

# Senior Pay Policy and Guiding Principles 2024/2025

**Prepared by:** Human Resources

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**For Review:** January 2025



# Senior Pay Policy Statement

## 1. Introduction

- 1.1 The Localism Act 2011 requires the council to publish a Senior Pay Policy Statement for each financial year. This statement relates to the year 2024 – 2025 and is approved by Council.

## 2. Scope

- 2.1 The Senior Pay Policy Statement describes our policies towards the pay of senior managers (referred to in the Localism Act as Chief Officers) and our approach to the pay of our lowest paid employees.
- 2.2 The Council's Corporate Leadership Team are senior leaders within Chesterfield Borough Council and are in scope of this policy statement. The following posts make up the Corporate Leadership Team.
- Chief Executive, (Head of Paid Service)
  - Executive Directors x 2,
  - Service Director Corporate
  - Service Director Digital, HR, and Customer Services
  - Service Director Economic Growth
  - Service Director Finance (Section 151 statutory officer)
  - Service Director Housing
  - Service Director Leisure, Culture and Community Wellbeing, and
  - Head of Regulatory Law (Monitoring Officer statutory officer).
- 2.3 An Executive Director post is currently vacant and is expected to be deleted from the establishment during this financial year.

## 3. Remuneration

- 3.1 The term remuneration is used to describe salary and other payments, including additions to pay, bonus or other form of performance related pay and other monetary allowances or benefits in kind.
- 3.2 Where the remuneration package of any post exceeds £100,000, full council will be given the opportunity to approve it.
- 3.3 All senior managers are paid via the Council's payroll with appropriate tax and National Insurance deductions made in accordance with HMRC regulations.
- 3.4 On occasion, a senior manager post may need to be engaged on an interim basis and in this instance, individuals may be recruited on a self-employed basis, or they may work through another company. In all such cases appropriate determination of whether the post is inside or outside of IR35 is undertaken to ensure full compliance with HMRC regulations.

#### **4. Equal pay**

- 4.1 The Council is committed to and supports the principle of equal pay for all its employees. Equal pay between men and women is a legal right. The Equality Act 2010 requires employers not to discriminate on grounds of sex, gender reassignment, race and disability and similar rules apply to sexual orientation, religion, pregnancy and maternity and age.

#### **5. Negotiating bodies and councillor oversight**

- 5.1 The Authority applies terms and conditions of employment to its employees that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or which have been made because of local agreements which have been determined by Council or by Joint Cabinet and Employment and General Committee, in line with the Council's constitution.
- 5.2 Chesterfield Borough Council works closely in partnership with Trade Unions when agreeing pay and conditions and is guided by several national negotiating bodies. These are:
- The Joint National Council (JNC) for Local Authority Chief Executives,
  - The JNC for Local Authority Chief Officers,
  - The National Joint Council for Local Government Services (known as Green Book terms and conditions), with a local collective agreement in place,
  - Joint Negotiating Committee for Local Authority Craft and Associated Employees (known as Red Book terms and conditions), with local pay arrangements in place.

#### **6. Salaries**

- 6.1 Chesterfield Borough Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees who are dedicated to delivering public services, whilst at the same time not being unnecessarily generous and excessive.
- 6.2 It is recognised that senior management roles in local government are complex and diverse, with managers working in a highly politicised environment where often national and local pressures conflict. If the council is to maintain its high performance, then it must be able to attract and retain high calibre leaders to deliver the complex agenda.
- 6.3 Senior staff salary benchmarking was undertaken in 2020. Further benchmarking exercises will be undertaken at least every five years, to provide reassurance that remuneration remains at adequate levels for these posts.

### **Chief Executive salary**

- 6.4 The Chief Executive is employed under the terms and conditions of service of the Joint Negotiating Committee (JNC) for Local Authority Chief Executives.
- 6.5 The benchmarking and evaluation report received in 2020 recommended that the salary for the post of Chief Executive be uplifted to £120,000, increasing annually by agreed pay rises which are negotiated annually by the JNC for Local Authority Chief Executives.
- 6.6 Given the financial burdens not only on the council but the wider economy, the current Chief Executive chose not to accept the increased salary level proposed in 2020 and his salary remains 5% lower than entitlement.

### **Executive Director and Service Director salaries**

- 6.7 The Executive Director and Service Director posts are employed under the terms and conditions of service of the Joint Negotiating Committee for Local Authority Chief Officers.
- 6.8 The Executive Director and Service Director posts are appointed on a spot salary and receive annual pay rises negotiated by the JNC for Local Authority Chief Officers.
- 6.9 A summary of Senior Staff Remuneration in 2024 – 2025 is detailed in the table below. Annual salary is shown net of any Tax, National Insurance and Pension contributions which are paid by Chesterfield Borough Council.

