



**Annual Pay Policy Statement**  
**Financial Year 2013/14**

(To be) Approved by Full Council – 27<sup>th</sup> February 2013

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## **Section 1 - Purpose and Application**

This Pay Policy Statement has been written to cover requirements under Sections 38 – 43 of the Localism Act 2011. This requires that the authority produce a policy statement covering a number of matters concerning the pay of the authority's staff.

This policy must be complied with for all decisions relating to the remuneration of, or other terms and conditions applying to, those senior officers listed in Section 2.

This policy will be reviewed annually and presented to Full Council for approval before the 31<sup>st</sup> March immediately preceding the financial year to which it relates.

## **Section 2 - Policy Statement**

### **Definition of senior officers covered by the Pay Policy Statement**

This Pay Policy Statement covers the following senior officer posts;

1. Head of the Paid Service, which in this authority is the post of Chief Executive
2. Director of Resources who is the Section 151 Officer (and also currently acting Deputy Chief Executive), City Solicitor who is the Monitoring Officer, the Directors of Adult Social Care, Children Services, City Development and Environment and Neighbourhoods and the Assistant Chief Executive (Customer Access and Performance). These post-holders are members of the authority's Corporate Leadership Team (CLT) and report directly to the Chief Executive.
3. Those required to report directly to, or are directly accountable to, one or more of those described in 1-2 above.

### **Policy on remunerating senior officers**

It is the policy of this authority to establish a remuneration package for each senior officer post that is sufficient to attract and retain those with the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question.

### **Salaries and Appointment**

The authority may seek independent advice as a means informing decisions on determining the pay scale for senior officer posts.

The salary for senior officer posts will be determined by reference to the pay scales at Appendix 1.

All new senior officer appointments will be made by the Employment Committee, who will determine salary packages<sup>1</sup>.

Appointments will be made to the appropriate approved minimum point of the grade for the post in question unless there is evidence that a preferred candidate cannot be appointed

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<sup>1</sup> Senior Officers in this respect refers to the posts in Section 2 points 2 to 3 i.e. Directors, Chief Officers and other senior officers who report directly to a Director

without varying the remuneration package. In such circumstances incremental advancement within the grade range is permissible.

In exceptional circumstances this policy provides for a departure from the Pay Policy. All departures from this policy will be expressly justified and in cases where he/she is not personally affected will be authorised by the Chief Executive in consultation with members of the Employment Committee, and in cases where he/she is personally affected, by Full Council, or, where the Employment Committee has not been involved in the appointment of a Senior Officer will be consulted upon with the appropriate Executive Members, including the Executive Member within whose portfolio the post reports, the Executive Member with responsibility for Human Resources and the Leader of Council. Information regarding any such decisions will be reported to the next meeting of Full Council.

Honoraria<sup>2</sup> may be payable in circumstances where additional duties and responsibilities are undertaken which are over and above those which could be reasonably accommodated within existing terms and conditions of employment.

Market supplements may be paid only where it has been established that there is a significant risk of not being able to retain/replace staff with specific knowledge and skills essential to the delivery of a particular service, project or corporate priority. All such payments will be reviewed annually by the Head of Paid Service.

### Terms and Conditions

The Chief Executive is employed on terms and conditions set out under the Joint National Council for Chief Executives. All other senior officers are employed on terms and conditions set out under the Joint National Council for Chief Officers. Under these arrangements national pay awards are negotiated annually.

Some aspects of remuneration are applicable to all staff (including senior officers covered by this policy). For completeness these are outlined below:

- § Membership of the Local Government Pension Scheme; with employee contributions ranging from 5.5% (on salaries up to £13,500) to 7.5% (on salaries over £85,301).
- § Expenses for travel and subsistence based on National Joint Council for Local Government Employee rates
- § On appointment, incremental progression following 6 months employment and then annual incremental progression on each 1<sup>st</sup> April thereafter.

### Bonuses and Performance Related Pay

For posts under this policy, the Authority does not currently operate a bonus or performance related pay scheme. Performance is considered however as part of a package to offer market supplements and retention pay when needed.

### Earn-Back

The Authority does not operate a scheme of remuneration linked to Earn-Back

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<sup>2</sup> Including payments made for joint authority duties

## Termination Payments

All decisions relating to termination payments will be made by;

- Full Council – in respect of the Head of Paid Service
- The Head of Paid Service – in respect of the Director of Resources and Deputy Chief Executive
- Director of Resources – in respect of other Directors and the City Solicitor
- Directors – in respect of those who report to them.

Termination payments may be made to senior officers covered by this policy. The maximum discretion for the Council is to award 104 weeks pay under the national statutory framework. There is also discretion to augment pensions.

Payments made must demonstrate value for money and be conducive to the effective and efficient operation of the authority.

The Leader of the Council will be consulted in relation to any such termination payments.

