

# **Pay Policy Statement**

**For year 2012/2013  
People Management Service**

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## 1. Introduction

This Pay Policy Statement sets out County Council policy on pay and conditions for senior managers and employees (excluding operational Fire Fighters and schools based employees) for 2012-13.

The Council aims to attract and retain employees to deliver the Council's objectives. In determining pay policy for Chief Officers and all other employees, the Council is committed to ensuring a fair and transparent approach. Within this, it is recognised that different approaches may be required between groups of employees reflecting factors such as difficulties in attracting and retaining key skills. **This Pay Policy Statement has been agreed by the Council meeting on \*\*\*insert date\*\*\*.**

## 2. Key Principles for Pay Policy

- To be fair, reasonable and transparent
- To be affordable
- To reward employees for their contribution to the Council's achievements;
- To maintain rates of pay which are both competitive in the market place and reflect the need to retain key skills.

## 3. Employees in scope of the Pay Policy statement

This Pay Policy Statement covers all employees (except schools based employees and uniformed fire fighters except those defined as Senior Managers.) As such, it goes wider than minimum legal requirements of the Localism Act 2011.

## 4. The senior management pay structure

Senior managers are defined for this purpose as the Chief Executive, Executive Directors, Assistant Directors, Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire Officer. The senior management pay structure is attached at Appendix A.

### Chief Executive and Executive Directors

Remuneration is determined by the Chief Officers' Salary Review Sub-Committee This is based on salary comparison against Chief Officers in other Shire Counties in the Eastern and Midlands region, against the market place and taking into account information from the annual NJC Salaries & Numbers Database. The aim is to ensure the Council retains key employees by maintaining rates of around median pay which are both competitive in the market place and reflect the need to retain key skills. The Chief Executive post is paid on a spot salary<sup>1</sup>. Executive Director posts are all paid at the same single spot salary point because all roles have collective responsibility for the success of all service areas and for the Council as a whole.

### Assistant Directors

Remuneration is determined by the Corporate Management Board and underpinned by the Hay Job Evaluation Scheme. The same five point grade applies to all Assistant Directors. Periodically the pay structure will be reviewed to ensure that salaries offered are competitive in the market

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<sup>1</sup> See Glossary Page 12

place, taking into account the advice set out in the Joint Negotiating Committee<sup>2</sup> (JNC) for Chief Officers of Local Authorities Conditions of Service.

## **Fire & Rescue Service Management Team**

The pay structure is determined in line with the NJC for Brigade Managers (Gold Book<sup>3</sup>) with the Deputy Chief Fire Officer and Assistant Chief Fire Officer receiving 80% and 75% respectively of the Chief Fire Officer salary.

In accordance with the 2011 Code of Recommended Practice for Local Authorities on Data Transparency, data on senior salaries is published on the Council's website [Data on Senior Salaries](#) together with information about the structure of the workforce. Additional legal provisions about reporting payments over £50,000 in a year are in the Accounts & Audit (England) Regulations 2011, also available in the Council's published accounts on our website: [Statement of Accounts 2010/11](#)

## **5. Other employees' pay structure (including lowest paid employees)**

Remuneration for other employees is normally determined by the Council's Job Evaluation (JE) Scheme<sup>4</sup> which covers all staff on NJC Local Government Services terms and conditions of service. This includes the lowest paid council employees. The LCC Pay spine for staff up to and including Heads of Service is attached at Appendix B.

The Pay and Grading structure used by the Council was implemented by Collective Agreement<sup>5</sup> in July 2008, backdated to be effective from 1 April 2007 and is anchored to the national NJC pay spine for Local Government Services. The current pay spine is at 2009 rates as no annual pay awards were made during 2010 and 2011. The JE Scheme was selected through a process of consultation with staff and Trade Unions. The JE scheme selected was the Greater London Provincial Council Scheme, which complies with equal pay requirements.

## **6. Non-standard terms and conditions**

Staff transferring into the Council under TUPE arrangements have the right to retain their existing terms and conditions. The largest group includes those staff who transferred from the Connexions service.

