



# Pay Policy Statement

Updated June 2018

## 1. Introduction and purpose

Under section 112 of the Local Government Act 1972, the council has the 'power to appoint officers on such reasonable terms and conditions as the authority thinks fit'.

This Pay Policy Statement (the 'statement') sets out the council's approach to its pay, terms and conditions and other related matters in accordance with the requirements of Section 38 of the Localism Act 2011.

Once approved by the full Council, this Pay Policy Statement will come into immediate effect and will be subject to review on an annual basis, in accordance with the relevant legislation prevailing at that time.

## Lichfield District Council

Lichfield District Council employs 312 staff (as at 31<sup>st</sup> May 2018), excluding casual workers, contractors, and agency workers) and provides a wide range of services managed through the Chief Executive's office and two directorates

## The Chief Executive

The Chief Executive leads the organisation by translating members' aspirations into practical solutions and delivery. They also:

- Act as lead advisor to Elected Members
- Undertake the statutory role of Head of Paid Service
- Lead and support the council's governance arrangement
- Are responsible for civic and ceremonial functions.

## The Directorates

### Place and Community

This Directorate undertakes the strategic lead on:

- Sustainable economic development, planning policy, development plans and implementation, development control and enforcement, urban design and conservation, building control and land charges, city and town centre regeneration and development.
- Arboriculture services, countryside, biodiversity, rural strategy and planning.
- Inward investment and developing the economy, business support and partnerships, and tourism, car parking strategy and management of off street parking enforcement.

- Housing, including housing need and investment and affordable housing planning and development. Lead on housing partnerships, housing with support and travelling families.
- Homelessness strategy and responsibilities, including private sector housing investment and regulation.
- Enforcement and regulation, including contaminated land, pollution, nuisance, air quality.
- Health and safety enforcement and regulation, including food safety, occupational health and safety, infectious disease.
- Public health and protection, including taxi, liquor and miscellaneous licensing. Lead on community regeneration and development, including building social capital, community hubs and community transport.
- Links with the voluntary sector; grant aid and commissioning grant funded services. Safer and Stronger communities including the Community Safety Partnership and closed circuit television.
- Emergency planning, with business continuity in conjunction with Staffordshire Civil Contingencies Unit.
- Lichfield District Strategic Partnership (LDSP) and District Board. Lead on older people, children and young people and safeguarding policy.
- Physical Activity and Sport Development partnerships, reservoir management, outdoor sports and play provision and the management of parks and open spaces, including Beacon Park.
- Supporting strategic partnerships focusing on green matters including Cannock Chase AONB and managing the council's countryside assets.
- Quality of the local environment and the delivery of in-house street scene services, including street cleansing and fly-tipping, abandoned vehicles, fleet management, grounds maintenance, public conveniences, and shop mobility
- The Joint Waste service, with Chief Executive of Tamworth Borough Council in respect of waste collection and recycling, sustainable waste management, including partnership support, environmental education and awareness.

## **Transformation & Resources**

This Directorate undertakes the strategic lead on:

- Assets, premises and the council's property portfolio.
- Legal services, including probity and contracts.
- Democratic services, governance, data protection and Freedom of Information.
- Electoral services, management of elections.
- Strategic planning and performance management for the Council, including accountability to Members, quality assurance, customer complaints, ombudsman investigations, MP enquiries, community research, and equalities.
- Provision of corporate customer services (Lichfield Connects), including development of supporting technology.
- Corporate lead on health and safety, insurance and the council's Employee Liaison Group.
- Corporate communications.
- Human Resources services.
- Administration and collection of local taxation, including council tax and business rates (NNDR) and BID levy, housing benefits and council tax reductions, arrears collection for council tax, business rates, benefits overpayments and sundry debts.
- Policy development on debt recovery and its management.

- Anti-fraud policy and awareness, internal audit, risk management, procurement, development & maintenance of corporate information systems, including geographical information systems (GIS), the Property Gazetteer and street naming and numbering.
- Financial probity, strategic financial management, treasury and investment funds, and revenue and capital strategy. Management of accounts and reconciliation and the management of external funding.

## 2. Legislative framework

In determining the pay and remuneration of its employees, the council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations (TUPE).

