

# Chief Officer Pay Policy Statement 2024/25

Version Control	Changes Made	Author
Version 1 –		HR/OD

## Introduction and purpose

Under section 112 of the Local Government Act 1972, local authorities have the power to appoint officers on such reasonable terms and conditions as the authority thinks fit. This Chief Officer Pay Policy Statement (the “statement”) sets out Cumberland Council’s pay policy for 2024/25 in accordance with the requirements of the Localism Act 2011 and will be considered for approval by full council in March 2024.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting pay of its employees (excluding teaching staff working in local authority schools) by identifying.

- The methods by which salaries of all employees are determined.
- The detail and level of remuneration of its most senior employees i.e., ‘chief officers’, as defined by the relevant legislation.
- The Committee or Panel responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council.

Once approved by the full Council, the policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31<sup>st</sup> March each year.

## Definitions

**Chief Officer** refers to the following roles in Cumberland Council:

Table 1

Definition under the Localism Act 2011	Post Held at Cumberland Council	Post Tier and Level
The Head of Paid Service	Chief Executive Officer	Chief Executive
The Monitoring Officer	Chief Legal and Monitoring Officer	Tier 3, Level 2
Section 151 Officer	Chief Finance Officer (s151 Officer)	Tier 3, Level 1
Statutory Chief Officers	Director of Public Health & Communities	Tier 2, Level 1

	Director of Adult Social Care and Housing (DASS)	Tier 2, Level 1
	Director of Children and Family Wellbeing (DCS)	Tier 2, Level 1
Non-Statutory Officers	Assistant Chief Executive – Strategy, Policy and Performance	Tier 2, Level 2
	Director of Business Transformation and Change	Tier 2, Level 1
	Director of Place, Sustainable Growth and Transport	Tier 2, Level 1
	Director of Resources	Tier 2, Level 1

**Other senior leadership posts**, refers to all senior leadership roles at Tier 2 and 3 in the council that are not Chief Officer posts. The following table lists these roles:

**Table 2**

Post Level	Cumberland Council
Tier 3, Level 2	Assistant Director – Commissioning and Procurement Assistant Director – Programme Management Office Assistant Director – HR/OD Assistant Director – ICT Assistant Director – Corporate Assets and Fleet Assistant Director – Customer Solutions Assistant Director – Public Health and Public Protection Assistant Director – Highways and Transport Assistant Director – Thriving Place and Investment Assistant Director – Climate and Waste Assistant Director – Neighbourhoods Assistant Director – Operations (Adult Social care and Housing) Assistant Director – Service provision (Adult Social Care and Housing) Assistant Director – SEND, Education and Inclusion Assistant Director – Children and Families Assistant Director – Early Help and Prevention
Tier 3, Level 3	Assistant Director - Communities and Localities Assistant Director - Quality and Resources (Adult Social Care and Housing) Assistant Director – Quality and Safeguarding (Children and Family Wellbeing) Assistant Director – Communications Assistant Director – Strategy and Policy

**Tiers** refer to the reporting line for the role and **Levels** refers to the different size and level of the roles within Tier 3 for the senior leadership pay and grading structure.

## **Decisions on pay.**

The Council participates in the national pay bargaining arrangements using the national pay frameworks as the basis for its local pay structure, and the national pay review process to determine its annual increases.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery. The majority of Council employees are employed under national 'Green Book'/NJC for Local Government Services arrangements with some local variation of terms and conditions. The Council uses a 19 grade pay structure for these employees. The remaining numbers of employees are employed under national arrangements for other groups of local government staff.

Where national pay frameworks are either not adopted, or not specified e.g. for Chief Officers, the Council as an organisation makes the final decisions in determining the remuneration levels in accordance with the Council's constitution. Such determination takes into account the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who can make the Council an effective and efficient organisation that delivers the best possible services for the people of Cumberland Council within its available resources.

There may be occasions when it is difficult to resource posts within the council that it becomes necessary to take account of the external pay levels in the labour market. In these circumstances and to attract and retain employees with particular experience, skills and capacity, the Council where necessary will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Subject to approval and in accordance with the Council's Market Supplement scheme a market supplement to the salary scale for the grade may be considered.

