

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

### Pay Policy Statement 2017/18

#### 1.0 Introduction

- 1.1 This Statement sets out the Council's policies in relation to the pay of its workforce, particularly its Senior Officers, in line with Section 38 of the Localism Act 2011. In accordance with that Act, the Statement is required to be approved by Full Council each year. The statement will be published on the Council's website. The Council is committed to an open and transparent approach to the pay and benefits that apply to its workforce.
- 1.2 This Statement sets out the Council's policies relating to the payment of the workforce particularly:
- Senior Officers
  - Its lowest paid employees; and
  - The relationship between the pay of Senior Officers and the pay of other employees
- 1.3 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.

#### 2.0 Objectives of this Statement

- 2.1 This Statement sets out the Council's key policy principles in relation to pay. The Council has employment law and contractual responsibilities in relation to the pay and benefits of its existing employees and these have been taken into account when formulating the Statement.
- 2.2 This Statement aims to ensure the Council's approach to pay and benefits attracts and retains a high performing workforce whilst ensuring value for money. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency.

#### 3.0 Basic Salaries of Senior Officers

- 3.1 From a legal perspective, for the purposes of this Statement Senior Officers are defined as those posts with a salary above £58,200 which is the current Senior Civil Service minimum pay band.
- 3.2 In North West Leicestershire District Council eleven posts have the potential to earn a salary in excess of £58,200. We have three salary bandings which have the potential to earn more than £58,200 – the Chief Executive Band which applies to one post, a Director Band which applies to three posts, and a Head of Service Band which applies to seven posts.
- 3.3 The following posts are determined to be statutory, Chief or Deputy Chief Officer posts in the Council:-

Chief Executive (Head of Paid Service and Returning Officer)  
 Director of Services and Deputy Chief Executive  
 Director of Housing  
 Interim Director of Resources  
 Head of Legal and Support Services (Monitoring Officer)  
 Head of Finance (S151 Officer) / Interim Head of Transformation  
 Head of Housing  
 Head of Planning and Regeneration  
 Head of Community Services  
 Head of Economic Development  
 Joint Strategic Planning Manager (Jointly funded Partnership post, but actually an employee of North West Leicestershire District Council)

(Note – the Head of Finance left during 2016/17 and elements of the role have passed to the temporary Interim role of Head of Transformation. The Head of Finance role has not been replaced, but remains as part of the Councils staffing establishment).

- 3.4 It should also be noted for completeness that two other posts at Service Manager Level are also technically Deputy Chief Officers because of their functions within the Council as Deputy Monitoring Officer and Deputy Finance Officer. Their information has not been included within this statement as their total pay package is less than £58,200 per annum.
- 3.5 The Heads of Service are all located within a salary range £53,500 to £62,344 (9 incremental points), The Deputy Chief Executive / Director salary range is £73,544 to £82,400 (6 incremental points) and the Chief Executive Salary range is £113,821 to £121,857.(4 incremental points). All of the salary ranges are due to increase by 1% as part of a nationally-agreed cost of living rise on the 1<sup>st</sup> of April 2017.
- 3.6 The salaries of all Senior Officers have been set previously by formal meetings of elected members. In the case of the Chief Executive and the Deputy Chief Executive/Director, these were most recently reviewed in 2008 and the existing salary ranges were determined having regard to market conditions and the responsibilities associated with the roles. The Chief Executive's performance is considered annually at a meeting of the members' Appointments Panel.
- 3.7 A member review of the salaries of the Heads of Service last took place in 2011. The Directors and Heads of Service are all subject to an annual appraisal process, and are required to report on their progress on Service Delivery Plans to members.
- 3.8 Increments for all employees including Senior Officers are paid on an annual basis until the maximum of the scale is reached. The Chief Executive, or her nominated representative, has the discretion to award and withhold increments of officers dependant on satisfactory or unsatisfactory performance.

#### **4.0 Car Allowance payments made to Senior Officers**

- 4.1 It is a requirement of the contracts of all Senior Officers that they be on a call-out rota to be available for Service Emergencies or to act in the event of a civil local or national emergency situation. The rota offers 24/7 365 days a year cover.
- 4.2 Due to the need to respond to emergencies out-of-hours and being on-call, Senior Officers have retained either a Car Lease or Essential car allowance. These criteria also apply to other employees in the workforce.

