

Chief Officer Pay policy statement

1.0 Introduction

- 1.1 Sections 38 – 43 of the Localism Act 2011 (the Act) require that the council produce a policy statement that covers several matters concerning the pay of the council's employees, principally Chief Officers. This policy statement meets the requirements of the Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the council is required to have regard under Section 40 of the Act.
- 1.2 This policy was considered and approved by the Full Council at the meeting which took place on 13 February 2023.
- 1.3 This policy also has some connection with the data on pay and rewards for employees which the council publishes under the Local Government Transparency Code (2015) and the data which is published under The Accounts and Audit (England) Regulations (2015).
- 1.4 It should be noted that the requirements to publish data under the Secretary of State's guidance, the Transparency Code and the Regulations do differ, the data requirements of the Transparency Code and the Accounts and Audit Regulations are summarised at section 11.0 of this document.
- 1.5 This policy statement does not cover or include school employees and is not required to do so.

2.0 Definition of officers covered by the policy statement

- 2.1 This policy statement covers Chief Officers under the Localism Act 2011 which are defined as:
- The council's Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989;
 - The Monitoring Officer designated under section 5(1) of that Act;
 - A Statutory Chief Officer mentioned in section 2(6) of that Act;
 - A Non-Statutory Chief Officer mentioned in section 2(7) of that Act; and
 - A Deputy Chief Officer mentioned in section 2(8) of that Act.

In North Lincolnshire Council these definitions would apply to the following posts:

Head of Paid Service:

- Chief Executive

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Statutory Chief Officers:

- Director: Adults and Health (Director of Adult Social Services)
- Director: Children and Families (Director of Children's Services)
- Assistant Director: Education (Chief Education Officer)
- Director: Governance and Communities (Section 151 Officer)
- Assistant Director: Governance and Partnerships (Monitoring Officer)

Non-Statutory Chief Officers (those who report directly to the Head of the Paid Service and are not a Statutory Chief Officer):

- Deputy Chief Executive

Deputy Chief Officers:

- Director: Economy and Environment
- Director: Public Health
- Assistant Director: Adult Social Services and Deputy DASS
- Assistant Director: Integrated Care
- Assistant Director: Adult Early Help and Prevention
- Assistant Director: Children's Help and Protection
- Assistant Director: Children's Standards and Regulations and Deputy DCS
- Assistant Director: Resources and Performance
- Assistant Director: Community Enablement
- All other senior managers if reporting directly to, or directly accountable to, a statutory or non-statutory Chief Officer in respect of all or most of their duties (excluding roles which are clerical or secretarial).'

3.0 Remunerating chief officers

3.1 The council's current arrangements for the remuneration of chief officers are set out on the council's website. It is the policy of this council to establish a remuneration package for each chief officer post that is sufficient to attract and retain employees of the appropriate skills, knowledge, experience, abilities and qualities, consistent with the council's requirements of the post at that time.

3.2 Grading of jobs is determined by the use of the council's job evaluation schemes to ensure that they are fair and non-discriminatory, comply with equal pay legislation and associated codes of best practice.

4.0 Remunerating the lowest paid in the workforce

4.1 The council applies terms and conditions of employment that have been negotiated

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and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of council decisions, these are then incorporated into contracts of employment.

- 4.2 The lowest pay point in this council is Grade 1, point 1. This equates to an annual salary of £20,258, an hourly rate of pay of £10.50. This pay point and salary is part of a pay scale for employees employed on National Joint Council (NJC) for Local Government Service terms and conditions. These rates are effective from 1 April 2022 to 31 March 2023. The pay rate is increased in accordance with any pay settlements which are reached through the NJC for Local Government Services.

5.0 Relationship between chief officer remuneration and that of other employees

- 5.1 The highest paid remuneration in this council is £170,991.78 per annum which is paid to the Chief Executive.
- 5.2 The average median remuneration (as at 31 January 2023) in this council is £28,498.76 per annum.
- 5.3 The ratio between the highest paid remuneration and the average median remuneration in the council (not including schools), the 'pay multiple', is 6:1. This council does not have a policy on maintaining or reaching a specific 'pay multiple'. However, the council is conscious of the need to ensure that the remuneration of the highest paid employee is not excessive and is consistent with the needs of the council as expressed in this policy statement.
- 5.4 The council's approach to the payment of employees is to pay that needed to recruit and retain employees with the skills, knowledge, experience, abilities, and qualities needed for the post at that time. In addition, the council will ensure it meets any contractual requirements for employees including the application of any local or national collective agreements, or council decisions regarding pay.

6.0 Other aspects of chief officer remuneration

- 6.1 Other aspects of chief officer remuneration are appropriate to be covered by this policy statement. These other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency, and re-employment when in receipt of a Local Government Pension Scheme (LGPS) pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this policy statement at Appendix 1.