There may also be occasions where it is necessary to engage the services of externally provided workers on a temporary basis within key posts. Such appointments exist where there is a specific skill shortage either within the Council, or difficultly to recruit from within the local labour market. Any such appointment requires the prior approval of the Director or for equivalent permanent 'chief officer' posts where delegated authority is required by the Staffing Committee.

To meet specific operational requirements, it may be necessary for an employee to temporarily take on additional duties to their identified role. Where these duties form either part or the whole of the duties of another job a Responsibility Allowance or Acting Up Allowance is payable respectively, reflecting the job evaluated rate for those additional duties.

Where it is intended to recognise exceptional effort or contribution a one-off lump sum payment, or Honoraria may be paid. Honoraria are paid in arrears and depending upon their value are subject to the approval of either the Director for the service area, or the Director – Business Transformation and Change, in accordance with the delegations from the Council’s Constitution.

## Grading and Pay Ranges

Grades and salary levels for the Chief Executive, Chief Officer and other Senior Leadership Posts are determined using the Korn Ferry Hay job evaluation methodology using external support from Korn Ferry (formerly Hay Group). Job evaluation is a consistent process used for determining relative size of jobs. It is based on a systematic analysis of the different factors found within all jobs.

At the point of recruitment to the position, pay will be set individually, based on the following components:

- The size of the job as determined by job evaluation.
- The benchmark data for the market and sector rate for the post
- The assessed quality of the applicant, including skills and experience balanced against candidate expectations.
- Scarcity of the required skills

## Senior Management (‘Chief Officer’) Remuneration

For the purposes of this statement, senior management means ‘chief officers’ as defined within the Localism Act. The posts falling within the statutory definition are set out as below, which details their basic salary as of 31 March 2024.

Position	Full Time Equivalent	Salary As at 31 March 2024
<b>Chief Executive Salary</b>		
Chief Executive	1	£177,942
<b>Chief Officer Salaries</b>		
Chief Finance Officer (s151 Officer)	1	£110,667
Chief Legal Officer (Monitoring Officer)	1	£93,072
Assistant Chief Executive – Strategy, Policy and Performance	1	£110,667
Director of Business Transformation and Change	1	£131,367
Director Of Resources	1	£131,367
Director of Public Health and Communities	1	£131,367
Director of Place, Sustainable Growth and Transport	1	£131,367

Director of Adults Social Care and Housing	1	£131,367
Director of Children and Family Wellbeing	1	£146,892
<b>Assistant Director Salaries</b>		
<b>Adults Social Care and Housing</b>		
Assistant Director – Operations	1	£93,072
Assistant Director – Service Provision	1	£93,072
Assistant Director – Quality and Resources	1	£77,547
<b>Children and Family Wellbeing</b>		
Assistant Director – SEND, Education and Inclusion	1	£103,422
Assistant Director – Children and Families	1	£96,000
Assistant Director – Early Help and Prevention	1	£103,422
Assistant Director – Quality and Safeguarding	1	£93,072
<b>Place, Sustainable Growth and Transport</b>		
Assistant Director - Highways and Transport	1	£93,072
Assistant Director – Thriving Place and Investment	1	£93,072
Assistant Director – Climate and Waste	1	£93,072
Assistant Director - Neighbourhoods	1	£93,072
<b>Public Health and Communities</b>		
Assistant Director – Communities and Localities	1	£79,055
Assistant Director – Public Health and Protection	1	£93,072
<b>Resources</b>		
Assistant Director – Corporate Assets and Fleet	1	£93,072
Assistant Director – Customer Solutions	1	£93,072
<b>Business Transformation and Change</b>		
Assistant Director – Commissioning and Procurement	1	£93,531
Assistant Director – Digital Innovation and ICT	1	£93,072
Assistant Director – Programme Management Office	1	£93,072
Assistant Director – HR and OD	1	£93,072
<b>Strategy, Policy and Performance</b>		
Assistant Director – Communications	1	£77,547
Assistant Director – Strategy and Policy	1	£77,547
<b>Deputy Statutory Chief Officers</b>		
Senior Manager – Legal & Democratic Services (Deputy Monitoring Officer)	1	£79,346
Senior Manager - Finance (Deputy s151 Officer)	1	£76,620

The Council will review market alignment every two years against the Korn Ferry national public sector market to support future pay decisions and minimise market supplements and pay drift.