### **Policy on remunerating the lowest paid in the workforce**

The pay scales for staff employed on National Joint Council for Local Government terms and conditions are detailed at Appendix 2, alongside other JNC grades.

These, and other terms and conditions of employment are negotiated through appropriate collective bargaining mechanisms and then incorporated into contracts of employment.

The lowest pay point in this authority (excluding schools) equates to an annual full time salary of £12,489 and can be expressed as an hourly rate of pay of £6.47. This on the A1 grade which rises incrementally to £13,189.

For comparison the National Minimum Wage was £6.19 p/h as at 1<sup>st</sup> October 2012.

The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.

The pay multiplier between this and the current salary of the Chief Executive is 13:1.

### **Policy on the relationship between Senior Officer remuneration and that of other staff**

The highest paid salary is paid to the Chief Executive. At March 2012 the average median salary in Leeds City Council (not including Schools) is £19,620.96.

The ratio between the median and Chief Executive's actual salary, the 'pay multiple' is 8.98:1. This authority does not have a policy on maintaining or reaching a specific 'pay multiple'. However the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement.

The authority's approach to the payment of staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

### **Re Employment of staff in receipt of a LGPS Pension or a Redundancy/Severance Payment**

The authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation.

### **Obligations under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2011).**

The Authority will publish information on pay and rewards for staff falling under the criteria specified in the Code of Recommended Practice for Local Authorities on Data Transparency and which requires the authority to provide information relating to those employees with salary packages above £58,200 and which fall below those of Chief Officers as specified above.

### Election Fees

Additional fees for national elections and referendums are paid to the Chief Executive in their capacity as Returning Officer. In turn these are apportioned to staff supporting the Returning Officer in accordance with criteria determined by the Chief Executive.

These fees and any apportionment will be published as part of the Council's Obligations under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2011).

### Public Health

Responsibility for Public Health will transfer to the Council, together with staff who undertake this in Leeds in April 2013. Where staff report directly to the Director of Public Health they will be covered under this Policy.

Staff transferred under TUPE regulations will continue to be paid on NHS pay scales and terms and conditions.

### Private Service Company Consultants

Individuals who operate as private service companies will not be directly engaged to cover senior officer posts covered by this policy.

## Pay scales under the JNC Conditions of Service

Grade	SCP	Salary £	Grade	SCP	Salary £
Chief Executive	1	182,147	Director 85%	1	89,208
	2	185,650		2	91,437
	3	189,153		3	93,666
	4	192,655		4	95,898
	5	196,158		5	98,127
Deputy Chief Executive	1	147,118	Director 80%	1	83,958
	2	150,620		2	86,058
	3	154,123		3	88,158
	4	157,626		4	90,255
	5	161,128		5	92,355
Director Grade	1	134,347	Director 75%	1	78,711
	2	137,320		2	80,679
	3	140,293		3	82,647
	4	143,265		4	84,615
	5	146,238		5	86,583
Asst Chief Executives	1	114,215	Director 70%	1	73,464
	2	116,699		2	75,300
	3	119,183		3	77,136
	4	121,667		4	78,975
	5	124,151		5	80,811
Director 95%	1	£99,702	Director 60%	1	62,970
	2	102,192		2	64,545
	3	104,688		3	66,117
	4	107,178		4	67,692
	5	109,671		5	69,267
Director 90%	1	94,452	Director 52.5%	1	55,098
	2	96,816		2	56,475
	3	99,177		3	57,852
	4	101,538		4	59,232
	5	103,899		5	60,609

## APPENDIX 2

### Pay scales under the NJC Conditions of Service

Grade	SCP	Salary £	Grade	SCP	Salary £
PO6	46	38,961	C3	26	22,221
	47	39,855		27	22,958
	48	40,741		28	23,708
PO5	49	41,616	C2	24	20,858
	44	37,206		25	21,519
	45	38,042		26	22,221
PO4	46	38,961	C1	22	19,621
	47	39,855		23	20,198
	41	34,549		24	20,858
PO3	42	35,430	B3	25	21,519
	43	36,313		18	17,161
	44	37,206		19	17,802
PO2	38	31,754	B2	20	18,453
	39	32,800		21	19,126
	40	33,661		16	16,440
PO1	41	34,549	B1	17	16,830
	35	29,236		18	17,161
	36	30,011		13	15,444
SO2	37	30,851	A3	14	15,725
	38	31,754		15	16,054
	33	27,849		16	16,440
SO1	34	28,636	A2	17	16,830
	35	29,236		11	14,733
	36	30,011		12	15,039
SO1	32	27,052	A1	13	15,444
	33	27,849		9	13,589
	34	28,636		10	13,874
	29	24,646		11	14,733
	30	25,472		6	12,489
	31	26,276		7	12,787
				8	13,189