

# **Mansfield District Council**

## **Pay Policy 2019 – 2020**

**February 2019**



**Mansfield**  
District Council

# **Mansfield District Council Pay Policy 2019 - 2020**

## **1.0 Introduction**

This document sets out a Statement of Pay Policy for Mansfield District Council (the Council) for 2019/20 as required by Section 38 (1) of the Localism Act 2011. The Pay Policy Statement includes details about the remuneration of Chief Officers at the time of recruitment as well as arrangements relating to increases and additions to remuneration, the level and elements of remuneration including salary, bonuses and benefits in kind, the use of performance related pay and bonuses as well as the approach to the payment of Chief Officers on ceasing to hold office. The statement also considers the lowest pay, mean and median pay levels in the organisation.

Two documents have been appended to the policy. Appendix 1 provides a summary of Chief Officers pay in the Council and those earning above £50,000, as well as information in relation to the lowest pay, mean and median levels. Appendix 2 details the reporting arrangements in the organisation.

## **2.0 Purpose of the policy**

The purpose of the policy is to:

- ensure transparency in respect of the arrangements for rewarding staff in the organisation and fairness in respect of the reward relationship between the highest and lowest paid; and
- ensure that all decisions on pay and reward for Chief Officers comply with the parameters defined within this Pay Policy Statement.

## **3.0 Policy Statement**

The Council recognises the importance of administering pay in a way that:

- attracts, motivates and retains appropriately talented people needed to maintain and improve the Council's performance and meet future challenges;
- reflects the market for comparable jobs, with skills and competencies required to meet agreed delivery and performance outcomes;
- operates within the provisions of Chief Officers pay and conditions as set out in the Joint Negotiating Committee for Chief Executives and Chief Officers of Local Authorities;
- operates within the provisions of the national agreement on pay and conditions of service as set out in the National Joint Council for Local Government Services; is affordable and transparent.

## **4.0 Scope of the policy**

### **4.1 Individuals affected**

This policy covers all employees within the organisation (with the exception of Craft and Associated Employees) including those defined as a Chief Officer within Section 2 of the Local Government and Housing Act 1989.

## 4.2 Council Policies

### 4.2.1 This statement sets out the Council's policy with regards to:

- the remuneration of the Authority's lowest-paid employees (together with a definition of "lowest-paid employees") and the reasons for adopting that definition;
- the relationship between remuneration of Chief Officers and that of other officers (pay multiples); and
- the remuneration of Chief Officers.

### 4.2.2 The statement also sets out the Council's policy in relation to:

- a) the levels and elements of remuneration for each Chief Officer;
- b) remuneration of Chief Officers on recruitment;
- c) increases and additions to remuneration for each Chief Officer;
- d) the use of performance related pay for each Chief Officer;
- e) the use of bonuses for each Chief Officer;
- f) the approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the authority, and
- g) the publication of and access to information relating to remuneration of Chief Officers.

## 4.3 Pay Bargaining - the National Context

The Council is a member of the Local Government Employers Association for national collective bargaining purposes in respect of Chief Executives, Chief Officers and other employees of the Council. Separate negotiations and agreements are in place for each of these groups. Changes arising from national negotiations linked to remuneration generally take effect from the 1<sup>st</sup> April each year and on occasions when negotiations conclude after this day any amendments to pay typically become retrospective to the 1<sup>st</sup> April.

In accordance with the terms and conditions of employment for Council employees, it is the Council's policy to implement national agreements. In circumstances where nil pay is awarded as part of the collective bargaining process the Council has always applied the same principles. Chief Executive Officers received a 2% increase to basic salaries effective from 1 April 2018.

## 4.4 Remuneration of the Council's Lowest Paid Employees

All posts with the exception of Chief Officers engaged on JNC terms and Craft employees are currently evaluated using the National Joint Council (NJC) job evaluation scheme. A grading structure is also in place which provides a direct link between evaluated posts and the Council's pay scales. This was reviewed as part of the Single Status Agreement (1997) and a new pay and grading structure was introduced with effect from 1 June 2013.

