

# City of Lincoln Council Pay Policy Statement 2020/21

## Appendix 1

### 1. Introduction

The City of Lincoln Council recognises the need to manage scarce public resources while balancing the need for remuneration at all levels to be adequate to secure and retain high quality employees who are dedicated to public service.

It is important that the City of Lincoln Council is able to determine its own senior pay structures in order to address local priorities and compete in the local labour market.

It is recognised that senior management roles in local government are complex and diverse functions which operate in a political environment where national and local pressures may conflict. The City Council's ability to attract and retain high calibre leaders capable of delivering a complex agenda during times of financial pressure is crucial especially when the numbers of senior management roles are reducing.

### 2. Legislation

Section 38 (1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year. The Act provides details on matters that must be included in the policy and guidance from DCLG, JNC for Chief Officers of Local Authorities and ALACE have been used in preparing this statement.

The Pay Policy Statement must be:

- approved formally at full Council by the end of March each year but can be amended at any time during the year
- published on the Council's website
- complied with when the Council sets its terms and conditions for Chief Officers

### 3. Context

The Council, like all other local authorities, continues to face unprecedented and uncertain times as it copes with the challenge of delivering public services with a much lower level of financial resources than previously.

The Council continues to do all that it can to minimise the effects arising from annually reduced resources on the public and those employed by the Council, and will prioritise those services that are needed the most.

It has taken sensible steps to comprehensively review the services it delivers, and the way that it delivers them, so that its limited resources are used to

maximum effect, and it will continue to build on its record of delivering new and better ways of doing things.

#### **4. Scope**

In order to comply with the Act the pay policy will include the Council's policy on:

- The level and elements of remuneration for Chief Officers
- The remuneration of the lowest paid employee, and the definition of 'lowest paid employee'
- The relationship between the remuneration of Chief Officers and other officers
- Specific aspects of Chief Officers' remuneration, including at appointment, increases, termination and any other payments.

The Act defines remuneration to include pay, charges, fees, allowances, benefits in kind, increase in enhancements of pension entitlements, and termination payments.

#### **5. Senior Pay**

In this Policy the senior pay group covers the top five tiers of the organisation. These are the Chief Executive, Strategic Directors, Assistant Directors and Heads of Service.

The Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities and the Joint Negotiating Committee (JNC) for Chief Executives adopted a modified version of the HAY job evaluation scheme for authorities to use to facilitate a review of senior posts.

In 2003 the Employers Organisation was engaged by the City Council to evaluate senior management posts using the HAY Job Evaluation Scheme. This exercise was repeated in 2005.

In early 2015 a restructure of the Council took place which saw the introduction of two Statutory Officer posts and they, together with the Assistant Directors, were given a wider remit in terms of strategic service delivery. As a result of the restructure, a further salary evaluation was undertaken and the following salary ranges were agreed.

Chief Executive	-	£106,494	-	£120,279
Strategic Directors	-	£81,306	-	£94,905
Statutory Officers	-	£69,225	-	£74,529
Assistant Directors	-	£60,240	-	£66,429
Head of Joint Service	-	£53,043	-	£59,232

The percentage differentials between grades is between 76 and 79% of the Chief Executives bandings for Strategic Directors, 62 and 65% Chief Executives bandings for Statutory Officers, 70 to 74% Strategic Directors

bandings for Assistant Directors and 62 to 65% Strategic Directors for Head of Joint Service.

Since this date salary increases will be in line with the negotiated settlements as agreed by the JNC for Chief Officers and Chief Executives.

## **5.1 Current Salary Levels for Chief Officers**

Chief Executive annual salary bands

CX01 £106494  
CX02 £110433  
CX03 £114363  
CX04 £118305  
CX05 £120279

Strategic Directors' annual salary bands (76 to 79% of Chief Executives pay bandings)

CD01 £81306  
CD02 £85323  
CD03 £89334  
CD04 £93351  
CD05 £94905

Statutory Officers annual bands (62 to 65% of Chief Executives pay bandings)

SO01 £69225  
SO02 £70551  
SO03 £71877  
SO04 £73200  
SO05 £74529

Assistant Directors annual bands (70 to 74% of Strategic Directors pay bandings and 55 – 56% of Chief Executive pay bandings)

C001 £60240  
C002 £61788  
C003 £63333  
C004 £64887  
C005 £66429

Head of Joint Service annual bands (62 to 65% of Strategic Directors pay bandings and 49% of Chief Executive pay bandings)

JS01 £53043  
JS02 £54585  
JS03 £56130  
JS04 £57684  
JS05 £59232

Any national pay award, once agreed, would be applied.