Additionally some specialist posts, mainly in education related services, such as Educational Psychologists and the Youth Service are recruited to specific terms and conditions although they are in scope of the [Local Scheme of Conditions of Service](#)

## **7. The national pay award**

Pay levels are adjusted to take account of any cost of living increase negotiated nationally by the JNC for Local Authority Chief Executives<sup>6</sup>; the JNC for Chief Officers of Local Authorities and the NJC for Local Government Services<sup>7</sup>. However, there has been no national pay award increase since 2009.

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<sup>2</sup> See Glossary Page 12

<sup>3</sup> See Glossary Page 12

<sup>4</sup> The Job Evaluation scheme ensures that all jobs are graded fairly and equitably between men and women

<sup>5</sup> A Collective Agreement is a formal agreement signed between the County Council and the recognised Trade Unions

<sup>6</sup> See Glossary Page 12

<sup>7</sup> See Glossary Page 12

## **8. Recruitment, Retention and Market Force Supplements**

The Council recognises that at times it may be difficult to recruit new employees or retain existing staff in key posts. To ensure the Council attracts and maintains a skilled and experienced workforce supplements may be paid in addition to the post grade. Further details can be found in the [Recruitment, Retention and Market Force Supplements Policy](#).

## **9. Relocation Expenses and Disturbance Allowances**

Relocation Expenses and Disturbance Payments are paid to employees to cover additional costs they may incur as a result of a change or disturbance to work base. These are paid in accordance with the [Relocation Expenses and Disturbance Allowances Policy](#)

## **10. Starting pay**

Employees, when appointed to posts within the Council are paid on an incremental scale and will normally be appointed at the minimum point of the pay grade for that post. However, in certain circumstances it may be appropriate to appoint to a higher point within the pay grade. This should be objectively justifiable and have regard to the pay of existing employees within the service area. See [Green Book Employees Pay and Conditions Policy](#).

Where an employee is appointed who does not yet meet the minimum competency requirements for that role, they are appointed in accordance with the [Appointed One Point Below Policy](#).

## **11. Performance Related Pay (PRP) and “earn back”.**

The Council does not operate a PRP scheme or “earn back”<sup>8</sup> system.

## **12. Pay progression**

The Chief Executive, Executive Directors and Fire & Rescue senior Managers are all appointed to a spot salary so no pay progression applies.

For other employees, eligibility for incremental progression, including any acceleration through the grade with the use of Merit Increments, will be in accordance with the [Green Book Employees Pay and Conditions Policy](#) covering the NJC for Local Government Services Group. An increment may be withheld following an adverse report on an employee’s performance (subject to the Council’s capability / disciplinary procedures being followed). Any increments withheld may subsequently be paid if the employee’s performance becomes satisfactory.

## **13. Reviewing individual performance**

Individual achievement is assessed using the [Council’s Appraisal Scheme](#).

All employees will take part in an appraisal process. In most cases this will be the full LCC appraisal process. However, there may be some cases where the process is amended so that it is appropriate to the role of the employee.

Learning and development needs will be linked to the [County Council's Competency Framework](#) which are interchangeable with occupational national standards of competence where appropriate.

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<sup>8</sup> An earn back system relates to withholding a specified portion (for example, up to 20%) of existing pay if performance is unsatisfactory; or releasing that portion if performance is satisfactory,

## **14. Responsibility for reviewing performance**

The Chief Executive's individual performance will be assessed by the Leader of the Council together with the appointed cross-party group. For individual Executive Directors, the assessment will be made by the Chief Executive and reported to the cross-party group.

For all other employees, the assessment will be made by the individual's line manager, as appropriate.

## **15. Acting up arrangements**

Employees temporarily acting up into a role which is normally graded on a higher level should be paid at the appropriate level for the duties they are asked to perform. Further details can be found in the Council's [Green Book Employees Pay and Conditions Policy](#) covering the NJC for Local Government Services Group

## **16. Honoraria**

An honorarium payment may be made for exceptional or special work undertaken on a short term basis of not more than 6 months and will be in accordance with the Council's [Green Book Employees Pay and Conditions Policy](#) covering the NJC for Local Government Services Group

## **17. Employees on fixed term / temporary contracts**

The Council will not treat employees on fixed term or temporary contracts less favourably than employees on a permanent contract. See [Fixed Term and Temporary Contracts Policy and Procedure](#).

