

Lichfield District Council

Pay Policy Statement 2023

Introduction and purpose

Under section 112 of the Local Government Act 1972, Lichfield District Council (LDC) 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 LDC'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 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 313 staff (as at 05/01/2023), excluding casual workers, contractors, and agency workers) and provides a wide range of services managed through the Chief Executive's, a Chief Operating Officer, and three Assistant Directors; these AD roles are now permanent within the new Target Operating Model structure that has been in place since 1 October 2022.

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 on all matters
- Undertake the statutory role of Head of Paid Service ensuring all staff support delivery of the Strategic Plan.
- Undertake the statutory role of Returning Officer and management the electoral register.
- Act as Managing Director for the Council owned company LWMTS

Chief Operating Officer

This role takes the strategic lead on

- Lead and support LDC's governance arrangements
- Manage direct reports from the Leadership team and key service areas in the core including:
 - Governance, civic, legal and member services.
 - Corporate lead on equalities.
 - Organisational development and performance management. (HR will sit under Regulation and Enforcement)
 - Customer complaints, ombudsman investigations, Data Protection, Freedom of Information, RIPA and MP enquiries and Licensing.
 - Corporate ICT Service provision.
 - Ecology, Biodiversity, Arboriculture, Climate Change
- Supporting strategic partnerships focusing on green matters including Cannock Chase AONB and managing the council's countryside assets, arboriculture services, countryside, biodiversity, rural strategy and planning
- Sustainable development, planning policy, development plans and implementation, urban design and conservation, building control and land charges.
- Corporate Communications, consultation and marketing
- People - Housing & Health Community & Active Lives including community lottery and safeguarding
- Prosperity - Economic Development Visitor Economy – Events
- Place - Spatial planning, Conservation
- Lead on older people, children and young people and safeguarding policy.

- Sustainable economic development, city and town centre regeneration and development including management of leisure centre and theatre contracts.

Assistant Director Operations Regulation and Enforcement

This role takes the strategic lead on

- 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.
- Environmental Health - including food safety, occupational health and safety, infectious disease.
- Environmental Protection, Planning Enforcement - including contaminated land, pollution, nuisance, air quality.
- Parking, CCTV and Community Safety
- Safer and Stronger communities including the Community Safety Partnership
- Emergency planning, with business continuity in conjunction with Staffordshire Civil Contingencies Unit.
- Street scene
- Parks & Open Spaces
- Human Resources, health and safety, insurance and payroll
- Building Control and Land Charges Partnership

Assistant Director Residents and Business

Services - This role takes the strategic lead on

- Customer Services
- Administration and collection of local taxation, including council tax and business rates (NNDR), housing benefits and council tax reductions, arrears collection for council tax, business rates, benefits over payments and sundry debts.
- Housing Options and homelessness
- Development control and planning matters
- Digitisation and transformation projects including web and digital channels, data analysis and RPA for Being a Better Council.

Assistant Director Finance and Commissioning (S151)

This role takes the strategic lead on

- Anti-fraud policy and awareness
- Internal/ External audit and risk management
- 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.
- Procurement strategy, policy and implementation
- Assets, premises, facilities management through (LWMTS).
- Commissioning

2. Legislative framework

In determining the pay and remuneration of its employees, LDC will comply with all relevant employment legislation. This includes the Employment Act 2002, Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Fixed-Term Employees Regulations (Prevention of Less Favourable Treatment) 2002, The Agency Workers Regulations 2010, [National Living Wage](#) and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations 2006 (TUPE), and the Employment Rights Act 1996.

The Council has also made a commitment to ensure all staff are paid in line with the Joseph Rowntree Foundation Living Wage, currently set at £10.90 per hour.

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.

LDC 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.

3. Pay structure

The underpinning mechanism in delivering LDC's pay structure is LDC's job evaluation system and the Single Status Agreement for all staff covered by the [National Joint Council \(NJC\)](#) negotiations. This ensures all employees (except Chief Officers) 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 LDC 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 in the new structure have been evaluated through the Hay Job evaluation process and are subject to the terms agreed by the <https://www.local.gov.uk/chief-officers-pay-agreement-2021-2022> ([JNC](#))

Any changes to jobs or new jobs go through a 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 applicable from April 2022 (as agreed in November 2022). The pay award for April 2023 is yet to be negotiated and settled.

The Local Government Association (LGA) represents LDC 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, LDC also takes into account the need to ensure value for money in respect of the use of public funds and affordability 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 and where a grade overlaps they should be offered the role on a point on the scale which ensures remuneration for the additional responsibility of the new role.

