

NK PAY POLICY  
**2022/23**

## **North Kesteven District Council**

### **Pay Policy 2022 - 23**

#### **Introduction**

1. North Kesteven District Council believes that excellent, professional senior management is essential in order to ensure that the Council achieves its 'flourishing communities' vision, its priorities for the economy, for housing, for communities, for the environment and for effective, efficient public services.
2. The Council believes that it is at its best when elected councillors and senior managers work in partnership within a positive, open and engaging culture. Elected members approve policy and overall strategy for the Council, make key decisions on the allocation of resources and monitor performance. Senior managers and officers drive delivery. North Kesteven is a member led, officer driven, local authority, maximising the roles and contributions that members and officers make.
3. The purpose of this report is to establish a pay policy for North Kesteven District Council in order to ensure that the Council complies with the requirements of the Localism Act 2011. The pay policy is due to be considered by Full Council on 03/03/2022, with the pay policy effective for the 2022-23 financial year. It is intended that this policy is reviewed annually by the Council on or before 31 March each year.
4. The scope of the pay policy embraces the whole workforce of North Kesteven District Council, and therefore the pay structure across the organisation. It includes within scope a review and benchmarking of senior management structures and salaries, the pay and grading structure for the organisation and the ongoing commitment of the Council to the living wage.
5. The policy is structured as follows:
  - Background to senior management at North Kesteven
  - Role of Senior Managers
  - Senior Management structure and remuneration
  - Lowest paid employees
  - All other employees
  - Election expenses

#### **Background**

6. The Council has a very efficient senior management structure comprising a Senior Management Team of eight officers: Chief Executive; Deputy Chief Executive; Director of Resources; Economy and Place Director; Head of Corporate and

Community Services; Head of Environment and Public Protection; Head of Finance; and Head of Housing and Property Services.

7. By convention, the Council reviews its senior management team structure every three years: reviews in 2008, 2011, 2014 and 2017 have progressively reduced the size of the team by approximately 30% (from eleven to eight posts). The Council is also currently conducting a senior management review which was completed in November 2021.
8. The wider SMT Team consists of the Monitoring Officer and Deputy Monitoring Officer.

### **Role of Senior Managers**

9. The Chief Executive and the Senior Management Team are responsible for managing the activities of the Council workforce and for advising Councillors on the potential implications of policy and strategy decisions, for example in relation to the vision of the Council, resource allocation and impact on performance.
10. By law, senior managers of the Council are subject to The Local Government Officers (Political Restrictions) Regulations 1990 (under the Local Government and Housing Act 1989). Officers are expected to advise and assist all Councillors irrespective of their political affiliation.
11. The Chief Executive and the Senior Management Team work closely with elected members to deliver:
  - **Leadership:** working with elected members to ensure strong and visible leadership and direction, encouraging and enabling managers to motivate and inspire their teams;
  - **Strategic Direction:** ensuring all colleagues understand and adhere to the strategic aims of the organisation and follow the direction set by the elected members;
  - **Policy Advice:** acting as the principal policy advisors to the elected members of the Council to lead the development of workable strategies which will deliver the political objectives set by the councillors;
  - **Partnership:** leading and developing strong partnerships across the local community to achieve improved outcomes and better public services for local people and to deliver the Councils vision for 'flourishing communities';
  - **Operational Management and Delivery:** overseeing financial and performance management, risk management, people management, transformation and change management within the Council.

## Senior Management Structure and Remuneration

### *Structure and Statutory Officers*

- The Senior Management Structure, Appendix 2, consists of eight established posts. The Council is required to appoint three statutory officers, and these are incorporated into the following job roles:
  - a. Head of Paid Service - Chief Executive, Ian Fytche
  - b. Monitoring Officer - Kim Robertson, Principal Solicitor, Legal Services Lincolnshire
  - c. Chief Financial s151 Officer - Russell Stone, Director Resources,

### Additional Payments Made to Chief Officers – Election Duties

The Chief Executive is nominated as the Returning Officer. In accordance with the national agreement, the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of Returning Officer, Acting Returning Officer, Deputy Returning Officer or Deputy Acting Returning Officer and similar positions which he or she performs subject to the payment of pension contributions, where appropriate. As these fees are related to performance and delivery of specific elections duties, they are distinct from the process for the determination of pay for Senior Officers.

Payments to the Returning Officer are governed as follows:

- for national elections/referenda, fees are prescribed by legislation;
- for local elections, fees are determined within a local framework used by district councils within the county. This framework is applied consistently and is reviewed periodically by lead Electoral Services Officers within Lincolnshire.

The role of Deputy Returning Officer may be applied to any other post and payment may not be made simply because of this designation.