The bands are in place to recognise and reward long service and loyalty, and also to allow some discretion in terms of starting salaries based on:

- Salary levels in a previous role
- Qualifications, skills and knowledge which are desirable within the role but if already held by the individual would diminish the need for training and development.

## **5.2 Allowances and Benefits for the Chief Executive and Chief Officers**

There are no other additional elements of remuneration in respect of overtime, bank holiday working, stand-by payments, enhanced payments for evening or weekend working paid to senior staff, as they are expected to undertake duties outside their contractual hours and working patterns without additional payment. In line with this we do not operate an 'earn back' scheme and do not consider this would be appropriate at this time.

## **5.3 Severance of Chief Officers Contracts**

There is no severance package for Chief officers, outside of those relating to entitlements under the JNC Terms and Conditions, the policies of City of Lincoln Council and the Local Government Regulations which relate to all employees on termination or dismissal.

## **5.4 Publication of Information relating to Chief Officer Pay**

Rates of pay are published in accordance with the Localism Act.

## **5.5 Additional Fees**

The Chief Executive is the Returning Officer for the City of Lincoln Council. The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983, although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. The Returning Officer is personally responsible for:

- the nomination process for candidates and political parties;
- provision and notification of polling stations;
- appointment of presiding officers and polling clerks;
- appropriate administration and security of polling stations;
- preparation of all ballot papers;
- the actual Count and Declaration of Results;
- issue, receipt and counting of postal ballot papers;
- all candidates' election expenses return

## **6. Pay Structure**

The pay structure for employees who are covered by the National Joint Council for local Government Services (Green Book) are calculated using the Greater London Provincial Council Job Evaluation Scheme. Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. Employees can move up a spinal column point within their grade after each year of service until the highest spinal column point is reached.

The Salaries for employees covered by the Joint Negotiating Committee for Local authority Craft and Associated Employees (Red Book) are within the Craft Development scheme which was agreed under the terms of a local agreement in 2006. Employees under the Craft Development Scheme are paid according to their skills and ability linked to their specific craft.

Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee. A new pay spine was implemented in 2019 in line with the two-year increase pay offer with effect from 2018. The new pay spine saw a bottom rate of £9.0749 with new pay points implemented to deal with the compacting of the differentials at the lower end of the spine. The new pay scales reduced from 56 to 50 pay points.

The Council does not have a policy that would allow any employee to minimise tax payments.

## **7. Living Wage**

The Council became an accredited member of the Living Wage Foundation in October 2013.

The Council has previously implemented the living wage increases. Depending on the outcome of the pay award negotiations for 2020/21 will determine whether the Council would progress to seek approval to implement the latest living wage rate.

## **8. Relationship between Pay Rates**

The lowest paid employee within the council is on a scale S1B and is paid £17508. The hourly rate for this lowest scale is currently above the living wage rate (£9.0749). However this may change subject to an agreed pay award for 2020/21 and the latest living wage rate (£9.30 November 2019).

The highest graded post is that of Chief Executive of £120,279 per annum.

Therefore the ratio between the Chief Executives pay and the lowest paid employees is 6.9:1. This is the same as last year and considered to be acceptable at this time.

## 9. Pension Contributions

All employees who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table.

Local Government Pension Scheme – contribution bands with effect from the 1 April 2019.

Band	Salary Range	Contribution Rate
1	£0 - £14400	5.5%
2	£14401 - £22500	5.8%
3	£22501 - £36500	6.5%
4	£36501 - £46200	6.8%
5	£46201 - £64600	8.5%
6	£64601 - £91500	9.9%
7	£91501 - £107700	10.5%
8	£107701 - £161500	11.4%
9	More than £161501	12.5%

Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded, and are set independently. The rules governing the pension scheme are contained in regulations made by Parliament.

## 10. Travel

Essential car user allowance has been removed from all employees except where it is provided as a reasonable adjustment in relation to disability. Mileage is paid at the prevailing HMRC rate for all employees.

## 11. Professional Fees

Professional fees are only paid to practising Solicitors who require membership in order that they can lawfully act as a Solicitor.

## 12. Market Supplements

No market supplements are paid.

## 13. Discretionary Payments

The Council has an approved Change Management Policy which includes an Early Retirement and Redundancy policy and this will be applied equally to all members of staff. The Council has a flexible retirement policy.

## 14. Decision Making

Decisions on remuneration are made by Executive.

## **15. Disclosure**

This Pay Policy Statement will be published on the Council's Website. In addition, details of employees paid above £50,000 are disclosed.

## **16. Review**

This Pay Policy will be reviewed annually in line with the Localism Act and any guidance issued by the DCLG.

February 2020