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, LDC 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.

Local and Dangerous Building Allowances are paid as a contractual obligation following a TUPE transfer. Other TUPE rates are paid as a result of TUPE transfers.

We also have an honorarium grade where an employee maybe paid at an enhanced rate to recognise additional work or working at a higher level than their substantive post. At the time of writing this report there are currently 3 honorarium payments in place. An honorarium is in place to recognise the additional work created by the appointment to Managing Director of the council's traded services company – LWMTS. As this is potentially only a temporary arrangement until structures in the company are finalised, this is being paid as an honorarium to the Chief Executive.

A supplement is paid to the post assigned the statutory role of Monitoring Officer to reflect the additional responsibilities associated with this role. Payments for the statutory roles of *Deputy Monitoring Officer* and *Deputy Section 151 Officer* are also paid as a supplement to officers who sit outside of the senior leadership team or interim roles 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. This includes a *telephone allowance*, payable to officers who are required to use their home phone for work purposes.

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 75 employees receiving an essential car user's allowance. This allowance will be subject to review for existing employees and is not part of any terms and conditions for new starters unless the role commands an essential car user allowance. This is due to the council's approach to hybrid work where many meetings now are conducted via digital means.

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:

Table 1 - Additional Payments

Pay type	Min Annual	Max annual	Emp No.
Pay Protection	386.28	3624.96	5
Essential User Lump Sum	846.00	1239.00	72
LDC Shared Service Honorarium	3528.00	3528.00	1
Market Supplement	2000.00	7800.00	6
Honoraria (Pensionable)	444.12	30000.00	3
LDC Telephone Allowance	117.00	124.32	8
LDC First Aid	96.48	96.48	3
LDC Deputy Section 151 Officer	6007.00	6007.00	1
LDC Dangerous Building Allowance	2979.96	2979.96	1
LDC Local Allowance	2000.00	3000.00	3
LDC Monitoring Officer Allowance	9010.00	9010.00	1
LDC Deputy Monitoring Officer Allowance	6007.00	6007.00	1
LDC Protected Annual Allowance	5666.76	6926.88	2
LDC Contractual Overtime	610.08	662.04	3

Apprenticeships

Under the Enterprise Act 2016, <https://www.gov.uk/government/news/enterprise-act-becomes-law> we are encouraged to appoint apprentices and public sector bodies are required to have up to 2.3% of their workforce in an apprenticeship annually. Our original aim was to recruit 8 new apprentices during 2022/23, we have exceeded that target and currently have 12 positions accessing the apprenticeship levy funding.

A one-off reserve has been used to fund these apprentices and any additional apprentices in targeted areas. All vacancies will be considered by relevant Chief Officers 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. Many of our employees undertaking apprenticeships are paid within our normal pay scales but where appropriate we pay new recruits to an apprenticeship in line with the [National Apprenticeship rates](#)

Performance Related Bonus

Each year the Council will offer a one-off, annual, performance related bonus for those staff who are assessed and moderated as 'outstanding' at the end-of-year review. Staff who achieve the 'outstanding' assessment will demonstrate exceptional performance against all their OKRs and be working above the OKRs set for their pay grade. We anticipate this award will be applicable to no more than the top performing 5% of staff. These staff will be going above and beyond on a regular basis, and be proactive, positive role models for the values and behaviours that we are striving to embed across the whole council. To be eligible for the performance related bonus staff would need to:

- Have been in employment at LDC for more than 12 months;
- Be permanent employees of LDC or a fixed-term LDC employee;
- Have received a moderated 'outstanding' OKR assessment at both their mid-year and end-of-year review;
- Have not been subject to any form of disciplinary, grievance or performance process during the 12 months.

The performance related bonus amount is offered to all staff, irrespective of grade – a net performance bonus of £1,000.

Annual reporting and monitoring of this bonus and how it is distributed will feature in future pay policy updates and our Gender Pay Gap Reports.

Employee Referral Bonus

The Employee referral bonus incentivises current employees to source new employees from within the networks of current staff, be it family, friends or previous work colleagues. Research shows that employee referral schemes can be very successful in attracting higher quality candidates, candidates that are a good cultural fit, speed up recruitment processes and increase retention rates. For employees there are also multiple benefits, as well as the reward itself, it helps to foster a sense of belonging and wellbeing and increase employee motivation and satisfaction.