With regard to the Equal Pay requirements contained within the Equality Act, the council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed job evaluation mechanisms, which directly relate salaries to the requirements, demands and responsibilities of the role.

The council also complies with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which require public sector employers with 250 or more employees to publish their gender pay gap information.

The current published pay differential can be found on our website at:

<https://www.lichfielddc.gov.uk/Council/Gender-pay-report.aspx>

## 3. Pay structure

The underpinning mechanism in delivering the council's pay structure is the council's job evaluation system and the Single Status Agreement. This ensures all employees are rewarded according to the demands and responsibilities of their job and that there are no discriminatory elements.

The posts of the majority of employees have been assessed using a National Joint Council for Local Government Services job evaluation scheme and which is supported by both the national trade unions and council employees.

The Single Status Agreement ensures that there is consistency and fairness in its terms and conditions, including pay that the council offers to its employees.

The grades of Chief Officers have been evaluated through the Hay Job evaluation process.

Any changes to jobs or new jobs go through this job evaluation process to ensure that there is consistency and fairness in place. Based on the application of the job evaluation process, the council uses the nationally negotiated pay scale as the basis for its local grading structure. **Appendix 1** shows the Lichfield District Council NJC pay grades.

The Local Government Association (LGA) represents the council in national pay negotiations with trade unions and the government over pay and conditions.

In determining its grading structure and setting remuneration levels for all posts, the council also takes into account the need to ensure value for money in respect of the use of public funds, balanced against the need to recruit and retain employees who are able to meet the requirements

of their respective roles, and provide timely high quality services to the community, delivered effectively and efficiently.

New appointments will be made at the relevant rate to ensure the best candidate is secured and wherever possible this should be the lowest scale point within the grade. If an internal candidate is appointed on promotion then as a point of principle they should be offered the next available rate within the grade as a minimum.

From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector. This is known as a 'market supplement'.

Where appropriate a shared service payment may also be made to an officer who is managing a service on behalf of another council.

In addition we have an *Acting up Recognition Policy* (payment of an Honorarium), where a lower graded employee may be asked to take on the duties of a higher graded post, due to vacancy or other absence, where the employee possesses the appropriate skills and is agreeable to do so. There are currently no honorarium payments in place.

Payments for the Deputy Monitoring Officer and Deputy Section 151 Officer are also paid as a supplement to officers who sit outside of the senior leadership team for their additional responsibilities in carrying out statutory functions.

All other pay related allowances are the subject to either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by council policy.

Current details of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties, are set out below:

<b>Additional Payment</b>	<b>Numbers</b>	<b>Pay range FTE Per annum £</b>
Shared Service Payment	2	3528- 4459
Market Supplement	4	2500-5767
Deputy Monitoring and Deputy Section 151 Officers	2	2899-2942

## **Apprenticeships**

In order to meet our obligations under the Enterprise Act 2016, <https://www.gov.uk/government/news/enterprise-act-becomes-law> which has enabled the Government to set ambitious targets for the public sector to have up to 2.3% of their workforce in an apprentice annually.

Our aim is to (where budgets, suitable vacancies and available registered training providers are available) achieve our target of up to 7 new apprentices during 2018/19. All vacancies will be considered by relevant Directors together with Heads of Service to ensure that opportunities for different ways of working are explored, that we have considered if the vacant post can be filled by an

Apprentice, and that appointments are made on the most appropriate basis and only when essential to ongoing service delivery. We aim to pay new recruits to an apprenticeships in line with the Apprenticeship rates as at April 2018 - **see Appendix 1.**

A statutory report will need to be published by September 2018 regarding our progress in using the Apprenticeship Levy and meeting the 2.3% workforce target. There are currently 4 active Apprenticeships being funded by the levy, with a further 3 planned before the reporting date.

