c) and (d) above (Deputy Monitoring Officer and Deputy S151 Chief Finance Officer)

### Chief Officers as defined by the Localism Act 2011

7. The Chief Executive’s pay is set in comparison with other district councils. The Chief Officers below the Chief Executive are paid on Band 11 of the Council’s pay structure (the Band for each role is determined by a consistent job evaluation process), Chief Officer current salaries are outlined below:

8. The Head of Paid Service salary range is detailed below, CX4 (£124,708) and CX5 (£128,994) are available for exceptional performance:

Spinal points	Salary
CX1	£114,198
CX2	£117,731
CX3	£121,371

9. The Council has a duty to appoint a Returning Officer responsible for local government elections and has decided that this role be carried out by the Chief Executive. The Returning Officer fees are regarded as a special responsibility payment in relation to independent duties carried out.
10. The fees and charges for European, UK Parliamentary and Police Commissioner elections and National Referendums are set by external bodies. The scale of fees and expenses for County, District, Parish and Town Council elections will be set in partnership with the County Council and other Hampshire local authorities to ensure uniformity and will be submitted to General Purposes and Licensing Committee.
11. The Monitoring Officer, Executive Heads, Chief Planning Officer and Chief Finance Officer salary range (Band 11) is detailed below, spinal point 73 (£85,396) and spinal point 74 (£87,897) are available for exceptional performance:

Spinal points	Salary
70	£78,316
71	£80,594
72	£82,960

12. The Executive Head of Operations also takes on the additional role of Deputy Chief Executive and receives an additional payment of £6,000 per annum.
13. The salary range (Band 10A) is detailed below. Currently there are no posts within this salary band. Spinal Point 67 (£71,942) and spinal point 68 (£73,992) are available for exceptional performance.

Spinal points	Salary
64	£66,275
65	£68,088
66	£69,981

14. The Deputy Monitoring Officer will be paid on band 10 (see point 15 below). The Deputy S151 (Chief Financial Officer) will be paid on Band 9.

15. The Service Managers salary range (Band 10) is detailed below:

Spinal points	Salary
58	£57,522
59	£58,729
60	£59,939
61	£61,238
62	£62,878
63	£64,540

16. The Council reviews its terms and conditions and pay levels regularly. The Chief Executive, Executive Heads and Service Managers pay was reviewed in 2015/16.
17. Pay awards are considered annually for all staff including Chief Officers. The outcome of the national consultations by the Local Government Employers in negotiation with the Trade Unions is applied unless this distorts the councils local pay structure.
18. The Chief Executive, Chief Officers' and Service Managers' performance and pay progression is reviewed annually on the achievement of clear organisational objectives. Incremental progression does not apply to these roles. The Chief Executives' annual review is undertaken by a member panel (comprising of the Leader of the Council, plus three other Portfolio Holders to be determined by the Leader).
19. The Council recognises that Chief Officers sometimes incur necessary expenditure in carrying out their responsibilities e.g. travel costs. Chief Officers will be reimbursed for reasonable expenses incurred on council business in accordance with local Terms and Conditions.
20. Chief Officers as a result of their employment are eligible to join the Local Government Pension Scheme in the same way as other employees. The pension's policy statement is appended as item 2 to this statement applies to all employees including chief officers.
21. All employees including Chief Officers with more than 2 years continuous service will be entitled to a redundancy payment. If employees are aged at least 55 they are also automatically entitled to the immediate payment of pension benefits if they are retired on the grounds of redundancy. **THIS IS CURRENTLY UNDER REVIEW NATIONALLY.** This policy will be updated to take account of any changes to legislation which occur as a result. The redundancy payments are based on actual weekly pay. See point 22 below. The number of weeks individuals are entitled to is based on the statutory redundancy grid which provides for a maximum of 30 weeks. A multiplier of 1.5 is used to support efficient organisational change. The Council scheme therefore provides for an entitlement of up to a maximum of 45 weeks based on length of service and age. The Council operates one redundancy scheme for both voluntary and compulsory redundancies. All redundancies are subject to a full Business case which requires a maximum financial payback of 3 years.

22. The Exit Payment Reforms have introduced new criteria which we will take account of when calculating any redundancy pay. These are:
  - The annual salary which the payment is based on must not exceed £80,000.
  - The overall redundancy payment must not exceed 15 months' salary.
  - The number of weeks used as the multiplier must not exceed three per year of service.
23. The Council practice is not to re-employ Chief Officers who have received a redundancy or severance package on leaving the council.
24. In accordance with the Code of Recommended Practice for Local Authorities on Data Transparency, pay and benefits information for staff paid over £58,200 are published. This information is contained on 'Transparency and Open Government' pages on the Council's external website.

