

ARUN DISTRICT COUNCIL Pay Policy Statement Financial Year 2022 – 2023

1. Purpose

- 1.1 This Pay Policy Statement (Statement) is provided in accordance with Section 38(1) to 43 of the Localism Act 2011 and the Statement will be updated annually from April each year.
- 1.2 The Statement sets out Arun District Council's (ADC) policies relating to the pay of its workforce for the financial year 2022 – 2023, in particular:
- The remuneration of its Senior Management, third tier and above
 - The remuneration of its "lowest paid employees"
 - The relationship between the remuneration of its senior managers and employees who are not senior managers

2. Definitions

- 2.1 For the purpose of this Pay Policy the following definitions will apply:

"Pay/Remuneration" in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.

"Chief Officers" refers to the following roles within ADC:

- Chief Executive as Head of Paid Service
- Directors
- Group Heads

"Lowest Paid Employees" refers to those staff employed on Grade 2 of the Council's pay scales. The definition for the "lowest paid employees" has been adopted because Grade 2 is the lowest grade on which employees are paid within the Council's pay framework.

"Employee who is not a Chief Officer" refers to all staff who are not covered under the Chief Officer group above. This includes the "lowest paid employees".

3. Pay Framework and Remuneration Levels

3.1 Remuneration for staff up to and including Director Level

3.1.1 *Determining the Grades of Posts*

3.1.2 The Council uses a locally agreed Job Profiling Scheme to evaluate the grade applied to each job role. This is to ensure that jobs are graded fairly, equitably and consistently and that the Council complies with the Equal Pay Act.

3.1.3 Decisions on grading are by consensus of a pay profiling panel following a thorough assessment of each job role. The panel is made up of both employer and union representatives and panellists are trained in use of the scheme to ensure fairness in application.

3.1.4 The profiling scheme covers all posts within the Council with the exception of the Chief Executive. This is because an evaluation exercise is not needed to establish that this is the highest paid post in the Council as the post holder will have ultimate accountability and responsibility.

3.2 *Pay Structure and Pay Increases*

3.2.1 The Council's pay and grading structure is based on the national pay scale issued by the National Joint Council (NJC) as part of the National Agreement for Local Government Services. This pay scale incorporates posts graded 2 to 14 (Grade 14 is covered by an extension to the National Pay Scales). Incremental rises within each grade is automatic on the 1st April each year until the employee reaches the top of the scale.

3.2.2 The Council has a separate pay scale for Group Heads and Directors. Incremental increases are not automatic for these staff and are at the Chief Executive/Director's discretion.

3.2.3 All staff are awarded an annual cost of living increase which is linked to national pay negotiations for the National Joint Council for Local Government Services.

3.2.4 There is no provision for the payment of bonus payments to staff in these grades.

3.3 **Remuneration of the Chief Executive**

3.3.1 At recruitment stage, the starting salary of the Chief Executive is decided at Full Council. Thereafter, annual pay awards are determined by the Joint Negotiating Committee for Chief Executives of Local Authorities. The Chief Executive does not receive any additional payment other than fees in connection with election duties in the role of Returning Officer. Election fees are set out annually in the 'Scale of Returning Officer's expenditure for Local Government Elections, Polls and Referendums', attached as Appendix 1.

3.3.3 There is no provision for the payment of bonus payments to the Chief Executive. Other payments made will be in line with Council policies on allowances.

4.0 Publication of Chief Officer Salaries including the Chief Executive

- 4.1 Information on remuneration for the Chief Executive, Directors and Group Heads is published as part of the Annual Statement of Accounts. This is published each year in June/July and can be found on the Council's website. Officers below this level will not be identified in this way.
- 4.2 A structure chart showing the membership and responsibilities of the Corporate Management Team is attached to this document as Appendix 2.

5 Other Pay Elements

5.1 Market Supplements

- 5.1.1 The Council will consider the use of market supplements where there are significant recruitment or retention difficulties. In situations where a market supplement is being considered, a report detailing the business case will be presented for consideration by the Corporate Management Team in conjunction with the HR Manager. Market Supplements are time limited and subject to review.

5.2 Honoraria/Honorariums

- 5.2.1 There is provision within the Council's Human Resources guidance for the payment of "honoraria" in exceptional circumstances to any staff employed by the Council, for Directors, honoraria must be approved by the Chief Executive, in consultation with the Leader of the Council. For Group Heads, this must be approved by the relevant Director in consultation with the Chief Executive. For the Chief Executive this must be approved by the Leader of the Council.

