

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – THURSDAY, 23 FEBRUARY 2023



Title of Report	PAY POLICY STATEMENT 2023/4	
Presented by	Councillor Richard Blunt Leader of the Council	
Background Papers	Personal files of employees (confidential) and information held on the I-Trent software system.	Public Report: Yes
Financial Implications	No direct additional financial implications.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	This report is in line with the requirements of section 38 of the Localism Act 2011.	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications		
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The Council is required by the Localism Act 2011 to prepare and approve a pay policy statement in respect of each financial year, before the commencement of that financial year. This report has been produced to provide the relevant information	
Recommendations	THAT COUNCIL APPROVES THE COUNCIL'S PAY POLICY STATEMENT 2023/24, AS ATTACHED AT APPENDIX 1 OF THIS REPORT.	

1.0 BACKGROUND

- 1.0 Under Section 38 of the Localism Act 2011, the Council is required to produce a Pay Policy Statement for each financial year, which must be approved by full Council before the beginning of the financial year to which it relates.

- 1.1 The Statement must set out the Council's policies in relation to:
 - Senior Officers
 - Its lowest paid employees; and
 - The relationship between the pay of Senior Officers and the pay of other employees
- 1.2 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.
- 1.3 The proposed pay policy statement attached sets out the Council's policy and explains the processes that apply to performance management and assessment. The Policy Statement also details the other benefits payable to Senior Officers and the approach to the engagement of Interim Senior Officers who may be in receipt of a previous public sector pension.
- 1.4 In accordance with the requirements of the Localism Act 2011, the statement details the Council's pay multiple, which is the relationship between the median average pay of the Council's workforce compared to the salary of the most Senior Officer (the Chief Executive).
- 1.5 Members are advised that should the management restructuring report being considered at item 15 of this Council meetings agenda is approved then an additional Director post on the same terms and conditions will be added to this pay policy statement, the Monitoring Officer will receive an additional payment of £5,000 per annum for the statutory officer role.

APPENDIX 1.

Pay Policy Statement 2023/24

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.
 - 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 considered 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 For the purposes of this Statement, Senior Officers are defined as those posts paid on Chief Executive or Chief Officer conditions of service.
- 3.2 In North West Leicestershire District Council twelve posts (see paragraph 3.5) are engaged under Chief Executive or Chief Officer terms and conditions of service. The Council has three relevant salary bandings – the Chief Executive Band, which applies to one post, a Director Band which applies to two posts, and a Head of Service Band which applies to nine 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), Strategic Directors – (2), Head of Legal and Commercial Services (Monitoring Officer), Head of Finance (S151 Officer), Head of Human Resources and Organisation Development, Head of Housing, Head of Planning and Infrastructure, Head of Community Services, Head of Regeneration and Property, Joint Strategic Planning Manager (Jointly funded Partnership post, but an employee of North West Leicestershire District Council).
- 3.4 There have been changes to the senior team during 2022/23 – the former Chief Executive left the role in April 2022; an Interim Chief Executive was engaged for the period May to August and the permanent replacement started in August 2022. The Head of Finance commenced in April 2022 and left in September 2022. An interim Head of Finance was appointed in October 2022. The Head of Housing retired in June 2022 and an Interim Head of Housing commenced at that time. An appointment to the permanent post of Head of Housing was made by the Appointments Committee at the end of January 2023.
- 3.5 It should be noted for completeness that two other posts at Service Manager Level are Deputy Chief Officers within the definition applied to the Council's Constitution because of their functions within the Council as Deputy Monitoring Officer and Deputy Finance Officer. Their information has not been included within this statement because they are not engaged on Chief Officer terms and conditions of service.
- 3.6 The Heads of Service are all located within a salary range £60,555 to £70,248 (9 incremental points), The Director salary range is £82,522 to £92,228 (6 incremental points) and the Chief Executive Salary range is £126,662 to £135,469 (4 incremental points).