## Other terms and conditions paid to ‘Chief Officers’

For the purposes of this statement policies relating to other terms and conditions paid, including the amounts applying to each member of the senior management team, are set out below.

Designation	Value	Rationale for payment
Hospitality	N/A	The Council does not apply any award for hospitality
Accommodation	Reimbursed in accordance with the Council's Travel & Subsistence Scheme.	Business expenses for hotel accommodation are only payable where return home is likely to be after 10pm. Accommodation will be pre booked and subject to the maximum allowance in accordance with the Council's Travel & Subsistence Scheme.
Car Mileage	45p per mile for 1 <sup>st</sup> 10,000 miles, 25p thereafter	Casual car mileage user rates apply in accordance with the Council's Travel & Subsistence Scheme and Rates.
Public Transport	Reimbursed in accordance with the Council's Travel & Subsistence Scheme	Travel via public transport for business reasons are reimbursed in accordance with the Council's Travel & Subsistence Scheme and Rates. Where practical and economically viable public transport is used.
Subsistence	Breakfast £6.50	Payable where an officer is required to leave home before 7.00am
	Lunch £8.80	Only payable in exceptional circumstances e.g. if the individual is unexpectedly delayed and/or needs to purchase food at a higher cost than that normally incurred
	Tea £3.45	Payable where an unusual absence (not part of the normal working conditions) from home and base continues beyond 18.30.
	Dinner £10.90	In exceptional circumstances where an unplanned absence (not part of normal working conditions) from home and base continues, beyond 20.30
Essential Car User Allowance	N/A	Employees within the Council are designated either Local Car Users or Casual Car Users and mileage is paid in accordance with HMRC guidelines.
Supplementary pay awarded to chief officers for undertaking the duties of Returning	N/A	The Council does not provide any supplementary payments, in addition to the salary as shown above for the posts of Section 151 Officer and Monitoring Officer.

<p>Officer/Section 151 Officer and Monitoring Officer</p>		<p>Returning Officer Fees: The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from their duties as an employee of the Council. The fee paid to the Returning officer for Cumberland Council or Parish Council elections, is included in their salary.</p> <p>The designated Returning Officer for the council also carries out the role of Returning Officer in Parliamentary elections, Police and Crime Commissioner elections and other national referenda. These additional roles carry an entitlement to payment from central government at levels set by order in relation to each national poll.</p>
<p>An increase in or enhancement to the Leadership Team pension entitlement</p>	<p>N/A</p>	<p>N/A</p>
<p>Other benefits in kind</p>	<p>N/A</p>	<p>N/A</p>
<p>Private Health care</p>	<p>N/A</p>	<p>N/A</p>
<p>Market forces supplements</p>	<p>N/A</p>	<p>N/A</p>
<p>Performance Related pay for Chief Officers</p>	<p>N/A</p>	<p>The Council does not provide performance related pay for chief officers</p>
<p>Bonuses for Chief Officers</p>	<p>N/A</p>	<p>The Council does not provide bonuses for chief officers</p>
<p>Final payments to Chief Officers when they leave the authority</p>	<p>In accordance with the Council's Redundancy and Early Release Policy</p>	<p>Please see the section below on 'Payments for Termination'.</p>

## Lower paid staff remuneration

The Council defines low paid workers as those on the lowest pay grade used by the Council for substantive roles. There are 2 generic job family profiles which fall into this category; BS1 and OP1. These profiles are at the lowest grade (Grade 1) of the Council's pay structure.



At the time of publication of 31 March 2024, the minimum pay for employees within this group is £22,366 per annum which is a ratio of 1:7.9 in comparison with the salary of the Chief Executive.

