

## Somerset West & Taunton Council - Pay Policy Statement 2020/21

### 1. Background

The Pay Policy Statement is intended to bring together sufficient information about the different elements of the local authority's pay policies to enable local taxpayers to reach an informed view about local decisions on all aspects of pay and reward for employees. It also provides the context for the more detailed financial information that is already published by local authorities under the Code of Recommended Practice for Local Authorities on Data Transparency and by the Accounts and Audit (England) Regulations 2011.

### 2. Post Transformation

Somerset West and Taunton Council came into effect on the 1<sup>st</sup> April 2019 and a full organisational restructure was finalised over the subsequent months. The majority of the roles created from the transformation structure remain as was however, more recently, the Council has been organised into Directorates. This has resulted in Directors being appointed and will be followed by a transfer of employees into those Directorates. Although this change will have little impact on most, it will inevitably mean that a small proportion of roles are different.

This pay policy statement for Somerset West & Taunton Council represents the position on the pay structures and other elements of the remuneration package for staff as at 31 March 2020. However, due to the recent COVID-19 response, this report being presented to full Council has been delayed therefore some figures have been updated in line with the current date.

### 3. Policy statement

Somerset West & Taunton Council is committed to ensuring transparent, fair and equitable pay and reward arrangements that provide value for money and enable the recruitment and retention of employees with the skills and motivation to deliver high quality services for the council and its communities. The policies that support these objectives are summarised in this document.

### 4. Scope

The pay statement describes the pay arrangements that apply to the Senior Leadership Team (the senior employees) and the lowest paid employees.

For the purpose of this pay statement **senior employees** are defined as those staff in the top tiers of management; the Chief Executive, three Directors, the Strategic Finance & s151 Officer and 2 Heads of Function.

The pay and grading of employees, other than senior employees, are currently set using pay structures divided into grades within which there are spinal column points setting the pay rates. Posts are allocated to a pay grade through a process of job evaluation.

The current pay and grading structure for the workforce is set out in the attached Appendix B. The Council is awaiting results of the pay award negotiations from the NJC therefore all spinal points have a pay award pending.

For the purpose of this statement the **lowest paid employees** are defined as follows:

- Those who receive a salary equivalent to Grade C on the Council's pay structure. This is because no employee of the council is paid at a grade lower than Grade C (apprenticeships and casual employees are excluded). The lowest salary on the Grade C band as at 31 March 2020 equates to an hourly rate of £9.74 which is above the National Living Wage hourly rate (£8.21 as at 31 March 2020, moving to £8.72 on 1 April 2020).

The Council is required, for the purposes of this statement, to define the 'lowest paid employees' and also to explain why it has adopted this definition.

Other than the posts set out above (senior employees) and recognised apprentices, all posts within the council have been subject to job evaluation to assess the value of the job content and then, subject to that value, have been placed in an agreed grade.

The Council will therefore define the lowest paid employees as those on the minimum pay points as these (apart from apprentices and casual employees) are the lowest hourly rates paid to employees of the Council. The Council has adopted this definition, as it can be easily understood.

## **5. Remuneration of senior employees**

As part of the annual Pay Policy Statement the Council must state:

- (a) The elements of remuneration for each senior employee
- (b) The policy for determining the remuneration of senior employees on recruitment.

The Senior Leadership Team are employed on fixed pay points for all posts within the top tiers and therefore remuneration in terms of salary will be fixed on appointment.

Any other elements of remuneration, as set out in Appendix A, that are relevant at the point of recruitment are highlighted accordingly.

The Leader 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 any vacancy. The remuneration package will then have been subject to the approval of Full Council.

- (c) How any increases and additions to remuneration for each senior employee are made:

Annual cost of living pay awards are negotiated nationally by the National Joint Council (NJC) for Local Government Services and, where a pay award is agreed, these will be applied to the fixed pay point of the employee. Currently the Council has a pay award pending however we have not received confirmation of the percentage increase as yet as an agreement has not been reached. The pay scale figures below reflect the current position.

The Council has the ability to determine certain Local Government Pension Scheme Discretions. The Pension Scheme Discretions which have been adopted by Somerset West & Taunton Council are included in the annual Pay Policy Statement.

The post of Chief Executive is employed on the Terms and Conditions of Employment agreed by the Joint Negotiating Committee (JNC) for Chief Executives and all other senior employees are covered by the Terms and Conditions of Employment agreed by the JNC for Chief Officers, all of which are supplemented by local terms and conditions agreed by Somerset West & Taunton Council as the employer.

- (d) The use of performance-related pay for chief officers.

The council does not operate performance related pay schemes for any of its staff.

- (e) The use of bonuses for senior employees.

The council does not operate bonus schemes or bonus payments for any of its staff.

- (f) The approach to the payment of senior employees on their ceasing to hold office under or to be employed by the authority

Any termination payments to senior employees on ceasing office will comply with the policies current at that time, which will have been approved by the Full Council of the employing authority. No additional termination payments will be made without the approval of the Executive/Cabinet, this will include any settlement agreements, which may be subject to a confidentiality clause. The current Redundancy Policy and Retirement Policy is included in the Pay Policy statement in the appendices.