For the purpose of this policy the Council's "lowest paid employees" are defined as those employees on the lowest pay point routinely in use by the Council for its substantive roles as determined through use of the approved job evaluation scheme and grading structure. This does not include grades or pay points put

aside as trainee or development scales but relates to the minimum point for a competent employee taken on in a defined role.

In accordance with the current pay scales the lowest point at which a full- time Council officer can be paid is £16881.30 equivalent to £8.75 per hour. This reflects the Living Wage rate as the Council is an accredited Living Wage Employer.

#### **4.5 Pay Multiples**

The Council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required. Nor can it ensure that employees are treated fairly and equitably in respect of the value and level of a role that they undertake.

In terms of overall remuneration packages the Council's policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities in line with the approved job evaluation scheme or as determined locally for Chief Officers engaged on JNC terms.

In determining pay for Chief Officers engaged on JNC terms, the Council would not expect the remuneration of its highest paid employee to exceed 10 times that of the lowest group of employees, nor would the Council expect the remuneration of the highest paid employee to exceed 6.5 times that of the mean<sup>1</sup> average earnings across the Council.

### **5.0 Remuneration of Chief Officers**

- 5.1 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), some of whom may not be employed on Chief Officer's terms and conditions of service. Detailed below are all posts that are applicable before and after the Senior Management restructure which was approved on the 9<sup>th</sup> November 2018.

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)
- Assistant Chief Executive (effective from November 2018) (Section 2 (7) of the Act)
- Directors (Applicable up to 31<sup>st</sup> March 2019) (Section 2 (7) of the Act)
- Strategic Directors (Section 2 (7) of the Act) (Effective from December 2018)
- Statutory Officers (Section 2 (6) of the Act)

---

<sup>1</sup> Within the Hutton Review it was suggested that the most appropriate pay multiple to track is that of top executive earnings to the median earnings of each organisation's workforce. Refer to para 2 Hutton Review of Fair Pay in the Public Sector: Final report (March 2011). The Localism Bill requires the use of the mean average.

- Heads of Service (One post effective from April 2018, posts created under Senior Management restructure effective from 1<sup>st</sup> April 2019)

## 5.2 For the purpose of this policy the term remuneration covers:

- a) the salary or the amount payable in the case of Chief Officers engaged by the authority under a contract for services;
- b) payments made by the authority to the Chief Officers for those services;
- c) any bonuses payable by the authority to Chief Officers
- d) any charges, fees or allowances payable by the authority to Chief Officers;
- e) any benefits in kind to which the Chief Officers are entitled as a result of the Chief Officer's office or employment;
- f) any increase in or enhancement of pension entitlement where the increase or enhancement is as a result of a resolution of the authority, and
- g) any amounts payable by the authority to a Chief Officer on ceasing to hold office under or be employed by the authority, other than amounts that may be payable by virtue of any enactment.

## 5.3 Chief Executive/Head of Paid Service

### 5.3.1 Terms and Conditions of Service

The Chief Executive is engaged on Local Authority Chief Executives conditions of service, negotiated by the Joint Negotiating Committee (JNC). The Chief Executive also assumes the role of Head of Paid Service on behalf of the Council.

The terms and conditions for the Chief Executive can be accessed by following the link below:-

<http://www.mansfield.gov.uk/CHttpHandler.ashx?id=5002&p=0>.

### 5.3.2 Remuneration

In line with the nationally agreed terms the salary paid to a Chief Executive is determined locally by the employing authority. This was reviewed and determined by Personnel Committee in November 2017 and was subject to a nationally agreed pay award in April 2018.

The current salary scale for the post of Chief Executive was determined having regard to the labour market rate for the position of a Chief Executive of a district council of this size, coupled with local market factors relating to salary. This included arrangements for annual incremental progression dependent on performance until such time as the post holder reached the top of the scale.