5.3 Other Allowances

- 5.3.1 There are a number of other allowances which staff may be eligible for such as car allowance, standby/call out allowance etc. Any allowance or other payment will only be made to staff in connection with a particular role or the patterns of hours that they work. Allowances will be payable subject to the employee meeting the eligibility criteria as laid out in the relevant policy.
- 5.3.2 Payments made to staff working during elections, polls and referendums will be in line with the Scale of Returning Officer's expenditure for Local Government Elections, Polls and Referendums, as attached at Appendix 1.

6 Pensions

- 6.1 All employees are eligible to join the Local Government Pension Scheme (LGPS). Full details of the scheme can be found at www.lgps.org.uk. The LGPS is a contributory scheme and contributions are made by both the employer and the employee. The level of contribution is dependent on the employee's earnings.
- 6.2 The LGPS requires employers to prepare and publish a written policy on its discretionary powers in relation to pensions. These are known as the Council's Pension Discretions; they are reviewed annually and can be found on the Council's intranet.

7 New Starters Joining the Council

- 7.1 Employees new to the Council will be appointed to a salary point within the grade for the post considered appropriate taking into account their experience and ability to undertake the role. This will be at the discretion of the recruiting manager.

8 Termination of Employment

- 8.1 All employees who leave the Council's employment are entitled to payment of their contractual notice (except in cases of summary dismissal following disciplinary proceedings) along with any outstanding holiday pay.
- 8.1.2 The Council has determined that a vote by the Council regarding severance payments is not required. This is due to the fact that the Joint Consultative Panel agrees all pay policies including those affecting severance payments. All severance payments are paid in accordance with Council policy and in compliance with employment legislation.
- 8.2 *Redundancy Payments*
- 8.2.1 Redundancy payments are payable to employees whose post is made redundant and the post holder has two years' service or more. ADC's redundancy payments are determined by the age of the employee and length of service and are based on actual salary. Details of how the redundancy payment is calculated is set out in the Council's redundancy policy.
- 8.2.2 There is no local discretion to increase an employee's total pension scheme membership or award additional pension except in exceptional circumstances where compassionate grounds apply.

8.3 Settlement Agreements

8.3.1 In exceptional circumstances, and specifically to settle a claim or potential dispute, the Chief Executive in consultation with the Section 151 Officer, can agree payment of a termination settlement sum up to the value of £50,000. Settlement agreements up to the value of £95,000 may be made by the Chief Executive in consultation with the Leader of the Council, Leader of the Opposition and Section 151 Officer. Any settlement payment above the value of £95,000 needs to be considered by Full Council. In such cases, each decision as to the level of payment will be taken on its individual merits and with advice taken from the Human Resources Manager.

8.4 *Re-employment of Officers*

8.4.1 The Council needs to retain the flexibility to respond to recruitment demands and labour shortages and therefore, in some circumstances, it may be in the Council's best interests to re-employ former local government employees who have previously left the service on the grounds of redundancy or efficiency. If the Council were to re-employ a previous local government employee who had received a redundancy or severance package on leaving, then the Council's policy is to ensure that the rules of the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999 is applied. In addition, the Council will ensure that a fair, transparent selection process has taken place before any appointment is confirmed.

9 Relationship between remuneration of “Chief Officers and “employees who are not Chief Officers”

9.1 The mean average remuneration for the 2022/2023 budget is £40,050 and the highest paid employee £151,750. This includes all allowances and employers pension contributions at 21.4%. The pay multiple between the two is 3.79. This is based on current pay scales, assuming a national pay award of 1.75% for 21/22 but excluding a national pay award for 22/23 budget.

In comparison, the mean average remuneration for the 2020/2021 budget was £38,980 and the highest paid employee £154,320. This included all allowances and employers pension contributions at 21.4%. The pay multiple between the two was 3.96. This was based on 2021/22 pay scales.

9.2 The lowest paid employee is at £15,020 and the highest paid employee £151,750. This includes allowances and employers pension contribution at 21.4% and the pay multiple between the two is 10.10*. This is based on current pay scales, assuming a national pay award of 1.75% for 21/22 but excluding a national pay award for 22/23 budget.

In comparison, for the 2021/2022 budget, the lowest paid employee was at £12,160 and the highest paid employee £154,320. This included allowances and employers pension contribution at 21.4%. The pay multiple between the

two was 12.69. This was based on 2021/22 pay scales, excluding a national pay award.

*note that this includes apprentice pay. The multiplier excluding apprentice pay is 7.57.

Date approved by Full Council XXXXXXXXXXXXX