

**Medium Term Financial Strategy 2019/20 to 23/24**

**2019/20 Pay Policy Statement**

This statement will be approved by the council each year annually by the end of March. Any changes to this statement should be approved by Council.

**Overview**

Each local authority has the autonomy to take its own decisions on pay and pay policies. The 2019/20 statement reflects current practice and existing policies at Boston Borough Council.

**Legislation**

Section 38 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for each financial year.

**Policy Statement**

We are committed to providing quality public services that provide value for money for our residents. In order to do this we must employ high quality staff and reward them appropriately and fairly. In today's challenging economic climate we must also ensure that we control our employment costs.

**Remuneration of senior officers**

The Chief Officer Employment Panel has traditionally made recommendations to Council on the level of remuneration to be offered to new appointees. The Panel usually considers relevant evidence in relation to other salaries at the Council, budget constraints, market conditions e.g. recruitment difficulties and rates as well as other information when reaching a decision to make a recommendation. The Chief Officer Employment Panel has the delegated authority to appoint to Chief Officer posts other than for the Chief Executive/Head of Paid Service which is a decision reserved for Full Council.

Full council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers that £100,000 is the right level for that threshold to be set. For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment.

Information on the remuneration of senior officers can be found in the annual statement of accounts and under the Transparency Agenda on the Council's website.

**Chief Executive Remuneration**

The terms and conditions of Chief Executives are generally determined by the Joint Negotiating Committee (JNC) for Chief Executives with variation at a local level.

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The actual salary paid to the Chief Executive is published annually in the Statement of Accounts.

The salary is a 'spot' salary which has no automatic increases except when reviewed by the Chief Officer Employment Panel who may recommend increases to Council. Any such increases may be given due to exceptional performance or to retain an attractive salary package at the market rate. Any cost of living increases are normally given after notification from the JNC once agreed at a national level.

The level of remuneration set for the post of Chief Executive encompasses consideration of a number of elements including the size of the organisation and the population to which services are delivered and a number of other factors including market conditions.

There are currently no provisions for bonus or performance related pay outside of the policies set out above.

### **Chief Officer Remuneration (including deputies)**

The salary is a 'spot' salary which has no automatic increases except when reviewed by the Chief Officer Employment Panel who may recommend increases to council. Any such increases may be given due to exceptional performance or to retain an attractive salary package at the market rate.

Any cost of living increases are normally given after notification from the Joint Negotiating Committee (JNC) for Chief Officers once agreed at a national level.

There are currently no provisions for bonus or performance related pay.. Additional pay will only be paid in exceptional circumstances where significant additional work has to be undertaken outside of the course of normal duties.

The actual salaries paid to Chief Officers are published annually in the Statement of Accounts under the transparency agenda.

### **Joint Authority Duties**

Where a senior officer takes up a post shared with one or more authorities the salary costs (including on costs) are to be shared with each authority. The share will depend on each circumstance and will be agreed with the relevant Chief Executives. Where additional responsibility is given, an increase in pay or honorarium may be awarded to reflect the size of the additional duties/responsibilities. The cost of the increase is normally added to the basic salary and the total is shared between partners or apportioned accordingly.

### **Returning Officer Fees**

The fees and charges for European, UK Parliamentary and County Council elections are set by external bodies at each relevant election however, there are no express statutory provisions governing fees payable to Returning

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Officers for local government elections. Historically, the setting of fees for the administration of District and Parish elections have therefore been the responsibility of the Democratic Services Manager based on the Lincolnshire county wide scale of fees and reviewed on an annual basis.

The Returning Officer's fees are regarded as a special responsibility payment in relation to the independent duties carried out. They are personal to the Returning Officer and in addition to salary for performing the duties which a Returning Officer is required to perform.

### **Employment of officers in receipt of a local government pension scheme payment and/or redundancy/severance pay from this or another authority**

Any appointment to a post at Boston Borough Council is made upon merit and is subject to the normal pre-employment checks undertaken for all prospective employees. Provisions relating to redundancy pay in the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999 still applies. The Government may be bringing in rules during 2018 regarding the recovery of exit/compensation payments for senior officers where they subsequently take up other paid work in a local authority. If these rules are brought into force mid-year our Pay Policy shall be deemed to comply with any new rules and will be updated for the following financial year.

### **Contract for Services**

All of the facts will be taken into account where a former employee is put forward or puts themselves forward for a contract for services. Where work is sought under a contract for services from officers in receipt of severance pay from this authority each situation will be judged upon merit however such a contract would only be offered in exceptional circumstances.

Other posts may be filled under a contract for services where a business case exists for doing so. Due regard should be paid to the requirements of Her Majesty's Revenues & Customs and IR35 regulations and the particular requirements on public sector employers when making any such arrangements. Any appointment will be dealt with on a case by case basis. The 'recovery regulations' will need to be considered in any such decision – see the section on 'Recovery Regulations' for more information.

### **Workforce Remuneration**

We have adopted a set of local terms and conditions for the whole workforce which are supplemented by those set out under the 'Green Book' (National Agreement on Pay & Conditions of Service – National Joint Council for Local Government Services). Local terms will override terms in the Green Book as set out in Boston Borough Council Terms & Conditions of Service 2014.