- 4.3 The annual car leasing value to Senior Officers varies depending on the year renewal date of their vehicle and the relative value of “benchmark” vehicles in the Car Leasing scheme. On the basis of the current arrangements the actual current Council contributions range between £2,798 and £3,047 per annum (for the Senior Officers in this statement).
- 4.4 All Officers who are provided with a lease car are tied to a 4 year contract, with penalties payable if they terminate the contract prematurely. Officers are responsible for their own car insurance and petrol / diesel costs. If Officers with a lease car use the car for business mileage they are reimbursed at 16.6p per mile. This rate is reviewed periodically by reference to the National Conditions of Service petrol element. This rate has not changed during the course of the 2016/17 financial year
- 4.5 The Car Allowance rates for Senior Officers are identical to those for all other employees in the Council, and these have been determined at National Level by the annual negotiations between the Employers’ Organisations and the Trade Unions. The current rate is a lump sum allowance of £963 per annum which is paid in monthly instalments. Officers are then paid a fixed mileage rate for any business miles undertaken, which varies from 36.9p per mile to 40.9p per mile. These rates have not been changed since 2010.

## **5.0 Local Government Pension Scheme**

- 5.1 All Council employees may join the Local Government Pension Scheme. The Scheme is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the local government pension scheme see:

<http://www.lgps.org.uk/>

- 5.2 Neither the Scheme nor the Council adopt different policies with regard to benefits for any category of employee and the same terms apply to all staff. It is not normal Council policy to enhance retirement benefits but there is flexibility contained within some pensions discretions for enhancement of benefits. The Council will consider each case on its merits in accordance with the discretions determined by Council at the time. There is no scope for the discretions to be applied more favourably to Senior Officers.
- 5.3 The Local Government Pension Scheme is an optional benefit. If senior officers are members of the scheme the employee contribution rates range between 8.5% and 11.4%.
- 5.4 The discretions that North West Leicestershire is able to apply were revised and agreed by Cabinet on the 24<sup>th</sup> June 2014 (as a direct result of the changes to the National Local Government Pension Scheme). The discretions apply to all employees in the Council’s workforce including Senior Officers and there are no special considerations for employees working at Senior Officer level.

## **6.0 Professional Fees**

- 6.1 The Council reimburses the cost of professional fees for Senior and other Officers where it is essential to the performance of the job role. The Council will reimburse the cost of one fee up to a current maximum of £247 per annum. The annual maximum is linked to a percentage of one of the spinal column points in the main

employee salary scale, so is increased when there is a nationally-agreed cost of living rise.

## **7.0 Election fees**

- 7.1 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 completes.
- 7.2 Fees for returning officer and other electoral duties are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda. As these relate to performance and delivery of specific elections duties they are distinct from the process for the determination of pay for Senior Officers. The fees are set externally by legislation and based on a formula linked to the number of electors.

## **8.0 Employment Stability Policy**

- 8.1 The Council has previously determined that its “Employment Stability Scheme” will apply to all employees of the Council including Senior Officers. The Employment Stability Policy provides that actual weekly pay will be used when calculating an employee’s redundancy payment and the number of redundancy weeks payable is the statutory number of weeks redundancy multiplied by a factor of 1.5. This means that the maximum number of weeks payable, depending on age and service, is 45. The National Local Government Pension Scheme Regulations provide that employees aged over 55 gain automatic payment of their pension if they are made redundant by the Council and there can then be an associated pension Capital cost payable by the Council. The Government is currently considering revised legislation to limit the value of termination payments to Senior Officers, and to claw back termination payments if the departing officer is re-engaged in another part of the Public Sector. The revised arrangements are now expected to be enacted during 2017/18 and will form part of a future report to Council
- 8.2 The Employment Stability Policy also includes the potential for any employee (including Senior Officers) who is at risk of being made redundant to receive salary protection for 3 years on a stand-still basis if they are redeployed to a lower graded post. It should be noted that in practice, this is a rare occurrence.
- 8.3 Full Council will be given the opportunity to vote on severance arrangements which exceed a total value of £100,000 before they are approved. The information presented will clearly set out the components of the severance package (e.g. salary paid in lieu, redundancy compensation, pension capital costs, holiday pay and any other bonuses, fees or allowances paid).

