**Report of the Head of Paid Services**

**To**

**Council**

**On**

**9 March 2021**

**Pay Policy Statement for 2021**

1. **Report purpose**

Section 38 (1) of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement by 31 March each year. This report presents the Mansfield District Council Pay Policy Statement 2021-2022 for agreement.

**Key Decision – This is NOT a key decision**

1. **Recommendation**

**Recommendation to Council**

1. It is recommended that the Pay Policy Statement is approved
2. **Background**

3.1 Section 38 of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement by 31 March each year. The purpose of the Statement is to increase accountability in relation to payments made to senior members of local authority staff by enabling public scrutiny.

3.2 A Pay Policy Statement must set out the Authority’s policies relating to:

1. the remuneration of its chief officers,
2. the remuneration of its lowest-paid employees, and
3. the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.

3.3 The Statement must include the Authority’s policies relating to:

1. the level and elements of remuneration for each chief officer,
2. remuneration of chief officers on recruitment,
3. increases and additions to remuneration for each chief officer,
4. the use of performance-related pay for chief officers,
5. the use of bonuses for chief officers,
6. the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
7. the publication of and access to information relating to remuneration of chief officers.
   1. The Pay Policy Statement may include information relating to the policy on employment terms and conditions for all chief officers.

3.5 The Statement must be approved by a resolution of the Authority before the 31 March immediately before the financial year to which it relates. The Pay Policy Statement may be amended by resolution during the year. It must be published on the Authority’s website as soon as possible after approval. Publishing the Pay Policy Statement also meets requirements under the Code of Recommended Practice for Local Authorities in Data Transparency.

* 1. For the purpose of this policy Chief Officer is defined to include Chief and Deputy Chief Officers as defined by Section 2 of the Local Government and Housing Act 1989 (the Act) and other posts on JNC Chief Officer Terms and Conditions

For ease of reference a list of posts to which this policy applies along with the relevant sub sections of the Act has been set out below:

* Chief Executive - Head of Paid Service (Section 2 (6) of the Act)
* Strategic Directors (Section 2 (7) of the Act)
* Statutory Officers (Section 2 (6) of the Act)
* Heads of Service

3.7 The Pay Policy Statement must include the following information in relation to each chief officer listed above:

1. the chief officer’s salary,
2. any bonuses payable,
3. any charges, fees or allowances payable,
4. any benefits in kind to which the chief officer is entitled,
5. any increase or enhancement to the chief officer’s pension entitlement, and
6. any amounts payable to the chief officer on the chief officer ceasing to hold office or be employed by the Authority.
   1. Appendix One contains the full Pay Policy Statement for Mansfield District Council for the year 2021-22. It is intended to publish this document on the Council’s website immediately after resolution.

**Summary of Pay Policy Statement**

3.8 Remuneration of chief officers.

* + - Chief Executive (CEO) – incorporates statutory officer Head of Paid Service total annual remuneration £115,453.
    - Strategic Director - £83,844
    - Strategic Director - £81,748
    - Head of Finance (Section 151 Officer) – £62,833
  + Head of Law and Governance (Monitoring Officer) - £62,833
  + Head of People and Transformation - £62,833
  + Head of Housing - £62,833
  + Head of Health and Communities - £62,833
  + Head of Neighbourhood Services - £64,979
  + Head of Planning and Regeneration - £64,979

3.11 Remuneration of lowest paid employees

The current minimum point for a competent employee taken on in a defined role is £17,942.36 per annum.

3.12 Relationship between the above

* The relationship between the remuneration of Chief Executive (the highest paid employee) and the lowest paid employees is 6.43:1
* The relationship between the remuneration of the Chief Executive and the mean average earnings across the Council is 4.55:1
* The relationship between the remuneration of the Chief Executive and the median average earnings across the Council is 5.31:1

**4. OPTIONS AVAILABLE**

4.1 Option 1 (recommended) - That Council adopt the Pay Policy, or similar to ensure compliance with the relevant legislation.

4.2 Option 2- That Council does not approve the Pay Policy Statement. This option is not recommended as the Council will not be meeting its legal obligations.

**5. RISK ASSESSMENT OF RECOMMENDATIONS AND OPTIONS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | **Risk Assessment** | **Risk Level** | **Risk Management** |
| Not to adopt the Policy | Non compliance with legislative requirements. | High | To adopt the proposed Pay Policy |
| To amend/ revise the proposed Pay Policy | Failure to publish Pay Policy in line with legislative requirements to timescale. | Medium | to amend the Policy in line with Council requirements and seek approval at the next Council Meeting **OR**  to adopt the proposed policy and amend as required later in the year. |

**6. ALIGNMENT TO COUNCIL PRIORITIES**

* 1. This report support’s the Council’s priorities by ensuring effective leadership and management and therefore supporting employees to deliver the priorities.

**7. IMPLICATIONS**

(a) Relevant Legislation

Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce and publish a Pay Policy Statement for 2012/13 by 31 March 2012 and each year thereafter.

Section 2 of the Local Government and Housing Act 1989, defines a chief officer to which the Localism Act 2011 refers.

Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, requires an Authority to formulate, review and publish a policy on making discretionary payments on termination of employment. The Pay Policy links to the Council’s Early Retirement and Redundancy Compensation Policy.

Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008, requires an authority to publish is policy on increasing an employee’s total pension scheme membership and on awarding additional pension. The Pay Policy also links to the Council’s Pensions Discretions Policy.

Accounts and Audit (Amendment) Regulations 2011, requires local authorities to publish salary information.

Code of Recommended Practice for Local Authorities in Data Transparency.

(b) Human Rights

It is not considered that the recommendation within this report will infringe on human rights, it is also important to note that compliance with legislation in respect of rights in respect to personal data protection requirements are fully met.

(c) Equality and Diversity

The Equality Impact Assessment produced previously to support the Pay Policy has been reviewed and updated.

The initial screening has identified that approving the recommendation within this report will not adversely disadvantage any groups

(d) Climate change and environmental sustainability

Not applicable.

(e) Crime and Disorder

Not applicable.

(f) Budget /Resource

Not directly applicable.

**8. COMMENTS OF STATUTORY OFFICERS**

(a) Head of Paid Service Own report.

(b) Monitoring Officer The relevant legislation is set out within the report.

(c) Section 151 Officer There are no financial implications arising as a result of this report.

**9. CONSULTATION**

Local Authorities within Nottinghamshire; East Midlands Councils and the Local Government Association are regularly consulted in respect of Pay Policy content and structure as part of ongoing work within Human Resources.

**10. BACKGROUND PAPERS**

Pay Policy 2021-2022 (including 2 appendices)

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