Details in relation to the current salary scale for the Chief Executive are set out below:

Scale point 1	£106,080
Scale point 2	£108,120
Scale point 3	£110,160

### 5.3.3 Remuneration on Recruitment

When determining the most appropriate scale point at which to offer the post, consideration is given to the individual's qualifications, experience and current level of remuneration (where appropriate). Having considered all of these factors the appointment panel will then determine the most appropriate scale point at which to make an offer to the successful candidate so as to ensure that the offer is attractive and one which is likely to be accepted.

In the event that the post of Chief Executive becomes vacant a report including recommendations relating to the salary scale to be applied in these circumstances would be submitted to full Council for their consideration before the post was advertised.

### 5.3.4 Increases and additions to Remuneration

#### Incremental Progression

Once an officer has been appointed they will receive annual increments until such time as they reach the top of the salary scale subject to achieving satisfactory annual performance assessments.

#### Pay Awards

Any pay awards are negotiated as part of the collective bargaining arrangements as detailed earlier within the policy.

#### Allowances

There are no additional allowances paid to the Chief Executive outside the basic terms and conditions of service. The Chief Executive is a designated casual car user and may claim car mileage in accordance with the published HMRC rates.

#### Expenses

In accordance with nationally agreed terms the Council shall pay reasonable out-of-pocket expenses actually incurred.

### 5.3.5 Arrangements for the Post of Returning Officer

In accordance with the national agreement the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of returning officer, acting returning officer, deputy returning officer or deputy acting return officer and similar positions which he or she performs subject to the payment of pension contributions thereon, where appropriate.

In accordance with the agreement the Chief Executive's salary is deemed to be inclusive of all other fees and emoluments with the exception of returning officer duties where separate policy arrangements apply. Details of the policy relating to the appointment and remuneration of Returning Officer are set out below.

The Chief Executive has been formally appointed to act as the Council's Returning Officer. This extends to the role of Deputy Acting Returning Officer for UK Parliamentary Elections, Local Returning Officer for European

Parliamentary Elections and Counting Officer for any national referendums. The fees associated with these elections are determined nationally by the Ministry of Justice. In 2012 elections for Police and Crime Commissioners were introduced, the Chief Executive is also the Local Area Returning Officer for these elections, the fees for which are determined by the Home Office.

The Chief Executive also acts as Deputy Returning Officer for Nottinghamshire County Council elections, fees for which are determined by Nottinghamshire County Council. These appointments are independent of the Council.

For local government elections the Returning Officer can claim specific fees which are determined on a local county-wide basis across Nottinghamshire having regard to the fees set and approved by Council for national elections. The Nottinghamshire Election Officers group regularly review the scale of fees and these reviews determine the rates applied for elections. More information on these fees is available at the links below:-  
<http://www.mansfield.gov.uk/CHttpHandler.ashx?id=5003&p=0>  
<http://www.mansfield.gov.uk/CHttpHandler.ashx?id=5004&p=0>

#### 5.3.6 General Terms and Conditions

In accordance with the national agreement the Chief Executive shall enjoy terms and conditions in other respects no less favourable than those accorded to other officers employed by the Council.

#### 5.4 Directors/Strategic Directors (effective from December 2018)

##### 5.4.1 Terms and Conditions of Service

The Council employed five Directors who are engaged on the Conditions of Service for Chief Officers of Local Authorities, negotiated by the Joint Negotiating Committee (JNC). One post holder assumed a statutory role of Monitoring Officer, and another assumed the statutory role of section 151 officer for which there was no additional compensation. The full terms and conditions for chief officers is available by following the attached link  
<http://www.mansfield.gov.uk/CHttpHandler.ashx?id=5005&p=0>

On the 9th November 2018 following consultation a revised Senior Management Structure was agreed by the Personnel Committee. The restructure included all Directors and Service Managers and approved the deletion of the current 5 Director Posts and creation of 2 Strategic Directors.