The employee referral bonus, set at £250 gross per successful referral will be paid to any employee where:

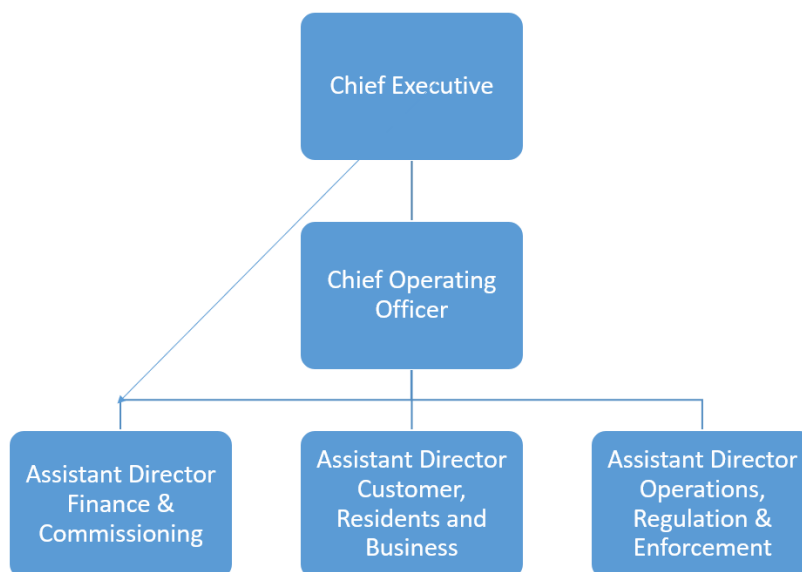
- The referral must be for a permanent or fixed-term position;
- The referred candidate must be successfully hired;
- The referred candidate cannot have worked for LDC as an agency worker in the last 12 months;
- The bonus will be paid to the employee once the referred employee has successfully passed their 6 month probation period.

Annual reporting and monitoring of this bonus and how it is distributed will feature in future pay policy updates and our Gender Pay Gap Reports.

4. Definition of a Chief Officer

Section 43 of the Localism Act 2011 defines the meaning of a Chief Officer and refers to the Local Government and Housing Act 1989. Statutorily the Chief Officer at LDC is currently the Chief Executive and locally LDC has extended the definition of a Chief Officer to include the Chief Executive, Chief Operating Officer and Assistant Directors.

The Chief Officers' Structure, (Target Operating Model) is as follows:



Under transparency regulations we also publish data of any officer where a full-time equivalent salary is at least £50,000 even though they do not fall within the definition of Chief Officer.

5. Chief Officers' remuneration

Chief Executive

The Chief Executive salary falls within a range between £115,393, rising to a maximum of £122,272 not inclusive of any honorarium payment for work undertaken as Managing Director of the wholly owned trading company, LWMTS, or Returning Officer duties with the exception of District and Parish elections, payment for which is included in the salary.

Chief Operating Officer/ Director

This sits within the banding previously set out for Directors within the structure with five incremental points ranging from £85,480 to £90,412 not inclusive of any pay for Deputy Returning Officer duties. The current post also attracts a Market Supplement.

Assistant Directors (ADs)

Following the implementation of the Target Operating Model the new bandings for Assistant Directors range from £72,063 to £79,230 not inclusive of any pay for Deputy Returning Officer duties.

Senior Managers

Within the Target Operating Model structure there exists a number of post that attract a salary range that sits above Band L – this was the highest band that sat underneath HOS in the previous structure. These posts (some are still vacant) have a range of salary from £50,487 to £56,648 and are Band M post and these directly report into Chief Officers along with some band L roles.

They are -

Operations Manager – Operations Regulation and Enforcement salary range - £50,487 to £56,648

This role manages the Joint Waste Service, Streetscene, Parks and Open Space and Car Parking.

Regulation and Enforcement Manager – Operations Regulation and Enforcement salary range - £50,487 to £56,648

This role is responsible for Environmental Health, Environmental Protection, Community Safety and Planning Enforcement.

Finance Manager – Finance and Commissioning - salary range - £50,487 to £56,648 (vacant)

The finance manager will deputise for the Assistant Director for finance and procurement they will be responsible for Treasury, Annual Statement of Accounts and Returns. Assists in the production of the Medium-Term Financial Strategy.

Policy and Strategy Manager - salary range - £50,487 to £56,648

Lead Policy and Strategy Officer for the Council including - Place (Spatial Policy) Housing Strategy, Prosperity (economic development), Active lives, conservation and ecology.

Building Control Partnership Manager salary range - £45,495 to £49,590

Partnership manager for building control and land charges. Deliver the statutory requirements on behalf of 6 councils and act as the central building control host.

