

## **Introduction**

Under the Localism Act each local authority must produce a pay policy statement to be approved by the council each year. Any changes to this statement or policies contained within the statement must be approved by Council unless such changes are within the scheme of delegated powers

## **Overview**

Each local authority has the autonomy to take its own decisions on pay and pay policies. This statement reflects current practice and existing policies at the Council.

## **Policy Statement**

The Council is committed to providing quality public services that provide value for money for residents. In order to do this we must employ high quality employees and reward them appropriately. This statement provides the framework under which the Council will reward employees. The policy statement covers 3 main areas;

- The remuneration of Chief Officers and the Chief Executive
- The remuneration of the lowest paid employees
- The relationship between Chief Officers remuneration and that of other officers

## **Remuneration of Chief Officers and the Chief Executive**

The Council is responsible for determination of the appropriate remuneration for its Chief Executive / Chief Officers when a vacancy occurs. The Appointment Committee are given delegations from Council to manage the recruitment process. When determining salary levels relevant evidence is considered to include other salaries at the Council, budget constraints and external market conditions. This is usually evidenced via recruitment consultants who provide independent advice and guidance.

## **Chief Executive Remuneration**

The terms and conditions of the Chief Executive are determined by the Joint Negotiating Committee (JNC) for Chief Executives with variation at a local level. The Council have adopted a set of local terms and conditions for the whole workforce which are supplemented by those set out for Chief Executive's under the Joint Negotiating Committee for Local Authority Chief Executive's National Salary framework & Conditions of Service Handbook.

The salary range for the Chief Executive is £106,050 to £112,110

The actual salary paid to the Chief Executive is published annually in the Statement of Accounts.

Any cost of living increases are paid if agreed by the JNC.

The level of remuneration set for the post of Chief Executive encompasses consideration of a number of elements including the size and complexity of the organisation, the population to which services are delivered and factors such as market conditions. The salary range was last reviewed in 2013 using comparable data on Chief Executive salaries available via the Local Government Employers.

There are currently no provisions for bonus or performance related pay.

### **Chief Officer Remuneration**

The terms and conditions of Chief Officer's are generally determined by the Joint Negotiating Committee (JNC) for Chief Officer's with variation at a local level. The Council have adopted a set of local terms and conditions for the whole workforce which are supplemented by those set out for Chief Officer's under the Joint Negotiating Committee for Local Authority Chief Officer's National Salary framework & Conditions of Service Handbook.

The Chief Officers are identified as the Chief Executive and Deputy Chief Executive/Section 151 Officer.

The salary range for the appointed Chief Officers is £87,969 to £112,110

The actual salary paid to the Chief Officers is published annually in the Statement of Accounts.

Any cost of living increases are paid if agreed by the JNC.

There are currently no provisions for bonus or performance related pay.

### **Joint Authority Duties**

Where a senior officer takes up a post shared with one or more authorities the salary costs (including on costs) are to be shared with each authority. The share agreed will depend on each circumstance and will be agreed with the relevant Chief Executives. Where additional responsibility is given an increase in pay may be awarded to reflect the size of the additional duties. The cost of the increase is added to the basic salary and the total is shared between partners.

### **Returning Officer Fees**

The fees and charges for European, UK Parliamentary and County Council elections are set by external bodies at each relevant election however, there are no express statutory provisions governing fees payable to Returning Officers for local government elections. Historically, the setting of fees for the administration of District and Parish elections have therefore been set in accordance with the Lincolnshire county wide scale of fees.

The Returning Officer's fees are regarded as a special responsibility payment in relation to the independent duties carried out. They are personal to the Returning Officer and are paid in addition to the contractual salary of the Returning Officer. This Council's Returning Officer is the Chief Executive.

### **Workforce Remuneration**

The Council adopted and implemented the Local Government Single Status Job Evaluation Scheme (LGJES) with effect from 1<sup>st</sup> April 2009. This consists of 10 pay grades for employees other than Assistant Directors, the Chief Executive and Chief Officers.

The job evaluation pay scale is determined via the National Joint Council for Local Government Services. Terms and conditions and any subsequent pay awards are also determined via this national body. The national agreement forms part of each employee's contract of employment. Local terms and conditions exist to supplement those set nationally. Job evaluation involves assessing each job and allocating a number of points to each job. The grade is set based on number of points allocated to the job. This ensures fair treatment for all employees and is recognised as a scheme that objectively evaluates jobs without any element of bias.

Starting salaries are normally at the bottom of the relevant pay grade unless market or other relevant factors such as skills and experience exist to create a business case to pay at a higher point within the grade.

The Council opted to pay the equivalent of the Voluntary Living Wage, as determined by the Living Wage Foundation, with effect from 1<sup>st</sup> April 2015; at the time this increased the lowest pay point from £13,500 to £15,207 per annum (£7.88 per hour). The application of the Voluntary Living Wage is reviewed annually by the Councils Management team. The Council have continued to pay the Voluntary Living wage rate since this time, currently set at £8.45 per hour. The Voluntary Living Wage rate is greater than the National Living Wage of £7.50 per hour for age 25 and over.

All employees who are paid the lowest grade receive a Voluntary Living Wage Supplement and receive £16,302 per annum (pro rata where applicable). The mean average salary for the Council is £23,914 per annum and this figure is used to determine the pay multiplier.

The Council does not set a formula for the relationship between the lowest and highest paid employees. The pay multiplier between the mean average pay and the Chief Executive's remuneration is 4.48 a reduction of 0.06 from 2017.

### **Honoraria/Acting Up**

Where temporary additional duties/responsibilities are given to an existing employee an honoraria payment can be made. This is delegated to the Chief Executive. The amount payable is based on an assessment of the additional duties/responsibilities undertaken. Honoraria are only used on a temporary basis and must be reviewed regularly to ensure appropriateness.

### **Special responsibility payments**

Additional payments may be made in addition to basic salary for statutory duties such as Monitoring Officer or Section 151 (Chief Financial) Officer. The Chief Executive will make a recommendation to Council if such a payment is appropriate.

**Pay flexibility**

Where necessary the use of market supplements may be applicable to deal with pay anomalies which effect recruiting or retaining employees. A local agreement specifies the conditions when a market supplement should be applied. The discretion to implement rests with the Chief Executive.

**Early retirement / termination policy**

The Council have approved a policy relating to the early retirement of employees. Delegations to approve early retirement cannot be exercised unless the Policy provisions are met. Any variations to the Policy must be approved by Council.

**Settlement Agreements**

In 2013 Council approved the policy for the determination of a settlement agreement.

**Local Government Pension Scheme**

All employees with contracts of more than 3 months are eligible to join the Local Government Pension Scheme. Under legislation from 1 November 2013 auto enrolment applies to all eligible employees. The pension scheme requires contributions from employees based on their earnings and from 1<sup>st</sup> April 2014 changes from a final salary pension scheme to a career average pension scheme. The employer contributes a percentage of pay to the pension fund. The employee pension contribution is between 5.8% and 12.5% depending on their salary. The more an employee earns the higher their pension contribution rate. The Council's contribution rate is 16.3%.

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