## **18. Allowances / Expenses**

### **Chief Executive, Executive Directors and Assistant Directors**

Allowances will be in accordance with the [Local Scheme of Conditions of Service](#) or jointly agreed schemes in Directorates. Business Travel will be reimbursed in accordance with the [Travel Policy](#). This policy applies to all staff (including Senior Managers) in scope of the Local Scheme of Conditions of Service.

### **Fire & Rescue Service Senior Managers**

Allowances and expenses will be in accordance with the NJC for Brigade Managers Conditions of Service and Service Order 19<sup>9</sup>. [Service Order 19 - Pay and Allowances](#)

## **19. Salary Protection**

Where an employee accepts a post on a lower grade as result of a restructuring or change in the workforce personal salary protection will apply in accordance with the [Local Scheme of Conditions of Service](#) or Collective Agreement for those in the Fire & Rescue Service. [Collective Agreement Pay Protection Fire & Rescue Service](#)

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<sup>9</sup> See Glossary Page 12

## **20. Severance Payments**

For those in the Local Government Pension Scheme, (including Chief Officers) payments relating to redundancy, early retirement and flexible retirement will be paid in accordance with the Council's [Redundancy and Early Retirement Policy](#) or [Flexible Retirement Policy](#).

All employees / recruits (including Chief Officers) in receipt of a redundancy payment will be subject to the Redundancy Payments (Continuity of Employment in Local Government etc) (Modifications) Order 1999<sup>10</sup>.

## **21. Payments for Returning Officers during Local Elections**

Payments for the Chief Executive and Executive Directors who are Returning Officers are made in accordance with their respective JNC Conditions of Service.

Payments for employees at Head of Service and below for Local Election duties are made in accordance with the [Local Scheme of Conditions of Service](#)

## **22. Chief Officers' Salaries Review Sub-Committee**

The Chief Officers' Salaries Review Sub-Committee of the Appointments Committee undertakes an annual review of Chief Officers' salaries i.e. Chief Executive and Executive Directors. The Sub-Committee comprises seven Councillors from the Appointments Committee, representing the political balance of the Council overall in accordance with the terms of the Local Government and Housing Act 1989.

## **23. LCC Green Book<sup>11</sup> Negotiating Team**

The Negotiating Team considers pay issues relating to all employees within the scope of NJC pay awards.

The Team comprises the Workforce Strategy/Organisation Development Lead from the People Management Service, an Assistant Director, Executive Director with responsibility for People Management and the Employee Side Secretary.

## **24. Relationship between Senior Management pay and Conditions with other officers including the lowest paid**

The approaches for determining senior management pay are set out in paragraph 4 above..

The approach for determining other employees' pay, including the lowest paid employees, is set out in paragraph 5 above.

There is no formal mechanism for direct comparison between pay levels of the wider workforce with Senior Manager pay.

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<sup>10</sup> Under the Employment Rights Act 1996 (ERA), an employee can count service with an 'associated employer' towards the service requirement for a redundancy payment (i.e. two years) and, if appropriate, for calculating that payment.

<sup>11</sup> See Glossary Page 12

## **25. Pay multiples (or pay dispersion)**

There is no Council policy on reaching or maintaining a specific pay multiple.

The pay multiple recommended for adoption by the Hutton Review of Fair Pay in the Public Sector is the ratio between the salary of the highest paid employee and the median Full Time Equivalent salary of the organisation. In Lincolnshire County Council the current (February 2012) pay multiple is 8.2. For context, the Hutton Review identified the pay multiple in Shire Counties as greater than 11.

The pay multiple is often referred to as 'pay dispersion'.