Procurement Manager – Finance and Commissioning - salary range - £45,495 to £49,590

Responsible for the e-tendering process and councils contract register. Principal negotiator and procurement adviser/specialist for the council for contracts compliance and agreements.

Governance Manager - salary range - Salary Range £45,495 to £49,590

Lead for the governance team. Provides support for the executive functions of the Council. Provides a full range of governance, democratic, civic and legal services. This role also acts as the councils Monitoring Officer and senior legal advisor.

ICT Manager – Core Services - salary range – £45,495 to £49,590

Responsible for IT Governance, data management and service delivery.

Performance and Programmes Manager Salary Range £45,495 to £49,590

Planning and delivering the Council's key programme of City Centre development projects and other key Council-led development projects within Lichfield District, including Council's Strategic Plan, Local Plan and other key strategies and plans.

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 their deputies 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.

An enhanced employee benefit package is provided to benefit all staff, this largely operates on salary sacrifice.

From January 2024 all eligible staff will benefit from private health insurance to support their health and wellbeing.

Annual reporting and monitoring of these benefits will feature in future pay policy updates and our Gender Pay Gap Reports.

6. Payments on termination

LDC'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 Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

The details of payments are set out in LDC's Discretionary Payment Policy and the recently developed Voluntary Severance Scheme. These policies apply equally to all LDC employees on development of a business case and in compliance with Exit Payment regulations.

7. Lowest paid employees

The lowest paid people employed under a contract of employment with LDC would be employed on a full time [37 hours] equivalent salary, set at the minimum pay point currently in use within LDC's grading structure (see **Appendix 1**)

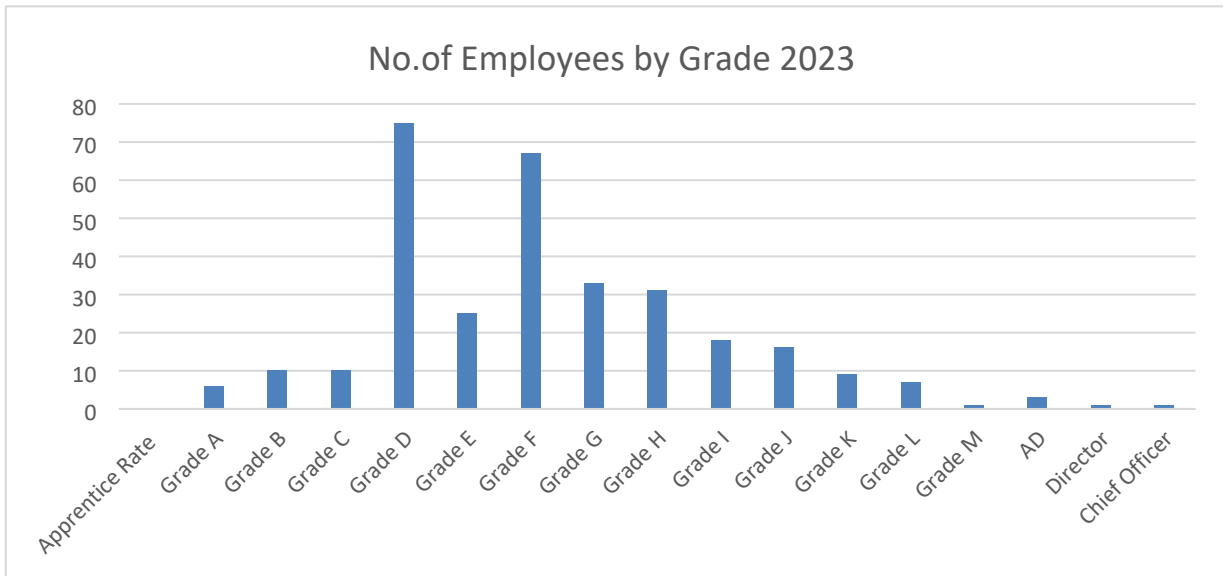
LDC employs apprentices who are not included in the definition of 'lowest paid employees' as the terms and conditions are determined by the National Apprenticeship Services.

8. 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 LDC:



The current pay levels within LDC define the multiple between:

- the lowest paid (full time equivalent) employee and the Chief Executive ratio is **1 to 6.03**
- the lowest paid employee and median average chief officer is **1 to 3.76**.
- the median average full time equivalent earnings and the Chief Executive is **1 to 4.65**
- the median average full time equivalent earnings and median average chief officer is **1 to 2.73**

All companies employing more than 250 staff must publish their pay relationship from this year <https://www.gov.uk/government/news/uks-biggest-firms-will-have-to-justify-pay-gap-between-bosses-and-their-workers>.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, LDC uses available benchmark information as appropriate.