In addition an Assistant Chief Executive post was created on a fixed term contract which was appointed to with effect from the 9<sup>th</sup> November 2018.

On the 13<sup>th</sup> December 2018, appointment was made to one of the Strategic Directors.

#### 5.4.2 Remuneration

In line with the nationally agreed terms the salary paid to the Directors is determined locally by the employing authority.

The current salary scale was revised by Personnel Committee in February 2016 and was subsequently subject to a national pay award in April 2016. This is for Chief Officers engaged on Chief Officer's terms is set out below in table 1.

On the 9<sup>th</sup> November 2018 the Personnel Committee agreed a revised salary scale for the Strategic Directors, detailed below in table 2. The salary scale reflects the median salary range of Directors excluding salaries from the South East of England (source EMC benchmarking September 2018).

#### 5.4.3 Pay Scale for Directors/Strategic Directors

Table 1 – Directors salary scale (applicable up to 31<sup>st</sup> March 2019 when Senior Management restructure would be in place)

Salary point	Salary
Scale point 1	£70,234
Scale point 2	£72,835
Scale point 3	£75,436

Table 2 – Strategic Directors salary scale agreed at Personnel Committee November 2018

Salary point	Salary
SD 01	£76,000
SD 02	£78,000
SD 03	£80,000



#### 5.4.4. Deputy Chief Executive Responsibility Allowance

Prior to the revised structure approved on 9<sup>th</sup> November 2018 one Director assumed the role of Deputy Chief Executive for a small responsibility allowance which has been set at £2,500 per annum.

This payment ceased on the 5<sup>th</sup> February 2019.

#### 5.4.5 Remuneration on Recruitment

When determining the most appropriate scale point at which to offer a post, consideration is given to the individual's qualifications, experience and current levels of remuneration (where appropriate). Having considered all of these factors the panel will then determine the most appropriate scale point at which to make an offer to the successful candidate so as to ensure that the offer is attractive and one which is likely to be accepted.

#### 5.4.6 Increases and additions to Remuneration

##### Incremental Progression

Once an officer has been appointed they will receive annual increments until such time that they reach the top of the salary scale subject to achieving satisfactory annual performance assessments.

##### Pay Awards

Any pay awards are negotiated as part of the collective bargaining arrangements as detailed earlier within the policy.

##### Allowances

There are no additional allowances paid to chief officers outside the basic terms and conditions of service.

All chief officers are designated as casual car users and may claim car mileage in accordance with published HMRC rates.

##### Expenses

In accordance with the national agreement the Council shall pay reasonable out-of- pocket expenses actually incurred.

#### 5.4.7 Arrangements for Election Duties

In accordance with the national agreement Officers are entitled to receive and retain the personal fees arising from carrying out the duties of Deputy Returning Officer and/or Deputy Acting Returning Officer (where applicable). Officers may also receive payment for undertaking other election duties in line with national and regional set and approved rates as detailed in section 5.3.5 of this policy.

#### 5.4.8 General Terms and Conditions

In accordance with the national agreement except whether other terms and conditions are referred to in the agreement the Directors shall enjoy terms and conditions not less favourable than those accorded to other officers employed by the Council.

#### 5.5 Heads of Service

##### 5.5.1 Terms and Conditions of Service

In April 2018 the Head of Transformation was created with a fixed point salary, the postholder was engaged on the Conditions of Service for Chief Officers of Local Authorities, negotiated by the Joint Negotiating Committee (JNC). The full terms and conditions for chief officers is available by following the attached link <http://www.mansfield.gov.uk/CHttpHandler.ashx?id=5005&p=0>

On the 9th November 2018 following consultation a revised Senior Management Structure was agreed by the Personnel Committee which saw the creation of an additional 6 Heads of Service posts which will be appointed to in April 2019, two of the Heads of Service include the Statutory Officer roles of Section 151 and Monitoring Officer.