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## Senior Management Pay Structure – October 2011

<b>2012-13 Salary (£)</b>	
<b>Assistant Director Grade</b>	
<b>Tier 3</b>	£76,578.62
	£78,493.56
	£80,405.40
	£82,317.24
	£84,228.84
<b>Executive Director</b>	
<b>Tier 2</b>	£125,982.76
<b>Chief Executive</b>	
<b>Tier 1</b>	£173,226.00

<b>Fire &amp; Rescue Service Management Team</b>	
Chief Fire Officer	£111,100.00
Deputy Chief Fire Officer	£88,880.00
Assistant Chief Fire Officer	£83,325.00

<b>LCC Pay Spine</b> for staff up to and including Head of Service		<b>GLPC Points Score</b>
1	<b>12145</b>	
2	<b>12489</b>	
3	<b>13189</b>	Grade 1 = 182 - 227
4	13717	
5	14209	
6	<b>14733</b>	Grade 2 = 228 - 267
7	15302	
8	15870	
9	<b>16440</b>	Grade 3 = 268 - 307
10	17111	
11	17783	
12	<b>18453</b>	Grade 4 = 308 - 347
13	19254	
14	20057	
15	<b>20858</b>	Grade 5 = 348 - 387
16	21558	
17	22258	
18	<b>22958</b>	Grade 6 = 388 - 427
19	23795	
20	24634	
21	<b>25472</b>	Grade 7 = 428 - 467
22	26581	
23	27588	
24	<b>28636</b>	Grade 8 = 468 - 507
25	29683	
26	30718	
27	<b>31754</b>	Grade 9 = 508 - 547
28	32979	
29	34205	
30	<b>35430</b>	Grade 10 = 548 - 587
31	36904	
32	38380	
33	<b>39855</b>	Grade 11 = 588 - 627
34	41914	
35	43973	
36	46034	Grade 12 = 628 - 667
37	47578	
38	49121	
39	50665	Grade 13 = 668 - 707
40	52209	
41	53753	
42	55296	Grade 14 = 708 - 747
43	56840	
44	58384	
45	59928	Grade 15 = 748 - 787
46	61471	
47	63015	
48	64559	Grade 16 = 788 +

This pay spine is anchored to salary points on the NJC National Pay Spine and these salaries are shown in bold. The relevant Lincolnshire points are SCPs 1, 2, 3, 6, 9, 12, 15, 18, 21, 24, 27, 30 & 33.

## GLOSSARY of TERMS

### **Spot Salary:**

Spot salaries within Lincolnshire County Council are fixed to specifically defined spinal column point. There is no progression up to or beyond the rate for each position. Spot salaries are one of the least discriminatory of pay methods because everyone is paid the rate for the job from day one and the pay structure cannot be distorted by differential progression.

### **Joint Negotiating Committee for Local Authority Chief Officers**

The primary role of the Committee is a national body to reach agreement on a national framework on all national pay and service conditions and items related to any dispute for all chief officers

### **NJC for Brigade Managers (Gold Book)**

The primary role of the National Joint Committee for Brigade Managers of Fire and Rescue Services (the NJC) is to reach agreement on a national framework of pay and conditions for Brigade Managers for local application throughout the Fire and Rescue Service in the UK.

### **JNC for Local Authority Chief Executives**

The Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities is the national negotiating body for the pay and conditions of service of chief executives in England and Wales. The Authorities' Side consists of elected members nominated by the Local Government Association. The Staff Side consists of chief executives nominated by the Association of Local Authority Chief Executives (ALACE). ALACE is registered as an independent trade union.

### **National Joint Committee for Local Government Services**

The pay and terms of conditions of employment for over 1.4 million local government services' workers is determined by the National Joint Council (NJC) for Local Government Services. The NJC for Local Government Services has 70 members: 12 on the employers' side and 58 on the trade union side.

In 1997, the NJC for Local Government Services agreed a national framework with potential for local modification to suit local service requirements. Known as The Single Status Agreement, these pay and conditions of service agreements are published in **The Green Book: Local Government Scheme of Conditions of Service**

### **Greater London Provincial Council (GLPC) Job Evaluation Scheme**

Lincolnshire County Council use the scheme developed to support local authorities in carrying out their obligations under the national agreement on single status. The job evaluation scheme was the subject of consultation with the Equal Opportunities Commission. The scheme is jointly agreed by the employers and unions in London local government. It was developed by a working party of experienced evaluators and tested jointly at regional and local authority levels.

The scheme is accompanied by a code of good practice and a framework procedure to inform local arrangements.