9. Publication

Upon approval by Full Council, this statement will be published on LDC's website. In addition, for posts where the full time equivalent salary is at least £50,000, LDC'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.

This policy and (Appendix 1) will be updated and republished once a final settlement to the 2023 Pay Negotiations is agreed later in the year. Chief Officer Pay has been agreed by the JNC.

10. Accountability and decision making

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

Appendix 1

Lichfield District Council - Pay Rates April 2022 - March 2023 (pay award pending from 1 April 2023)

* National Minimum & Living Wage Rates - rates effective from 01/04/2023

* Joseph Rowntree Foundation Living wage supplemented to achieve £10.90 per hour - effective 1 Feb 2023

* Deletion of SCP 1 from April 2023 as part of the April 2022 Pay Award

BAND A	Annual	Hourly Rate	JRT Foundation Living Wage	BAND G	Annual	Hourly Rate
2	20441	10.60	10.90	19	27852	14.44
BAND B				20	28371	14.71
2	20441	10.60	10.90	21	28900	14.98
3	20812	10.79	10.90	22	29439	15.26
BAND C				23	30151	15.63
3	20812	10.79	10.90	24	31099	16.12
4	21189	10.98		BAND H		
5	21575	11.18		24	31099	16.12
BAND D				25	32020	16.60
5	21575	11.18		26	32909	17.06
6	21968	11.39		27	33820	17.53
7	22369	11.59		28	34723	18.00
BAND E				BAND I		
7	22369	11.59		28	34723	18.00
8	22777	11.81		29	35411	18.35
9	23194	12.02		30	36298	18.81
10	23620	12.24		31	37261	19.31
11	24054	12.47		32	38296	19.85
12	24496	12.70		BAND J		
BAND F				32	38296	19.85
14	25409	13.17		33	39493	20.47
15	25878	13.41		34	40478	20.98
16	26357	13.66		35	41496	21.51
17	26845	13.91		BAND K		
18	27344	14.17		35	41496	21.51
19	27852	14.44		36	42503	22.03
National Living Wage and NMW				37	43516	22.56
Age Range		01-Apr-23		38	44539	23.09
23+		10.42		39	45495	23.58
21 - 22		10.18		BAND L		
18 - 20		7.49		39	45495	23.58
under 18		5.28		40	46549	24.13
Apprentice		5.28		41	47573	24.66
* Apprentice Rate - <u>under 19 or 19 and over</u>				42	48587	25.18
and in the first year of their apprenticeship :				43	49590	25.70
COACH				BAND M		
Level 1	Asst Coach (UnQ)	10.50	10.90	44	50487	26.17
Level 2	Coach (Qu)	13.62		45	51502	26.69
Level 3	Senior Coach	16.06		46	52538	27.23
Level 4	Advanced Coach	19.08		47	53463	27.71
				48	54516	28.26
				49	55578	28.81
				50	56648	29.36

Senior Pay Band

Descriptor	Code	SCP	£ - salary	£- hourly
MANAGING OFFICER	HOS	HOS1	60423	32.32
MANAGING OFFICER	HOS	HOS2	61796	33.03
MANAGING OFFICER	HOS	HOS3	63168	33.74
MANAGING OFFICER	HOS	HOS4	64542	34.45
MANAGING OFFICER	HOS	HOS5	65916	35.17
ASSISTANT DIRECTOR	AD	AD1	72063	37.44
ASSISTANT DIRECTOR	AD	AD2	73704	38.30
ASSISTANT DIRECTOR	AD	AD3	75543	39.25
ASSISTANT DIRECTOR	AD	AD4	77386	40.21
ASSISTANT DIRECTOR	AD	AD5	79230	41.17
DIRECTOR	DD	DIR1	85480	44.42
DIRECTOR	DCOO	DCOO	86236	44.70
DIRECTOR	DD	DIR2	87124	45.27
DIRECTOR	DD	DIR2	88768	46.12
DIRECTOR	DD	DIR4	90412	46.98
CHIEF EXECUTIVE	CE	CEX1	113469	58.96
CHIEF EXECUTIVE	CE	CEX2	115767	60.15
CHIEF EXECUTIVE	CE	CEX3	118062	61.35
CHIEF EXECUTIVE	CE	CEX4	120347	62.53