##### 5.5.2 Remuneration

In line with the nationally agreed terms the salary paid to the Heads of Service is determined locally by the employing authority.

For the Head of Transformation, which was amended to the Head of Service Transformation and People in November 18, was appointed on a fixed salary point.

On the 9<sup>th</sup> November 2018 the Personnel Committee agreed a revised salary scale for Heads of Service which reflects the median salary range of Head of Services excluding salaries from the South East of England (source EMC benchmarking September 2018). Following consultation and some further benchmarking with other authorities in the region, the pay grade has been extended by an additional grade point, equivalent to £2,000 p.a. for statutory officers only.

### 5.5.3 Pay Scale for Heads of Service

The Head of Transformation was appointed on a fixed point of £58,000p.a.

On the 9<sup>th</sup> November 2018 the Personnel Committee agreed a revised salary detailed below:

<b>Salary point</b>	<b>Salary</b>
HS 01	£58,000
HS 02	£60,000
HS 03	£62,000
HS 04	£64,000
STATUTORY OFFICERS ONLY	

### 5.5.4 Remuneration on Recruitment

When determining the most appropriate scale point at which to offer a post, consideration is given to the individual's qualifications, experience and current levels of remuneration (where appropriate). Having considered all of these factors the panel will then determine the most appropriate scale point at which to make an offer to the successful candidate so as to ensure that the offer is attractive and one which is likely to be accepted.

### 5.5.5 Increases and additions to Remuneration

#### Incremental Progression

Once an officer has been appointed they will receive annual increments until such time that they reach the top of the salary scale subject to achieving satisfactory annual performance assessments.

#### Pay Awards

Any pay awards are negotiated as part of the collective bargaining arrangements as detailed earlier within the policy.

#### Allowances

There are no additional allowances paid to chief officers outside the basic terms and conditions of service.

All chief officers are designated as casual car users and may claim car mileage in accordance with published HMRC rates.

### Expenses

In accordance with the national agreement the Council shall pay reasonable out-of- pocket expenses actually incurred.

#### **5.5.6 General Terms and Conditions**

In accordance with the national agreement except whether other terms and conditions are referred to in the agreement the Directors shall enjoy terms and conditions not less favourable than those accorded to other officers employed by the Council.

### **6.0 General Policies in relation to Remuneration and Recruitment**

These policies apply irrespective of position and/or terms that officers of the Council are engaged on.

#### **6.1 Performance Related Pay and Bonuses**

The Council does not currently operate any form of performance related pay or bonus schemes

#### **6.2 Benefits in kind**

- Allowances and benefits in kind typically follow nationally agreed rates. Locally agreed allowances or benefits in kind payments include:-
- All employees of the Council have access to Mansfield Benefits which enable employees to enjoy discounts with major retailers. There is a contribution cost from the employer of £2.95 per employee per annum.
- Access to salary sacrifice schemes such as child care vouchers (with effect from 5<sup>th</sup> October 2018 this is only applicable to existing employees in line with current legislation) and cycle to work schemes, which are available to all employees in accordance with current policies.

#### **6.3 Professional Fees**

The Council reimburses membership fees of a professional body where it is a requirement in order to practice or be a designated Proper Officer of the Council (e.g Section 151 Finance Officer); where membership of a professional body is an essential requirement on the employee's job description or where membership of a professional body is a desirable requirement on the employee's job description and where it can be demonstrated membership adds value to the job role and has a positive impact for the Council. Reimbursement of fees is in accordance with the current policy introduced in October 2016.

6.4 The Local Government Pension Scheme and Policies with regard to exercise of discretion.

- 6.4.1 All employees of the Council have the option to join the Local Government Pension Scheme (LGPS). The scheme is a statutory scheme and operates on the basis of employee/employer contributions with employee contribution rates differing according to earnings, as detailed in the table below. These rates are with effect from April 2016.