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7.0 Approval of salary packages in excess of £100,000

7.1 The council will ensure that any salary package for any post (not including schools) that is in excess of £100,000 will be considered by a committee of Full Council, at the latest, before an offer of appointment is made. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances, and benefits in kind that are due under the contract.

8.0 Flexibility to address recruitment issues for vacant posts

8.1 In the vast majority of circumstances the provisions of this policy will enable the council to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek Full Council approval for a change of the policy statement. Such a departure from this policy will be expressly justified in each case and will be approved through an appropriate council decision making route.

9.0 Amendments to the policy

9.1 This policy does not normally need to be amended during the period it covers. However, given that a pay award has not yet been agreed for 2021/2022 for employees on NJC and JNC for Chief Officers terms and conditions, the relevant data will be updated and the pay multiple recalculated when this pay award occurs. If a change of policy is considered to be appropriate following this, then a revised draft policy will be presented to Full Council for consideration.

10.0 Policy for future years

10.1 This policy statement will be reviewed each year and will be presented to Full Council each year for consideration in order to ensure that a policy is in place for the council prior to the start of each financial year.

11.0 Supporting legislation and statutory guidance

11.1 The Local Government Transparency Code (2015) indicates that councils should publish the following data concerning employees:

- Organisation structure (covering staff in the top three levels of the organisation), including grade, job title, department, permanent or temporary, contact details, salary in £5,000 brackets and the salary ceiling.

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- Names of trade unions represented in the council, total number of trade union representatives, number of those trade union representatives who devote at least 50% of their time to union duties and a basic estimate of spending on unions as a percentage of the pay bill.
- The 'pay multiple' – the ratio between the highest paid salary and the median average salary of the whole council workforce.

11.2 The Accounts and Audit (England) Regulations (2015) require that the following data is included in the council's accounts:

- Numbers of employees with a salary above £50,000 per annum (pro-rata for part-time employees) in multiples of £5,000.
- Job title, remuneration and employer pension contributions for senior officers. Senior officers are defined as Head of Paid Service, Statutory Chief Officers and Non-Statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act.
- Names of employees paid over £150,000 per annum.

For the above remuneration is to include:

- Salary, fees or allowances for the current and previous year.
- Bonuses paid or receivable for the current and previous year.
- Expenses paid in the previous year.
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment.
- Total estimated value of non-cash benefits that are emoluments of the person.

For the above pension contributions to include:

- The amount driven by the authority's set employer contribution rate.
- Employer costs incurred relating to any increased membership or award of additional pension.

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Appendix 1 – Additional remuneration

Recruitment

- 1.1 The post will be advertised and appointed to at the appropriate approved salary level for the post in question unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the council's policy and any variation will be approved through the appropriate council decision making process.

Pay increases

- 1.2 The council will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The council will also apply any pay increases that are as a result of council decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts. Where a change in the duties of the post are significant a revised job description will be submitted for re-evaluation in accordance with the council's approved job evaluation scheme and Grading policy B.5.
- 1.3 If the evaluation results in a change in grade, the manager will prepare a delegated decision report for consideration by the relevant directors.

Additions to pay

- 1.4 The council would not make additional payments beyond those specified in the contract of employment.

Performance related pay

- 1.5 The council does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

Earn-back (Withholding an element of base pay related to performance)

- 1.6 The council does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

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Bonuses

- 1.7 The council does not pay bonus payments to senior officers.

Termination payments

- 1.8 The council applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for them. The council also applies the appropriate pensions regulations when they apply. The council has agreed policies on how it will apply any discretionary powers it has under pensions regulations. These discretions are set out in the council's Local Government Pension Scheme (LGPS) Discretionary Options and Compensation for Termination of Employment policy A.8a.
- 1.9 Any costs that are incurred by the council regarding senior officers are published in the council accounts as required under the Accounts and Audit (England) Regulations 2015 and can be viewed at www.northlincs.gov.uk.

Transparency

- 1.10 The council meets its requirements under the Localism Act, the Local Government Transparency Code and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration. Detailed information can be viewed by searching for 'Open data' at www.northlincs.gov.uk.

Re-employment of staff in receipt of an LGPS pension or a redundancy/severance payment

- 1.11 The council is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The council will always seek to appoint the best available candidate to a post, who has the skills, knowledge, experience, abilities and qualities needed for the post. The council will therefore consider all applications from candidates to try to ensure the best available candidate is appointed.
- 1.12 If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the council. Clearly where a former employee left the council on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist. The council will apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 (the 'Modification Order') regarding the recovery of redundancy payments if this is relevant. Pensions regulations also have

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provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

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