<b>Post</b>	<b>Annual Salary*</b>	<b>Additional remuneration received</b>
Chief Executive	£121706	Elections allowances
Executive Director	£101,315	None
Service Director Corporate	£83,409	None
Service Director Digital, HR, and Customer Services	£83,409	None
Service Director Economic Growth	£83,409	None
Service Director Finance	£83,409	None
Service Director Housing	£83,409	None
Service Director Leisure, Culture and Community Wellbeing	£83,409	None
Head of Regulatory Law**	£57401	Monitoring Officer allowance

\*The annual salary will increase by the pay award to be applied to the 2024-25 financial year once national agreement is reached.

\*\*The Head of Regulatory Law is paid using NJC Green Book pay arrangements and receives a supplementary allowance to undertake the statutory role of monitoring officer.

### **Green Book Pay Arrangements**

- 6.10 Most employees within the Council are remunerated using the National Joint Council (NJC) Local Government Single Status 'Green Book' pay arrangements (excluding Craft workers and Chief Officers). Posts are evaluated using the Gauge job evaluation system and allocated to an established grading structure. The job size determines a job's placement against the NJC pay spine, typically with several scale points allocated to each grade. Staff have the potential to move through the grade by incremental progression to each scale point each year.
- 6.11 The pay spine is increased each year in accordance with pay award settlements which are determined by the National Joint Council for Local Government Services.
- 6.12 Posts are advertised and appointed to at the appropriate approved salary for the post unless there is evidence that a successful appointment of a person with the required knowledge, experience, skills, abilities, and qualities cannot be made without varying the remuneration package. In such cases, there is an element of flexibility that allows the payment of market supplements to specific roles that are recognised as "hard to fill". Payment is subject to justification against external data and with periodic review. Any supplement will be approved through the Authority's appropriate decision-making process.

### **Craft Worker Pay Arrangements**

- 6.13 Craft workers employed on Joint Negotiating Committee for Local Authority Craft and Associated Employees 'Red Book' terms and conditions receive a basic salary and an additional productivity payment which is aligned to the volume of work an individual completes. The basic salary is increased in accordance with national pay award settlements which are negotiated annually by the Joint Negotiating Committee for Local Authority Craft and Associated Employees. Productivity payments are determined using a schedule of rates which is reflective of the commercial market. The schedule of rates is not guaranteed to be reviewed and amended on an annual basis.

### **Pay Awards**

- 6.14 The pay award applied to Chief Officers and Chief Executives in 2023 was 3.5%.
- 6.15 The pay award applied to employees on green book and red book terms and conditions in 2023 was an increase of £1925 and an increase of 3.88% on all pay above the maximum of the pay spine and on allowances.
- 6.16 The pay offer for 2024 – 2025 has not yet been proposed. Salaries will be uplifted once national negotiations are completed.

### **Incremental Progression**

- 6.17 On taking up employment, individuals will normally start at the bottom scale point of the appropriate grade; however, there is discretion to

appoint at a higher point depending on skills, experience and any market factors which could impact on the ability to otherwise recruit to the post. A Service Director has delegated authority to make this decision.

- 6.19 In the case of a Chief Officer appointment, this decision would be made by the Chief Executive. The Appointments Panel would make this decision for any Chief Executive appointment (in accordance with the council's constitution).

## **7. Other remuneration**

### **Special allowances**

- 7.1 A special allowance is paid for the responsibility of Monitoring Officer. This role is undertaken by an employee at Tier 4 of the organisation.

### **Overtime**

- 7.2 Senior managers are not eligible to receive overtime for excess hours worked. Where hours are worked outside of 'normal office hours' senior managers do not receive additional payment.
- 7.3 Where service demands require additional hours to be worked by non-senior staff above the full time equivalent of 37 hours, overtime rates apply. Rates are determined in accordance with conditions of service.

### **Expenses**

- 7.4 In line with all other staff, where essential expenses are incurred in the performance of their duties, costs can be reclaimed by senior managers, where these are reasonable and public money is being used prudently.

### **Additional allowances.**

- 7.5 Senior managers are not in receipt of additional allowances.
- 7.6 For non-senior staff, additional allowances may be paid to reflect the duties and obligations of the post e.g. shift allowances, tool allowances, and stand by allowances.

### **Election Duties**

- 7.7 The Chief Executive receives fee payments pursuant to his appointment as Returning Officer at elections. The fees paid in respect of parish, district and county council elections vary according to the size of the electorate and number of postal voters and are calculated in accordance with fee structure guidance from the Association of Electoral Administrators and agreed across Derbyshire authorities where possible. Policy and Crime Commissioner and Elected Mayors are subject to fee guidance from those bodies. Fee payments for national elections are set by central government and are, in effect, not paid by the council, as the fees are reclaimed.

### **Acting Up Payments**

- 7.8 Acting up payments are made where an employee may undertake the full duties and responsibilities of a higher graded post. For employees

at Scale 8 and above (which includes Chief Officers) a continuous qualifying period of four weeks will apply before payment can be made. Further details are set out in paragraph 8 of the Local Collective Agreement.