## **9.0 Whole-time service**

- 9.1 All Senior Officers are expected to devote the whole of their service to the Authority and are excluded from taking up additional business, ad hoc services or additional appointments without consent. Officers at a senior level are restricted from being involved in specified political activities, and all employees of the Council are bound by a code of conduct. Senior Officers are expected to work the hours required to complete the job, subject to a minimum of 36.25 hours per week. No additional payments are normally made for out-of-hours working, and there is an expectation that Senior Officer Roles will include on-call and out-of-hours meetings and duties.

## **10.0 Other benefits**

- 10.1 A number of the Senior Officers' terms and conditions of Service are determined at National level according to the following frameworks:

National Joint Council for Chief Executives Conditions of Service  
National Joint Council for Chief Officers Conditions of Service

These frameworks provide the details of conditions of service such as annual leave, sick pay, maternity allowances, training and development etc.

## **11.0 Pay Relationships**

- 11.1 The Localism Act 2011 requires the Council to set out its policy relating to the relationship between the pay of its Senior Officers and the pay of the rest of its employees. The Council has not previously set its pay structure of any group of employees by reference to a pay multiple. The Council has previously set the pay rates for different groups through processes of job evaluation, market comparability and the prevailing economic and market conditions. These can vary enormously from time to time and between the many occupational groups comprising the Council's workforce.

- 11.2. Pay of the Council's Lowest Paid Employees

The Council has defined its lowest paid employees as those on the lowest pay grade the Council operates, who are not undergoing an apprenticeship. The Council agreed to pay the "Living Wage" rate as a minimum wage figure in April 2014, so the lowest pay rate is the current Living Wage of £15,972 per annum (previously £15,594 per annum).

- 11.3 The Localism Act requires Councils to calculate the pay multiples between the highest and lowest earners. The median average pay of the Council's workforce in February 2017 (including overtime payments) was £20,702, which when compared to the salary of the most highly-paid Senior Officer at £121,857 per annum, the pay multiple factor is 5.8. There has been a change in the ratio when compared to 2016 when the factor was 5.6 due to a cost of living pay increase for the first time for many years in the senior role and changes in the proportion of employees in each grade of the workforce. It is relevant to note that the mean average pay in the workforce increased during 2016/17 from £23,325 in 2016 to £24,057 in 2017.

## **12.0 Approach to pensioners and Interim Managers**

- 12.1 The Localism Act requires an explanation of the Council's policy in relation to the arrangements that might apply where it could appear that the public sector is paying an individual twice through a salary and a pension for doing the same job. This Council's view is that it is not good value for money for the taxpayer to make a person redundant (and pay a pension if they are aged 55 years and over) for them to then return to the same job. The Council will not condone this approach. However, it should be noted that there may be circumstances where the Council may employ individuals who are in receipt of a public sector pension for new roles where they are the best person for the job. An example of this may be the employment of ex-services or "blue-light" personnel, to a different role in this Council. It should also be noted that there might be risks of age or disability claims if the Council was to adopt a contrary position.

12.2 The Council has used Interim Managers to fill short-term vacancies or to undertake specific projects where there are capacity issues or a shortage of a particular skill set within the Council's own workforce. This may mean that the Council could engage Interim Managers who are in receipt of a public sector pension from other previous employment where an appropriate assessment has been completed on the value-for-money of the proposed arrangement for the Council. Such assessments will be completed by the Head of the Paid Service in consultation with the Leader of the Council.

### **13.0 Review and Changes**

The Council will review this policy annually, or if amendments need to be made before the date of the scheduled review, in year, to Full Council. Any significant amendments or changes to the legislation which may affect the pay and benefits of Senior Officers will be determined according to the Council's constitution or legislation by the relevant Committee / Panel / Council meeting.