The cost-of-living increase for the 2022/23 financial year was agreed at national level for the Chief Executive, Chief Officers and all other pay bands in November and December 2022. This involved a flat rate increase lump sum (irrespective of salary banding) of £1,925 per annum. The structuring of the pay increase meant an overall “bottom loading” of the cost of living increase as the lump sum represented a higher percentage increase in gross pay for those employees on the lower salary scales.

Negotiations are currently underway at national level to determine the pay awards for the financial year 2023/24.

- 3.7 The salaries of all Senior Officers have been set previously by formal meetings of elected members. The Chief Executive's salary level was reviewed as part of the decision to recruit to the post in 2017 and again in 2022.
- 3.8 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 a continuous appraisal process and are required to report on their progress against the Council

Delivery Plan and performance indicators to the Corporate and Community Scrutiny Committees and Cabinet on a quarterly basis.

- 3.9 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. The Council's policy is to appoint senior officers at the minimum point of the salary band unless experience or market factors and conditions necessitate an appointment at a higher incremental point on the scale. The overriding consideration is to appoint the best person for the job.

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. 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 either a Car Lease or car allowance.
- 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, which change from time to time. The actual current Council contributions range between £3,003 and £3,188 per annum (for the Senior Officers in this Statement).
- 4.4 All Officers 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 mileage rate has not changed during the 2022/23 financial year.

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 regarding benefits for any category of employee and the same terms apply to all staff. The Council policies relating to pension discretions were reviewed and updated in a report to Council in September 2018. The reviewed discretions apply to all employees (and former employees) in the workforce equally. The Council will consider each case on its merits. There is no scope for the discretions to be applied more favourably to Senior Officers.

5.3 The Local Government Pension Scheme (LGPS) is an optional benefit. If senior officers are members of the scheme the employee contribution rates range between 8.5% and 11.4%. The Council also makes a contribution to the LGPS if officers join at a rate of 21.5% of salary.

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.

7.0 Election fees

7.1 In accordance with the national agreement the Chief Executive and some senior officers are 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 returning officer or similar election support roles.

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 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 forty-five. The National Local Government Pension Scheme Regulations provide those employees aged over 55 years of age 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.

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 three 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 very rare occurrence and would be subject to the necessary approvals in line with the Council's constitution.

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. The hybrid working scheme introduced across the Council in December 2021 applies to Senior Officers subject to the minimum requirements.

10.0 Other Benefits

10.1 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 "Voluntary Living Wage" rate as a minimum wage figure in April 2014, and this rate was updated in September 2022 to £20,603 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 2023 (including overtime payments) was £27,852 per annum which, when compared to the salary of the most highly paid Senior Officer at £126,662 per annum, produces a pay multiple factor of 4.54. The ratio has decreased slightly from last year when the ratio was 5.24. This change is due to the appointment of the new Chief Executive at a different point on the salary range, and the impact of the fixed amount pay increase which was applied across all levels of the workforce including the Chief Executive, which had the effect of providing a relatively higher percentage increase for employees in the lower bands of the salary scales.

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. 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.
- 12.3 Interim chief officer managers are recruited through an executive search provider. Their appointment is delegated to the Head of Paid Service (the Chief Executive) in the constitution. The pay arrangements are set according to market conditions at the time, and may include direct employment by the Council, or engagement through an employment agency, or via an approved HMRC umbrella company. Interims are engaged for short term periods to support the work of the Corporate leadership Team when posts are temporarily vacant.

13.0 Review and Changes

- 13.1 The Council will review this Statement 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.

Policies and other considerations, as appropriate	
Council Priorities:	<p>The senior management team is key to the delivery of all the Council's priorities.</p> <ul style="list-style-type: none"> - Supporting Coalville to be a more vibrant, family-friendly town - Support for businesses and helping people into local jobs - Developing a clean and green district - Local people live in high quality, affordable homes - Our communities are safe, healthy and connected
Policy Considerations:	Pay policy for senior officers.
Safeguarding:	None
Equalities/Diversity:	No direct considerations.
Customer Impact:	The senior management team are ultimately responsible for the Customer impacts of the Councils work.
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	The report has been provided to the recognised trade unions.
Risks:	Detailed in the corporate risk register..
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