#### **4. Definition of a Chief Officer**

Section 43 of the Act defines the meaning of a Chief Officer and refers to the Local Government and Housing Act 1989. Statutorily the Chief Officers at Lichfield District Council are the Chief Executive and the two directors but locally, the council has extended the definition of a Chief Officer to include the following:

- The Head of Paid Service; –the Chief Executive
- Statutory Chief Officers – these are the council’s two directors
- Heads of Service (8 posts)
- Assistant Chief Executive

The Chief Officers' Structure is shown on **Appendix 2.**

#### **5. Chief Officers’ remuneration**

##### **Chief Executive, Directors, Heads of Service and Assistant Chief Executive**

The current levels of remuneration are:

##### **Heads of Service (HoS) and Assistant Chief Executive**

The Assistant Chief Executive reports directly to the Chief Executive and the Heads of Service report directly to a Director and are paid on the Hay Scale, and are classed as part of the Leadership Team (for the purposes of the act). These officers are paid in a range of five incremental points between £57,794 and £63,048.

##### **Directors**

The salaries of posts within a range of four incremental points between £80,355 and £84,991.

##### **Chief Executive**

The chief executive salary falls within a range of four incremental points between £96,970, rising to a maximum of £102,848, not inclusive of any payment for Returning Officer duties, with the exception of District and Parish elections, payment for which is included in the salary.

#### **6. Performance related pay for the Chief Executive**

The scheme allows for an assessment of performance on an annual basis and a payment to reflect performance achievements delivered by the posts of the Chief Executive. The performance measures and targets are agreed for the Chief Executive who is appraised by the Leader, Deputy Leader and Leader of the Opposition. The amount awarded is based on the following:

- The maximum payable 10% of current salary.
- Targets substantially met – full payment.

- At least 50% of targets met, with justification all targets have not been substantially met – a payment of between 50% and 75%.
- Less than 50% of targets met – no payment.

## 7. Other pay additions

In addition to basic salary, described below are details of other elements of ‘additional pay’ which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

- Fees paid for Returning Officer duties where identified and paid separately. This applies solely to the Chief Executive and relates to fees, which are set by the Government for Parliamentary elections and through agreement with Staffordshire County Council, for County Council elections, using a pence per elector for the calculation. Fees for the district and parish local elections are included in the Chief Executive salary level.
- Essential user car allowance is £80.25 or £70.50 per month dependent on the size of vehicle. These rates are applicable to all employees who are essential car users. There are currently 80 employees receiving an essential car user’s allowance.

## 8. Payments on termination

The council’s approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment), (Discretionary Compensation) Regulations 2006 [and if adopted] Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

The details of payments are set out in the Council’s Discretionary Payment Policy. These policies apply equally to all council employees.

## 9. Lowest paid employees

The lowest paid people employed under a contract of employment with the council would be employed on a full time [37 hours] equivalent salary, set at the minimum pay point currently in use within the council’s grading structure (see **Appendix 2**) which is currently £8.50 per hour.

The council employs apprentices who are not included in the definition of ‘lowest paid employees’ as the terms and conditions are determined by the National Apprenticeship Services.

