



## **LOCAL GOVERNMENT (PAY ACCOUNTABILITY) BILL**

### **Briefing note by the Association of Local Authority Chief Executives and Senior Managers (ALACE)**

**Commons General Committee, 22 May 2024**

#### **Summary**

We are concerned about the effect of the proposals in this Bill. Senior staff in local government are already subject to far greater transparency about their remuneration than any other part of the public sector. The Bill would add process and bureaucracy for no benefit other than increased potential for adverse media coverage of salaries of senior staff. The Bill could have an undesirable effect on recruiting senior staff when no other part of the public sector has to approve in a full board meeting, in public, advertising and appointments of salaries above £100,000.

We share the concerns expressed by elected members of the Local Government Association from all parties which have been reported in *The LGC* (£):

[LGA slams 'ridiculous' council salary bill | Local Government Chronicle \(LGC\) \(lgcplus.com\)](https://www.lgcplus.com/news/2024/05/16/lga-slams-ridiculous-council-salary-bill/)

Comments includes how those that enter public services would face “personal attacks” due to their salaries, particularly those responsible for children’s services; worries that “we’re going to lose those good quality candidates because we’re adding in an extra layer of bureaucracy”; and concerns that people would choose against working in local authorities as they “feel very uncomfortable about their level of remuneration being discussed in the heat of a political debate”.

We see this Bill as part of a regrettable and unnecessary “war” on chief executives and other senior local government staff.

#### **Detailed points**

The Bill would require some local authorities to resolve explicitly to advertise and to make appointments if the full time equivalent salary is above £100,000 a year. It is not immediately apparent – if the Bill is required at all – why some types of local authority are exempt from its requirements. The Bill applies to some but not all fire and rescue authorities and does not apply to combined authorities. Why decisions on salaries taken by elected mayors or police, fire and crime commissioners should be exempt from scrutiny of their decisions is not apparent.

**In ALACE’s view, there is no rational argument to single out local government. If these arrangements are good for local authorities, then the Bill should proceed only when the Government has brought forward equivalent legislation**

**applying across the public sector:** to police forces, armed forces, NHS bodies, the civil service and the large range of departmental sponsored bodies.

The figure of £100k as representing a significant salary was first mentioned in guidance issued about pay policy statements in February 2012. In the twelve years that have elapsed since then, the value of money has changed significantly. **If the Bill proceeds, the new section 39A(1) and (2) should set a figure that equates to £100k in 2012. A recent LGA report estimates that it would now be over £138k if indexed in line with the Consumer Prices Index.**

LGA report to Economy and Resources Board, 16 May 2024: [Member Meeting Report \(moderngov.co.uk\)](#)

Setting the figure at £100k would mean that the effect of this Bill would catch far more posts than were covered by the 2012 guidance.

The figure in the new section 39A(1) and (2) can be amended only by secondary legislation. **We feel strongly that an automated uprating in line with CPI would be more appropriate. Certainly the Secretary of State's power in the new section 39A(6) should be limited so that it can be used only to substitute a higher figure.** Otherwise even lower limits could be imposed in future, adding to bureaucracy.

### **Summary of existing approval and transparency arrangements in respect of senior pay in local government**

Section 38 of the Localism Act 2011 requires various authorities to agree and publish a pay policy statement for each financial year. This includes among other things policies on the remuneration of its chief officers, “the level and elements of remuneration for each chief officer”, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, and the publication of and access to information relating to remuneration of chief officers. Pay policy statements have to be approved by a meeting of full council or equivalent body.

“Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011” (February 2012) is the statutory guidance that relates to pay policy statements. Paragraph 14 states that “full council, or a meeting of members, should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers that £100,000 is the right level for that threshold to be set.” While local authorities have to have regard to that guidance, it is routine in ALACE’s experience that the terms on which any senior post is advertised or on which an appointment is offered are subject to prior member approval – for efficiency, this is often handled by a committee.

There are extensive transparency requirements. The statutory “Code of Recommended Practice for Local Authorities on Data Transparency” (September 2011) sets out that authorities should publish “senior employee salaries, names (with the option for individuals to refuse to consent for their name to be published), job descriptions, responsibilities, budgets and numbers of staff”. The definition of ‘senior

employee salaries' is all salaries above £58,200, which was the Senior Civil Service minimum pay band at the time. The figure has not been updated.

There are statutory requirements to publish retrospective information about senior employees' remuneration in the Accounts and Audit Regulations 2015. They require detailed information in the accounts about the remuneration of a "senior employee" as defined in Schedule 1, which applies to individuals whose salary is more than £50,000. Anyone whose salary is £150,000 or more must also be named. These figures have not been updated since the Regulations were made.

### **About ALACE**

The Association of Local Authority Chief Executives and Senior Managers is a registered trade union. Membership is open only to senior staff in local government across the UK and nearby dependencies of the British Crown, as well as to statutory officers such as monitoring officers and chief finance officers.

ALACE forms the officers' side of the Joint Negotiating Committee for Chief Executives of Local Authorities, which means it alone has negotiating rights in respect of the terms and conditions of staff covered by the JNC, including the annual pay increase. The JNC covers England, Wales and Northern Ireland.

There are separate arrangements for negotiating local government pay in Scotland, in which ALACE Scotland is represented.