Any benefits associated with the post are set out in the Boston Borough Council Terms and Conditions of Service 1st April 2014.

From 1<sup>st</sup> April 2014 we have a pay and grading structure which consists of a single pay scale with broad-banded grades ranging from Grade 1 to Grade 8

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and a Head of Service band with single spot salaries within the band. All posts below Head of Service have and continue to be evaluated using the Local Government Single Status Job Evaluation Scheme (LGJES). Individual jobs are allocated a number of points following evaluation and allocated a grade according to the number of points.

Starting salaries are normally at probationary point of the relevant pay grade unless market or other relevant factors such as skills and experience exist to create a business case to pay at a higher point within the grade. Any such business case should be recorded in writing and retained.

Upper band points are available where an agreed criterion is met related to market forces and recruitment/retention matters. The relevant policies should be complied with before any upper band payments can be made.

Any cost of living increases are normally given after notification from the National Joint Council for Local Government Services once agreed at a national level.

### **Lowest Pay**

The lowest pay point in this scale at 1<sup>st</sup> April 2019 Will be £9.00 per hour.

The Council does not set a formula for the relationship between the lowest and highest paid employees. Rather it monitors the levels of pay to ensure value for money, fair pay and market conditions.

### **Apprenticeships**

The Apprentice rate at the Council is £3.57 per hour for the first 12 months. Beyond 12 months the rate for an apprentice is the National Minimum Wage for their age group. From April 2018 Apprentice pay will rise in line with the National Minimum Wage rate for Apprentices of £3.70 per hour

### **Pay multiples**

The highest pay is approximately 4.99 times the median average full time equivalent pay at the council (as at 31<sup>st</sup> March 2018).

The Council does not have a policy to reach a specific pay multiple across the workforce.

The use of a single pay spine and an analytical job evaluation scheme provides pay transparency across the workforce and set levels of remuneration. The same core terms and conditions of employment apply to the whole workforce regardless of seniority.

### **Honorarium/Acting Up**

Where temporary additional duties/responsibilities are given to an existing employee, consideration of payment of an honorarium is usually undertaken. The amount payable is authorised by the relevant Head of Service following an assessment of the exact duties/responsibilities and may be a percentage

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of the difference between the salary of the employee and the post that they are covering if only part of the duties are being undertaken or a full increase to a higher salary if all duties are being undertaken. Honoraria are only to be used on a temporary basis and must be reviewed regularly to ensure appropriateness.

### **Special responsibility payments**

Additional payments may be made in addition to basic salary for additional job duties which may not always form part of the core job role. Where these do form part of the core duties of the role they will be included and evaluated under the relevant Job Evaluation Scheme where available rather than a continued supplement being payable. Any such payments are based upon an assessment of responsibility, market factors and/or a % of time spent on any such duties and are temporary being reviewed at least annually, if not more frequently.

### **Pay flexibility**

Where necessary the use of 'market supplements' is used to deal with any recruitment or retention difficulties. Such payments may be ongoing or a 'one-off'. The use of such practices only applies where a business case has been prepared and signed off by the relevant director in conjunction with finance approval. Any ongoing supplements should be reviewed regularly and at least every 3 years, to ensure there is still a business case to continue payment. Employment contracts should be explicit in this regard.

### **Early termination of employment**

See the Redundancy & Reorganisation Policy and the Pensions & Retirement Policy for more information. Severance payments may be made where the decision is in the best interests of the Council. Where these are outside of the budgetary framework the appropriate approval must be sought. Currently any severance packages of over £100,000 (including pay in lieu of notice, redundancy pay, pension entitlements, holiday pay, fees or allowances paid) should be approved by Full Council and reported in this detail.

### **Ex gratia payments**

Ex gratia payments may be made in exceptional cases and could be made in respect of business continuity or out of pocket costs to employees. The normal Council procedures relating to budgets are followed in any such cases and approval made by the relevant CMT member.

### **Payments of arrears in respect of Job Evaluation or other re-grading**

In line with the Council's Job Evaluation Scheme where a person is appointed to a new position or substantive and permanent post an evaluation should be undertaken after six months service within the role. This is to allow the appropriate grade for the post to be established in a timely manner. Where an evaluation results in a grade increase the value of the arrears will be limited to a period not exceeding 3 years.

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### **Pension provision**

All employees are eligible to join the Local Government Pension Scheme. The Scheme requires contributions from employees based up on their earnings and from 1<sup>st</sup> April 2014 is a career average scheme. The employer contributes a percentage of pay to the pension fund. This percentage is determined by the administering authority based upon actuarial assessments and for 2018-19 this will be 26.2% in total (made up of a primary percentage rate and a secondary rate deficit repayment lump sum per annum).

### **Elections**

Any employees putting themselves forward for any election duties will be required to take relevant leave. Pay for elections work will usually be determined by the Returning Officer based upon the Lincolnshire county wide scale of fees.

### **Relocation**

Relocation assistance may be paid to new appointees up to a maximum of the Her Majesty's Revenue & Custom threshold rate. Further details can be found in the relevant policy.