Band	Range	Contribution rate for employment	
		Main section	50/50 section*
1	Up to £14,100	5.5%	2.75%
2	£14,101 - £22,000	5.8%	2.9%
3	£22,001 - £35,700	6.5%	3.25%
4	£35,701 - £45,200	6.8%	3.4%
5	£45,201 - £63,100	8.5%	4.25%
6	£63,101 - £89,400	9.9%	4.95%
7	£89,401 - £105,200	10.5%	5.25%
8	£105,201 - £157,800	11.4%	5.7%
9	More than £157,801	12.5%	6.25%

\*Please note: 50/50 scheme is for employees who opt to pay reduced contributions for a reduced pension.

- 6.4.2 The Council makes employer's contributions into the scheme and the current rate of contribution paid for 2018/19 was 16.7%

- 6.4.3 The scheme provides for exercise of discretion that allow for retirement benefits to be enhanced. The Council will consider each case on its own merits in accordance with the parameters defined within the Council's Pension Discretions Policy. Details of the Policy can be accessed by following the link <http://www.mansfield.gov.uk/CHttpHandler.ashx?id=5006&p=0>

This policy applies to all officers of the Council irrespective of their position.

- 6.5. Payment of Chief Officers on their ceasing to hold office under or to be employed by the Council

Arrangements relating to the provision of termination payments for the loss of office for Chief Officers and all other officers leaving the authority on the grounds of redundancy, efficiency and early retirement are outlined in the Council's Early retirement and redundancy compensation policy which can be accessed by following the link below:-

<http://www.mansfield.gov.uk/CHttpHandler.ashx?id=5007&p=0>.

This policy applies to all officers of the Council irrespective of their position.

As detailed in 6.4.3 above, any discretion that may be afforded in respect of pension augmentation can be found in the Council's Pension Discretions Policy.

In certain circumstances the Council reserves the right to terminate employment by way of a Settlement Agreement, the terms of which will remain confidential.

#### **6.6 Recruitment of Officers in receipt of a Local Government Pension/Fire Fighters Pension, Severance or Termination Payment**

When considering employing individuals in receipt of a local government pension or fire fighter pension the Council is required to have regard to the policy on Pension Abatement as determined by the relevant Administrative Body for the Pension Scheme e.g. Nottinghamshire County Council. It should be noted that the Administrative Body for the purposes of discretion may differ according to the location where the individual was previously employed.

The Council's current policy in relation to the appointment of former staff as consultants requires that any ex-employee who has taken voluntary redundancy or early retirement be not engaged as a consultant (including under a contract for services) without a formal committee resolution.

The Council will not presume against re-employing former members of staff who have received a payment for redundancy, severance or any other reasons defined under the terms of a compromise agreement if the Council is satisfied that the individual is the best candidate for the post. Likewise the Council will not presume against employing individuals who have received severance or termination payments by another organisation listed on the Redundancy Modifications Order if the Council is satisfied that the individual is the best candidate for the post.

This policy applies to all posts that are advertised within the Council irrespective of their position and is in-keeping with the Council's policy on Recruitment and Selection in respect of ensuring equality of opportunity.

### **7.0 Publication and Access to Information**

A copy of this document will be published on the Council's website along with any supporting documents referenced within.

In addition the Council will also publish data on the internet as part of the wider transparency agenda relating to the publication of senior salary information. For the purpose of this exercise the Council will publish details relating to post holders earning £50,000 or above in accordance with the threshold preference expressed by the Government.

## **8. Equality Impact Assessment**

This policy has been developed with due regard and consideration for other policies, procedures and agreements currently in operation within the Council and follows the completion of an equality impact assessment, details of which are held in Human Resources. The Equality Impact Assessment is reviewed annually at the same time as this policy.

## **9. Approval/Review**

Before it takes effect, the pay policy statement has to be approved by a resolution of the Council.

Approval date:	5th March 2019
Review date:	January 2020
Originator:	Karen Barke
Last amended:	February 2019