

## ARUN DISTRICT COUNCIL Pay Policy Statement Financial Year 2019 – 2020

### 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 2019 – 2020, 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 1 to MG5 (MG6 is covered by an extension to the National Pay Scales). Incremental rises within each grade is automatic on the 1<sup>st</sup> 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, other than the Chief Executive, 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 It is essential for good governance that decisions on pay and reward for the Chief Executive are made in an open and accountable way and that there is a verified and accountable process for recommending the level of pay for this post.
- 3.3.2 The remuneration of the Chief Executive is recommended by the Chief Executive Remuneration Committee and the decision is made by Full Council. This Committee comprises of elected councillors from the main political parties and determines the pay of the Chief Executive on appointment and

annually thereafter, following the rules as set out in the Council’s Constitution as Part 3 – Section 9.2 and additional guidance provided in the “National Salary Framework and Conditions of Service Handbook’ for Local Authority Chief Executives”. The Remuneration Committee will take account of recommendations concerning performance from the Chief Executive Appraisal Panel, details of which are also set down in Part 3, section 9.1 of the Constitution. It will also review market data relevant to Chief Executive Pay and any other significant considerations which arise. The Chief Executive does not receive any additional payment other than fees in connection with election duties in his role as 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 (as defined in the guidance), 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 Remuneration Committee.

### 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 staff as a result of their employment with Arun District Council are eligible to join the Local Government Pension Scheme (LGPS). Full details of the scheme can be found at [www.lgps.org.uk](http://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 on severance payments above a defined threshold 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 and a 2.2 multiplier of the Statutory Redundancy Pay Table.

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 Group Head for Corporate Support can agree payment of a termination settlement sum up to the value of £10,000. 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 2019/2020 budget is £36,400 and the highest paid employee £146,630. This includes all allowances and employers pension contributions at 17.8%. The pay multiple between the two is 4.03. This is based on current pay scales, including the agreed national pay award.

In comparison, the mean average remuneration for the 2018/2019 budget was £35,176 and the highest paid employee £144,102. This includes all

allowances and employers pension contributions at 17.8%. The pay multiple between the two is 4.1. This was based on current pay scales, including the proposed 2% pay award.

- 9.2 The lowest paid employee is at £11,350 and the highest paid employee £146,630. This includes allowances and employers pension contribution and the pay multiple between the two is 12.92 this is based on current pay scales, including the agreed 2% pay award.

In comparison, for the 2018/2019 budget, the lowest paid employee was at £10,774 and the highest paid employee £144,102. This included allowances and employers pension contribution at 17.8%. The pay multiple between the two is 13.38. This was based on current pay scales, including the proposed 2% pay award.

\*note that this includes apprentice pay. The multiplier excluding apprentice pay is 7.70.

Date approved by Full Council (Insert)