The UK Government introduced a 'National Living Wage' for employees aged 25 and over in April 2016 (it now applies to employees aged 23 and over). As at 31 March 2024 the rate is £10.42 per hour. The Council's minimum pay for all employees is higher than this amount and further exceeds it with the additional 'UK Living Wage' supplement that is paid.

The 'UK Living Wage' is set by the Living Wage Foundation. The current rate effective from 15 November 2023 is £12.00 per hour. This increases the minimum pay to £23,151 per annum, which is a ratio of 1:7.6 in comparison with the salary of the Chief Executive.

Below are further comparisons to illustrate the relationship of pay between the Chief Executive and other staff within the Council: -

- The median average full time equivalent salary of the whole workforce is £24,702 per annum, which in comparison with the salary of the Chief Executive is a ratio of 1:7.2.
- The mean average full time equivalent salary of the whole workforce is £25,824 per annum, which in comparison with the salary of the Chief Executive is a ratio of 1:6.8.

We continue to review these ratios where possible while recognising that this will be balanced by our obligations under the Equality Act of the need to maintain pay equity through an objective job evaluation scheme.

The Council employs Apprentices who are not considered within the definition of 'lowest paid employees.'

## **Recruitment of Senior Management ('Chief Officers')**

When recruiting to all posts the Council takes full and proper account of all provisions of relevant employment law and its own Recruitment policies and procedures.

The determination of the remuneration to be offered to any newly appointed Chief Executive, Director, or Statutory Officer is determined by the Staffing Committee which has delegated authority to act on behalf of Full Council not only to set the remuneration but to appoint to any such vacant posts (NB there are specific arrangements for the appointment of the Director of Public Health).

Salary levels for the Chief Executive, Directors, Assistant Directors and Statutory Officers are determined using the Hay job evaluation methodology using external support from Korn Ferry (formerly Hay Group), at the point of recruitment to the position and takes into consideration salary survey data provided by Korn Ferry.

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, consider



engaging individuals under a 'contract for service'. These will be sourced through a relevant procurement process and in such circumstances the Council is not required to make either pension or national insurance contributions for such individuals. Where authority for appointment to the equivalent permanent role is delegated to the Staffing Committee, that Committee will approve all proposed interim appointments.

## **Pension Contributions**

Cumbria Local Government Pension Scheme is open to all employees, apart from teaching staff who have their own pension schemes.

Employees who are members of the Local Government Pension Scheme (LGPS) pay contributions from their salary dependent on earnings and the Council contributes on their behalf in accordance with the LGPS Regulations.

A number of employees have transferred to the Council under a specific staff transfer arrangement which allowed them to continue membership of the NHS pension scheme. Employees and the Council both make contributions in accordance with the regulations of the NHS scheme.

## **Payments on Termination**

The Council's Redundancy and Early Release Policy applies to all employees covered by the NJC for Local Government Services and to all other employees of the Council for whom there is no other specific redundancy and early release provisions, or policy and procedures laid down in national or local conditions of service. The Council may also exercise its discretion to enter into legally binding settlement agreements.

The Council does not normally re-employ employees who have received either a statutory or discretionary payment upon termination of employment. Any re-employment must be approved in accordance with the Redundancy and Early Release procedure. The Council will not normally engage such an individual under a contract for services.

## **Publication**

Upon approval by the full Council, this statement will be published on the Council's website.

The Council is also required to include information in the Annual Statement of Accounts in relation to the remuneration of higher paid officers of the Council. The information to be published is determined by Local Authority Accounting requirements, revised every year, underpinned by statutory regulations. The information required to be included in the audited Statement of Annual Accounts 2023-24 relates to three disclosures, which are termed 'Notes' as follows:-

- Figures for the number of officers whose remuneration was £50,000 or more, grouped in £5,000 bands (Banding Note)
- The individual remuneration of senior employees, which includes salary, fees, and allowances receivable. (Senior Employees Note)
- Exit packages agreed during the year, which includes termination benefits and all redundancy costs from both compulsory and voluntary redundancy costs (Exit Packages Note).

**Date:**