### **Honoraria**

- 7.9 An honorarium is payable in circumstances where an employee carries out additional duties which are at a higher level than those in their substantive post, but there is no entitlement to a higher salary.

### **Telephone Rental**

- 7.10 A mobile telephone is provided to employees at the discretion of the Corporate Leadership Team or Tier 4 Heads of Service, where it is considered appropriate for the delivery of the service. The cost of the monthly rental is paid as well as business related calls.

### **Car Mileage and Car User Allowance**

- 7.11 All employees, including Chief Officers, can claim for mileage and expenses which occur for business reasons only. HMRC rates are used to calculate mileage claims.
- 7.12 Essential car user allowance is no longer paid to employees and there are no senior staff in receipt of this allowance. There are a small number of employees who have Transfer of Undertakings Protected Earnings (TUPE) rights, who are still entitled to receive essential user car allowance. It is expected that this will be phased out in this financial year.

### **Other financial benefits**

- 7.13 The Chief Executive and Chief Officers do not receive any additional payments relating to performance related pay, bonuses, earn back schemes or ex-gratia benefits.

### **Real Living Wage allowance**

- 7.14 On an annual basis, Joint Cabinet and Employment and General Committee will review whether an additional allowance should be awarded to employees who are on the lowest pay scales. This allows the Council to pay a rate which is equivalent to the Real Living Wage, recommended by the Living Wage Foundation.
- 7.15 In 2024, the Real Living Wage is £12.00 per hour. If the lowest pay scales are not increased to £12.00 per hour once agreement of the Local Government pay negotiations for 2024-25 are reached, a real living wage allowance will be applied to ensure Chesterfield Borough Council employees are paid a fair wage.

## **8. Pensions**

### **Pension Contributions**

- 8.1 Employees of the Council (including Chief Officers) pay a contribution to the Local Government Pension Scheme relative to their annual full-time equivalent pensionable pay. An assessment is undertaken on an annual basis to determine the contribution rate.

- 8.2 Following changes under the LGPS regulations in 2014, all employees now have an option to pay half contributions and build up half of the normal pension. This is known as the 50/50 section of the scheme and is designed to be a short-term option for when times are financially difficult.
- 8.3 The Council contributes 20.4% of pensionable pay as the employer contribution to the LGPS.

## **9. Re-employment of employees in receipt of a pension or redundancy payment**

- 9.1 The council has a statutory duty to appoint on merit and will always seek to appoint the best candidate for a position based on skills, knowledge, experience, and abilities.
- 9.2 Under the terms of the Local Government Pension scheme, an employee who has retired from local government service and is in receipt of a pension may reapply for local government employment. However, where this happens, the pension may be subject to abatement, i.e. if the pension added to the new salary is higher than the original salary then the amount of pension will be reduced accordingly.
- 9.3 Where a former employee has left on the grounds of redundancy, the Council will apply the provisions of the Redundancy Modifications Order regarding recovery of the redundancy payment, if relevant.
- 9.4 There are currently no re-employed pensioners in senior management positions.

## **10. Payments on Termination of Employment**

- 10.1 Employees who resign will not receive a severance payment.
- 10.2 Where the council decides to terminate any employee's service because of redundancy, a severance payment will be made. This payment comprises of contractual entitlements, (notice un-worked, leave not taken), plus a redundancy element, which is calculated in accordance with statutory levels. The council does not have an enhanced redundancy scheme in place.
- 10.3 For those aged 55 and over, in the event of redundancy, employees become entitled to an immediate pension. Any costs accruing to the Council for pension strain payments are based on an actuarial calculation linked to service and age. Entitlements are not discretionary to an individual once a redundancy situation arises.



- 10.4 Other payments may be made where the council has specific legal advice to the effect that a payment may be necessary to eliminate risk of claims against the Council.
- 10.5 Any severance payment currently over £100,000 must be agreed by full council.

## **11. Pay Relationship between salaries**

- 11.1 The lowest pay rate in the authority (excluding apprentice rates) equates to a full time equivalent annual salary of £22,366 and can be expressed as an hourly rate of pay of £11.59. This pay rate and salary was determined by the authority as part of the NJC pay scale for staff employed on National Joint Council Local Government Services Terms and Conditions.
- 11.2 The highest salary in this Council is £121,706 which is paid to the Chief Executive. The ratio between the two salaries, known as the 'pay multiple', is 5.44 to 1. Against the median salary of £30,296 this multiple reduces to 4.017 to 1.
- 11.3 The Hutton review considered the pay multiple should be no greater than 20 to 1 (lower is better) and based on the current situation the Council falls well below this threshold.
- 11.4 Chesterfield Borough Council 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.
- 11.5 These pay rates will increase in accordance with any pay settlements which are reached through the respective national negotiating bodies.

## **12. Publication of Information**

- 12.1 This policy statement will be made available on the Council's website.

## **13. Organisation Chart**