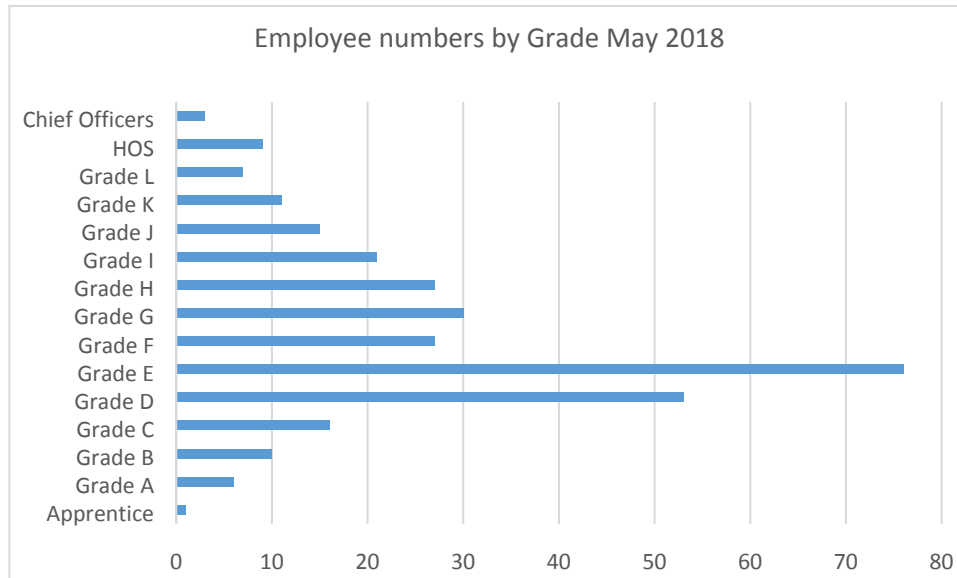
## 10. Pay relationship

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce, and that of senior managers. This is detailed in the Hutton ‘Review of Fair Pay in the Public Sector’ (2010). The Hutton Report explored the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the salary of the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure, and the Government’s Code of Recommended Practice on Data Transparency recommends the publication

of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.

The graph below shows the relationship numbers of staff on the different pay grades within the council:



The current pay levels within the council define the multiple between the lowest paid (full time equivalent) employee and the Chief Executive ratio is **1 to 6.23** and between the lowest paid employee and median average chief officer as **1 to 3.85**. The multiple between the median average full time equivalent earnings and the Chief Executive is **1 to 4.88**, and between the median average full time equivalent earnings and median average chief officer it is **1 to 3.02**.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the council uses available benchmark information as appropriate and undertakes an Equal Pay audit on a regular basis.

## 11. Publication

Upon approval by Full Council, this statement will be published on the Council's Website. In addition, for posts where the full time equivalent salary is at least £50,000, the council's Annual Statement of Accounts will include a note setting out the total amount of:

- salary, fees or allowances paid to, or receivable, by the person in the current and previous year.
- any bonuses paid or receivable by the person in the current and previous year.
- any sums payable by way of expenses allowance that are chargeable to UK income tax.
- any compensation for loss of employment and any other payments connected with termination.
- any benefits received that do not fall within the above.

## 12. Accountability and decision making

In accordance with the constitution of the council, the Employment Committee is responsible to the council for functions relating to employment matters including establishing the overall framework for remuneration and terms and conditions of employment.

## Appendix 1

### National Joint Council for Local Government Services

April 2018 - March 2019

<b><u>BAND A</u></b>		<b><u>Hour</u></b>
A6	16394	8.50
A7	16495	8.55

<b><u>BAND B</u></b>		
B7	16495	8.55
B8	16626	8.62
B9	16755	8.68
B10	16863	8.74
B11	17007	8.82

<b><u>BAND C</u></b>		
C11	17007	8.82
C12	17173	8.90
C13	17391	9.01
C14	17681	9.16

<b><u>BAND D</u></b>		
D14	17681	9.16
D15	17972	9.32
D16	18319	9.50
D17	18672	9.68
D18	18870	9.78

<b><u>BAND E</u></b>		
E18	18870	9.78
E19	19446	10.08
E20	19819	10.27
E21	20541	10.65
E22	21074	10.92

<b><u>BAND F</u></b>		
F22	21074	10.92
F23	21693	11.24
F24	22401	11.61
F25	23111	11.98
F26	23866	12.37

<b><u>BAND G</u></b>		<b><u>Hour</u></b>
G26	23866	12.37
G27	24657	12.78
G28	25463	13.20
G29	26470	13.72
G30	27358	14.18

<b><u>BAND H</u></b>		
H30	27358	14.18
H31	28221	14.63
H32	29055	15.06
H33	29909	15.50
H34	30756	15.94

<b><u>BAND I</u></b>		
I34	30756	15.94
I35	31401	16.28
I36	32233	16.71
I37	33136	17.18
I38	34106	17.68

<b><u>BAND J</u></b>		
J38	34106	17.68
J39	35229	18.26
J40	36153	18.74
J41	37107	19.23

<b><u>BAND K</u></b>		
K41	37107	19.23
K42	38052	19.72
K43	39002	20.22
K44	39961	20.71
K45	40858	21.18

<b><u>BAND L</u></b>		
L45	40858	21.18
L46	41846	21.69
L47	42806	22.19
L48	43757	22.68
L49	44697	23.17

Apprentice Rate– under 19 or 19 and over and in the first year of their apprenticeship - £3.70 per hour



Lichfield District Council  
Chief Officer Structure