### *Salary Benchmarking*

12. All posts within the organisation (other than the eight senior management team posts) are subject to job evaluation.
13. Appendix 3 details the salary grades associated with each role within the Senior Management Team. The Council has a policy to benchmark salaries on a biennial basis to ensure that the Council balances the need to pay competitive salaries and to ensure value for money. A salary benchmarking exercise was undertaken in 2020 to inform the 2021/22 and 2022/ 23 Pay Policy.

### *Terms and Conditions*

14. The recruitment of new members of senior management is undertaken by the Council's Appointments and Appeals Panel (comprising of 7 elected members).

15. Each senior management grade consists of five increments and annual progression is dependent upon an annual review of performance, and acceptance of the officer concerned. The fifth increment within each grade can only be awarded for exceptional performance. The Council does not pay bonuses to any of its officers including the Senior Management team.
16. All members of the Senior Management team receive an essential user car allowance paid at the 'Middle Band' rate. They also have the option to join the Council's private medical scheme.
17. The Council applies the Joint National Conditions of Service for Chief Executives and Chief Officers and any nationally agreed salary increases are applied. There has been no pay award agreed for 1 April 2022 to 31 March 2023 at this time.
18. The National Employers (National Joint Council) have not yet agreed a pay offer covering the period 1 April 2022 to 31 March 2023. However, the budget provision for 2022/2023 is 2%.
19. The Council has an approved Change Management Policy which includes an Early Retirement, Flexible Retirement and Redundancy policy and this will be applied equally to all members of staff.
20. All officers of the Council are entitled to join the Local Government Pension Scheme (LGPS). The LGPS is a contributory scheme; employees contribute between 5.5% and 12.5% of their pensionable pay to the scheme.

| <b>Actual Pensionable Pay</b> | Employee contribution from April 2021 |
|-------------------------------|---------------------------------------|
| Up to £14,600                 | 5.50%                                 |
| £14,601 to £22,900            | 5.80%                                 |
| £22,901 to £37,200            | 6.50%                                 |
| £37,201 to £47,100            | 6.80%                                 |
| £47,101 to £65,900            | 8.50%                                 |
| £65,901 to £93,400            | 9.90%                                 |
| £93,401 to £110,000           | 10.50%                                |
| £110,001 to £165,000          | 11.40%                                |
| £165,001 or more              | 12.50%                                |

21. Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the Scheme are properly funded, and are set independently. The rules governing the pension scheme are contained in regulations made by Parliament.
22. Under this pay policy, the Council plans to meet the cost of subscriptions for senior managers to the Association of Local Authority Chief Executives, in addition to required professional subscriptions for specific roles. Directors and Statutory Officers are eligible for membership of ALACE.

## Lowest Paid Employees

23. The pay ratio between the highest paid employee and the lowest paid employee is 6.7:1. The Hutton Review on Senior Pay for the Government published in 2011 recommended a maximum ratio of 20:1, and therefore the Council complies with the Hutton recommendations. This also remains in line with our aspirations for our people where we commit to pay policies and decisions that enable us never to have a ratio beyond 15:1.

## All Other Employees

24. The Council currently has an establishment of 386.76 full time equivalent posts projected to 31 March 2022. The Establishment Report is presented to Full Council annually in March. In addition to its in-house workforce, the Council delivers services in partnership with a number of private sector partners, other public bodies, social enterprises and community organisations. Examples include the recycling service; housing repairs service; culture, sport and art services; payroll services.

25. The current pay scales as at 2021-22 (excluding pending pay rise) for all colleagues employed by the Council are attached at appendix 4.

26. The Council has adopted the National Joint Council's Job Evaluation Scheme and all jobs (other than the eight senior managers and apprentices) are evaluated using this scheme to determine the grade for the post.

27. The Council has adopted the National Joint Council's Conditions of Service for all employees and any nationally pay rise increases are applied annually.

28. All colleagues from scp 23 and above have the option to join a private medical insurance scheme, and all colleagues below scp 23 have the option to join a healthcare cash plan scheme, both of which are paid for by NKDC.

## Apprentices

29. The Apprentice rates from 1 April 2022 will be as follows (updated March 2022):

|  |                |
|--|----------------|
| New starters under 21 years old  | £10,707        |
| After 12 months service or once NVQ is completed   | £14,469        |
| Entrants aged over 21 years old or those who on entry to the scheme hold a degree will receive the Foundation Living Wage. | <b>£19,099</b> |

## Living Wage

30. In April 2013, North Kesteven District Council implemented the Living Wage Foundation rate for any officer who earns less than this on the current NJC scales. This was received positively by colleagues and Unions. Currently the NJC scales sit higher than the living wage foundation rate. The new living wage foundation rate is £9.90 and will be implemented on 1 April 2022.

### **Election Expenses**

31. When elections are held, the Chief Executive acts as the Returning Officer. Fees for local elections are agreed annually by all Council's within Lincolnshire. The fees for national elections are set by HM Treasury so this Council has no direct control over the level of payments.