### **Employees who are not Chief Officers as defined by the Localism Act**

25. These employees are all paid on the Council's pay structure on Bands 1-9. Each employee will be on one of the 9 Bands based on the job evaluation of their role. Each Band consists of 1,3, 5 or 6 spinal points. Pay progression within the Band is subject always to good performance.
26. Each "lowest paid employee" is paid within the salary range for Band 1. All other employees are paid within the salary range for the Band of their role i.e. (2-9). In very exceptional cases individuals are paid a pay supplement.
27. Employees new to the Council will normally be appointed to the first spinal point of the salary range for their Band. Where the candidate's current employment package would make the first spinal point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a different spinal point in starting salary may be considered by the recruiting manager. This will be within the salary range for the Band. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.
28. Employees' performance during the year is reviewed within the Council's performance management arrangements and pay progression within the Band is subject always to good performance.
29. Pay awards are considered annually for staff. For all staff up to and including the Chief Executive the outcome of the national consultations by the Local Government Employers in negotiation with the Trades Unions is applied.
30. The Council believes in rewarding outstanding performance. It operates this through a system of bonus payments which are designed to reward outstanding performance at the time it occurs. The size of the award paid to an employee will be commensurate with the work being rewarded. All bonuses are subject to Executive Management Team approval.
31. The Council recognises that employees sometimes incur necessary expenditure in carrying out their responsibilities, for example travel costs. Employees will be reimbursed for

reasonable expenses incurred on Council business in accordance with the Council's local Terms and Conditions.

32. Band 9 staff are entitled to the lease car cash alternative. The Essential User allowance only applies to jobs that are visiting officers or jobs that manage across more than one site (average of 2500 miles per annum) and agreed by the Service Manager.
33. All employees as a result of their employment are eligible to join the Local Government Pension Scheme. Details of the Council's pension policy are appended as item 2 of this Pay Statement.
34. The Council's redundancy scheme is detailed in paragraphs 21 and 22 and this applies to all employees.
35. The Council practice is not to re-employ staff who have received a redundancy or severance package on leaving the Council; any request to do so would require specific approval from the appropriate Executive Head.
36. In accordance with The Local Government Association guidance on the Government's requirement for reporting remuneration relationships (the ratio between the highest paid employee and the median average earnings across the organisation as a multiple). Based on current salaries for 1<sup>st</sup> April 2020 this has been calculated as follows:

Chief Executive Remuneration	£121,371
Employees Median average remuneration	£23,214
Ratio	5.23

**Pension Policy Statement**

Under the Local Government Pension Scheme, the Council is required to publish a written statement of policy in relation to pensions.

Any decision that has a financial impact will be subject to a Business Case, where a payback period of no more than three years, is achievable.

The statutory provisions governing exit payments to local government workers are in the process of reform including the Local Government Pension Scheme Regulations.

**1. Regulation 16 (2e)(4d) Shared cost additional pension contributions**

Discretion not exercised. (Decision at Council July 2014)

**2. Regulation 30(6) Power to allow flexible retirement**

Discretion exercised in line with Policy agreed from 1 May 2015 (Decision at Council April 2015)

**3. Regulation 30 (8) Waiving of actuarial reductions on compassionate grounds**

Discretion exercised provided there is no cost to the Council (Decision at Council July 2014)

**4. Regulation 31 Power to award additional pension**

Discretion not exercised. (Decision at Council July 2014)

**5. (LGPS Regulations 2014 (Transitional provisions, savings and amendments – paragraph 2 (2) of schedule 2)) – Switching on the 85 year rule**

Discretion not exercised (Decision at Council July 2014)

**6. Regulation B30(2)(5)B30A(3)(5) Post – 31 March 2008 /pre – 1 April 2014 leavers early payment of pension**

Discretion not exercised (Decision at Council July 2014)

**7. Membership aggregation Regulation 22 (7)(b), (8)(b)**

Discretion not exercised (Decision at Council July 2014)

**8. Transfers of Pension Rights (Administration Regulation 100 (6))**

Discretion not exercised (Decision at Council July 2014)

**9. Pension Contribution Bands (Regulations 9 and 10 of LGPS Regulations 2013)**

Discretion is exercised (Decision at Council July 2014) - The Council's policy is to review an employee's contributions band when there is a contractual change to the member's salary or hours at some point during the year, when the change is permanent. Any changes in variable pay (i.e. overtime) will only be reviewed once on 1<sup>st</sup> April each year.

**10. Assumed Pensionable Pay and 'regular lump sum' (regulations 21(4)(a), 21(4)(b) and 21(5) of the LGPS Regulations 2013)**

Discretion not exercised (Decision at Council July 2014)

**11. Election of Early Payment of Benefits**

The Council's Early Retirement Policy came into effect from 1 July 2009 and applies to all employees at least 55 and over. Early Retirement can only occur in the following circumstances:

**REDUNDANCY** – for employees where employment is terminated for reasons of redundancy.

**EFFICIENCY** - for employees where early retirement is in the interests of the efficiency of the service.