

**Joint Negotiating Committee for  
Chief Executives of Local Authorities**



**To: Chief Executives & HR Directors in England, Wales and N Ireland  
(additional copies for Finance Director)  
Members of the Joint Negotiating Committee  
Regional Directors**

12 January 2012

Dear Colleague,

**LOCALISM ACT:  
PAY POLICY STATEMENTS  
GUIDANCE FOR LOCAL AUTHORITY CHIEF EXECUTIVES**

**Supplementary Note No. 1**

The JNC issued its initial joint guidance note on Pay Policy Statements on 25 November 2011 to assist councils in getting to grips with the initial requirements under the Localism Act. At the time, we acknowledged that there may well be areas of practice that would need to be clarified. This supplementary note sets out our views on some issues that have been drawn to our attention. There may well be others over the next few weeks but we did not feel it would be helpful to wait to issue a single all-encompassing note given the tight timescales.

**Treatment of part-time salaries**

We have been asked about how best to treat part-time salaries in calculating the average pay in the whole organisation to compare with the salaries of senior officers. Our view is that part-time salaries should be converted to full-time equivalent rates on the basis normally used in your council. This does make for more work but produces the most meaningful comparisons.

**Calculating the average**

The JNC's guidance referred to the Hutton Commission's preference for use of the median average. However, the Government's guidance requires use of the mean average. Councils may of course wish to monitor both to obtain a fuller picture but need to be mindful of the Government's publishing requirement.

**Stating the remuneration of senior officers on appointment**

We have been asked whether it is necessary to state the starting salary for each individual person, or if it would be acceptable simply to state that general policy is to start towards the bottom of the salary scale dependent on skills and experience.

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Our joint view in response to this begins with a reminder that these are not intended to be prescriptive requirements but are designed to encourage good practice.

That said it is important to remember that the pay policy statement is about **policy**, not the actual pay of individuals. It is not about “each individual person”, though it could be about individual posts (if salaries vary). So, we would suggest that the policy could sensibly cover:

- how point salaries or scales are set for senior officer posts in the first place, eg. whether by reference to national comparators, local conditions, recruitment difficulties, inflation, etc
- whether that varies from post to post and whether any market premiums are to be brought into play in the event of failure to recruit first time round
- with scales, whether scope is allowed for negotiation over exact starting salary at the point of job offer, and, if so, what types of factor can be taken into account, and who exercises that discretion.

The JNC’s guidance also referred to sources of expertise to assist you. We would like to add to that list:

- LGA Workforce Consultancy Team (email [stephen.cooper@local.gov.uk](mailto:stephen.cooper@local.gov.uk))
- Regional Employer Organisations

We would be happy to receive further comments and suggestions as we believe that it is important for the sector to work together to develop good practice and to share ideas.

For further assistance, please contact:

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Yours sincerely,

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**Joint Secretaries**