

# **City of Lincoln Council Pay Policy Statement 2013/14**

## **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 2012/13 and for each financial year thereafter. 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. In order to maintain a sustainable financial position the Council must deliver annual savings of £3m by 2016/17, £1m of which is required in 2013/14.

It is therefore clear that the Council is no longer in a position to continue to fund the breadth, depth and quality of services that it currently offers and is faced with some very difficult decisions. The Council will continue to do all that it can to minimise the effect of these cuts 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.

Figures provided are based on January 2013 pay.

#### **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**

##### Background

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

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 and as a result of the evaluation in 2005 the following salary ranges were agreed.

Chief Executive	£90178 – 100178
Directors	£67500 – 77500
Heads of Service	Band 2 – £42853 - 47853
	Band 1 – £48672 - £53672

The percentage differentials between grades were between 75 and 77% of the Chief Executives bandings for Directors, and between 62 and 72% of Directors' bandings for Heads of Service. These percentage differentials have remained.

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

In early 2012 a further restructure of the Council took place which saw the removal of three Heads of Service from the organisation and the introduction of Assistant Directors who were given a wider remit in terms of strategic service delivery which has led to the removal of Band 2.

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

Chief Executive annual salary bands

CX01 £100344

CX02 £104052

CX03 £107757

CX04 £111471

Directors' annual salary bands (77% of Chief Executives pay bandings)

CD01 £75108

CD02 £78816

CD03 £82524

CD04 £86235

Assistant Directors annual salary bands (71% of Directors pay bandings)

C001 £55647

C002 £57077

C003 £58504

C004 £59937

C005 £61361

These bandings have not altered since February 2012 and no pay awards have been made.

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 Lincoln City 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 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

The fee for carrying out these duties is £264 per Ward.

The Chief Executive is also responsible for providing leadership and promoting good practice both in the City of Lincoln and for Lincolnshire for the Police elections. The Chief Executive acts as the Police Area Returning Officer for Lincolnshire and the Local Returning Officer for Lincoln. The fee for carrying out these duties is laid out below. The fee for acting as the Police Area Returning Officer for Lincolnshire in 2012 was set by the Home Office.

Police Area Returning Officer for Lincolnshire - £8000

Local Returning Officer for Lincoln - £3098

## **6. Pay Structure**

6.1 The pay structure for all employees, 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.

6.2 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.

6.3 Employees only receive a pay rise when it has been agreed nationally with the Joint Negotiating Committee.

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

## **7. Relationship between pay rates**

The lowest paid employee within the council is on a scale S1A and paid £12507.00 pa

The mean salary for the City Council is £23314.94 per annum (this is calculated on earnings for January 2013)

The median salary for the City Council is £21043.80 per annum (this is calculated on earnings for January 2013)

The highest graded post is that of the Chief Executive of £111471.00 per annum

Therefore the ratio between the Chief Executives pay and the lowest paid employees is 8.9:1, this is considered to be acceptable at this time.

The ratio between the Chief Executives pay and the median pay is 5.2:1, this is considered acceptable at this time.

These figures include employees graded under the Craft Development Scheme but exclude apprentices and those on casual worker contracts. The lowest paid employee is defined as the annual pay plus any contractual enhancements an employee would receive if working full time on the lowest job evaluated role within the Council.

## **8. 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 2011

Band	Salary Range	Contribution Rate
1	£0- £12900	5.5%
2	>£12901 - £15100	5.8%
3	>£15101 - £19400	5.9%
4	>£19401 - £32400	6.5%
5	>£32401 - £43300	6.8%
6	>£43301 - £81100	7.2%
7	More than £81100	7.5%

The council makes employer's contributions into the scheme, which are reviewed each 3 years by the actuary. The current rate is 23.50% in 13/14

The City Council will not allow an employee to retire and return to the same job.

#### **9. Travel**

Essential car user allowance will be removed from all employees except where it is provided as a reasonable adjustment in relation to disability. Mileage will move to the HMRC rate which is currently 45p per mile for all employees

#### **10. Professional fees**

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

#### **11. Market Supplements**

No market supplements are paid

#### **12. Discretionary Payments**

The policy for the award of discretionary payments is the same for all employees regardless of their pay level, the following arrangements will apply:

##### **12.1 Pension Augmentation - Regulation 52 of the Local Government Pension Scheme Regulations.**

Any employee aged 55 or over who retires in the interests of efficiency, will receive immediate payment of their pension benefits with the option of additional years service of between 6 months and 6 years 243/365 days augmentation. Any augmentation is limited by the amount of membership that could have been achieved by the age of 65. The capital costs of early payment of pension benefits will be met by the Council but approval is subject to the agreement of the Executive.

##### **12.2 Redundancy - Local Government (Early Termination of Employment)**

##### **(Discretionary Compensation)(England and Wales) Regulations 2006.**

In line with the employer's discretionary powers employees are entitled to be paid a lump sum compensation up to 104 weeks' pay in a redundancy

situation which is calculated on the basis of four weeks' pay for each complete year of service subject to a minimum of two years' service and a maximum of 26 years' service being counted.

Employees can make an application to receive a reduced lump sum with an augmented pension.

Employees aged over 55 who are members of the Local Government Pension Scheme and who are made redundant will be able to receive the full value of their pension without the actuarial reduction that might occur with a resignation not linked to redundancy. The cost of early release of their pension will be paid by the Council.

### **13. Decision Making**

Decisions on remuneration are made by Executive.

### **14. Disclosure**

This Pay Policy Statement will be published on the Council's Website. In addition, details of employees paid above £58500 are disclosed (Add link)

### **15. Review**

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

January 2013