Should severance payments for staff exceed £100,000 they will be reported to Full Council for approval and in presenting information to Full Council the components of the relevant severance package will be clearly set out. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.

- (g) The remuneration of senior employees who return to Local Authority employment.

Where the senior employee:

- (i) Was a previously employed senior employee who left with a severance payment and applies to return as a senior employee.

Executive/Cabinet approval would be required to authorise re-employment within the authority of a previously employed senior employee who had left with a severance payment and is seeking re-employment.

- (ii) Was previously employed by the same authority and applies to return as a senior employee under a contract for services.

Executive/Cabinet will be required to approve any award of a 'contract for services' to a senior employee who has previously been employed by the authority.

- (iii) Is in receipt of a Local Government Pension Scheme Pension.

If an employee receiving a pension from the Local Government Pension Scheme becomes re-employed then their pension could be affected. This will apply where the pension in payment arose for a reason that resulted in a strain cost being paid by the employer (e.g. redundancy, interests of efficiency, ill-health, early retirement with consent or flexible retirement). 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).

The Chief Executive is the appointed Returning Officer for Somerset West & Taunton Council and receives a fee for County, District and Parish Council and for Parliamentary Election duties. The fee for undertaking this role varies from year to year and is not subject to this policy since fee levels are set regionally and nationally.

## **6. Remuneration of other employees**

As explained in paragraph 5 above, the pay structure for all other employees consists of grades and incremental points set out in the attached appendices. Grades are allocated to jobs through a process of job evaluation which establishes the relative value of different jobs within the workforce. The council uses the Greater London Provincial Council Scheme for job evaluation. Salaries for all employees (including senior employees) are subject to increases agreed under national pay award settlements.

The council's pay structure creates the basis of the relationship between the pay of all employees within the scope of the Pay Policy Statement.

The maximum salary for the post of Chief Executive is approximately 6:1 times the maximum salary of the lowest paid employee in the workforce (£117,300: £19,554). In the 2019/20 Pay Policy statement this figure was 6.28:1 therefore the ratio has decreased.

The maximum salary of a Director is approximately 5.11:1 times the maximum salary of the lowest paid employee in the workforce (£100,000: £19,554). In the 2019/20 Pay Policy statement the maximum salary of the Executive Director was 4.92 times the maximum salary of the lowest paid employee therefore this ratio has increased.

The maximum salary of a Head of Function is 3.99:1 (£78,030: £19,554) times the lowest paid employee, in comparison to 4.63:1 in 2019/20 statement. This ratio has therefore decreased.

The maximum salary for the post of Chief Executive is 4.2:1 times the median FTE salary (£27,905).

The maximum salary for the post of Chief Executive is approximately 3.93:1 times the mean FTE salary (£29,815), in comparison to 4.35:1 in 2019/20 statement. The ratio has therefore decreased.

## **7. Transparency and Publication of Data**

The council will publish the Pay Policy Statement on the Somerset West & Taunton Council website alongside other information relating to transparency/open government and this can be found on:

[www.somersetwestandtaunton.gov.uk](http://www.somersetwestandtaunton.gov.uk)

## **8. Review**

The Localism Act requires councils to prepare and publish a pay policy statement for each financial year. The next statement is due for publication before 31 March 2021.

# Remuneration to Senior Staff

## The Level and Remuneration for each Chief Officer

Post	Statutory Role	Terms and Conditions and JE Status ***	Salary **	Salary Progression	Bonus or Performance related pay	Other Benefits	Pension Enhancement in Year
Chief Executive	Head of Paid Service	JNC Chief Executives – Out of JE	£117,300	No	No	Payment of Professional Subscription  *Election payments – Returning Officer  Payments relating to LGPS Employer Contributions	No
Director – External Operations		JNC Chief Officers – Out of JE	£100,000	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Director – Internal Operations		JNC Chief Officers – Out of JE	£100,000	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Director – Housing		JNC Chief Officers – Out of JE	£100,000	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Strategic Finance & S151 Officer (1)	S151 Officer	JNC Chief Officers – out of JE	£ 64,952.58 + £5,202 for s151	No	No	Payment of Professional Subscription	No

Post	Statutory Role	Terms and Conditions and JE Status ***	Salary **	Salary Progression	Bonus or Performance related pay	Other Benefits	Pension Enhancement in Year
						Payments relating to LGPS Employer Contributions	
Head of Customer		JNC Chief Officers – Out of JE	£78,030	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Head of Strategy		JNC Chief Officers – Out of JE	£78,030	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No

\* Additional payments are made by Central Government to officers carrying out additional duties at elections. These payments will only be received when elections take place and vary according to the responsibility undertaken.

\*\* These thresholds relate to the publication of salary information as required under the Code of Recommended Practice for Local Authorities on Data Transparency (£58,200 is the minimum of the Senior Civil Service minimum pay band) and the Audit and Accounts Regulations (£50,000)

\*\*\* JNC Chief Officers – Out of JE. The job evaluation scheme is not applicable to Chief Officer posts. The salaries of Chief Officer posts are evaluated against local market data provided by South West Councils. This data provides salary details for comparable Chief Officer posts within comparable district councils.

(1) The statutory function of monitoring officer is performed by the Performance & Governance Manager.