



# Epaycheck

## Data Report



### Senior Pay, Executive Summary

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# Epaycheck Data Reports

LGA is a partner in the Epaycheck national online pay benchmarking service, developed by local government for local government and delivered through the Regional Employers' Organisations. It enables participating councils to share and compare pay and reward data with other councils across hundreds of common roles within the sector.

In early 2015 the **Epaycheck** partnership led a project to specifically refresh chief executive and chief officer data following their respective pay agreements, including those that were not subscribing members of the service, to enable the collation of a full data set on senior pay. The Local Government Association (LGA) then commissioned Myriad Research Limited to undertake a statistical analysis of senior pay data held within **Epaycheck**.

This data has been used to inform a detailed **Epaycheck** Senior Pay Report that will provide meaningful comparative data to subscribers to assist in transparent decision-making, benchmarking, pay policy development and workforce planning. It will also be an invaluable resource to the LGA in national policy discussions about senior pay.

The publication of this Senior Pay Report follows an earlier **Epaycheck** publication on **Social Work Pay, Recruitment and Retention**. These reports demonstrate the importance and value of this national shared service that is easily and readily available to all local authorities; providing real time pay data benchmarking and reporting for all users.

**This is an Executive Summary of the Epaycheck Senior Pay Report and provides a 'taster' of the more detailed information available within the full report, which is only available to Epaycheck subscribers.**

A major feature of the full report is that it highlights how salary benchmarking can be improved by focusing on key shared characteristics, such as population and expenditure. The reported data had a response rate of 70% of councils and encompassed over 4,000 senior posts in England and Wales. Data was reported by both job role and tier (tier being the position within the council hierarchy that a job role occupies - Tier 1 is the highest ranking position in the organisation, Tier 2 reports to Tier 1 and so on).



This Executive Summary offers some of the key findings in summary form together with some 'taster' data on Tier 1 (Chief Executive) Pay.

## Senior Pay Report - Key Findings

- ✓ There were a total of 357 Tier 1 posts across the 375 councils in England and Wales. In total, 41 authorities shared a Chief Executive, 3 authorities had replaced the Chief Executive post with two Executive Directors, and 331 authorities had a single Chief Executive.
- ✓ The grossed median annual basic pay for Tier 1 posts in 2014/15 was £122,210 which varied from £175,313 in London Boroughs to £106,800 in Shire Districts.
- ✓ The total pay bill for Tier 1 posts was £47.1 million, which was 6% lower in 2014/15 than it was in 2010/11 (a real terms decrease of 11.3%).
- ✓ Median pay for Tier 1 posts fell by 5.3% between 2010/11 and 2014/15. All authority types showed decreases, with the percentage change largest in English Unitaries (down 7.8%) and smallest in Shire Districts (down 2.3%).

- ✓ This data can be compared to the basic pay figures for Chief Executives and Senior Officials in the 'Annual Survey of Hours and Earnings' which saw a drop in basic pay between 2011 and 2014 of 2.4%.
- ✓ Shared Chief Executives had significantly more variance in pay levels than those responsible for a single council, likely reflective of the range of responsibilities and arrangements.
- ✓ There is a strong positive correlation between the size of the working age population of an area and Tier 1 pay levels. This is true for both single tier/ counties and shire districts.
- ✓ The grossed median annual basic pay for Tier 2 posts in 2014/15 was £97,950. Comparable median pay was not available but the grossed mean average pay was £96,562 in 2014/15 compared to £101,300 in 2010/11, a fall of 4.7% (9.9% in real terms).
- ✓ Median pay for Tier 2 posts in Shire County/single tier authorities is highest in London (£128,300) but is closely followed by East Midlands (£124,562) and West Midlands (£117,186).
- ✓ Over half of all Tier 2 posts with a responsibility for either Adult or Children and Young People (CYP) social care had responsibility in both areas. Adult social care was slightly more likely to include other areas of responsibility than CYP social care, with housing services, environmental health and trading standards the most frequently identified.
- ✓ Although CYP social care roles get slightly higher pay (£116,113 at Tier 2 compared to £114,623 for adults) this difference is not statistically significant.
- ✓ Nearly two thirds (63%) of tier one posts in Met Districts are on spot salaries (rather than incremental ranges) compared to just 38% of London Boroughs, who are also significantly less likely to pay spot salaries to Tier 2 or 3 posts.
- ✓ Accounting for the overall level of pay there is little difference in the salary ranges used across different job levels, with Tier 1 posts being slightly more likely to have a smaller range than Tiers 2 or 3.
- ✓ 18% of responding authorities reported paying essential and lease car allowance. Only 6% of responding councils reported paying any performance related pay.
- ✓ Authority type, working age population, council expenditure and employees all have stronger correlations to senior pay rates than regions. These types of organisational and market characteristics should be used when benchmarking pay.



## Senior Pay Report - Tier 1 Pay Data

**Tier 1 posts are the highest ranking position in the organisation (Chief Executive, Head of Paid Service, or Executive/Managing Directors).**

There were a total of 357 Tier 1 posts across the 375 councils in England and Wales. In total 41 authorities shared a Chief Executive (including one instance where three authorities were sharing), 3 authorities had replaced the Chief Executive post with two Executive Directors, and 331 authorities had a single Chief Executive.

The grossed median annual basic pay for Tier 1 posts in 2014/15 was £122,210 which varied from £175,313 in London Boroughs to £106,800 in Shire Districts as shown in Table 1.

**Table 1: Tier 1 grossed pay by type of authority 2010/11 and 2014/15**

	Median (£) 2014/15	Median (£) 2010/11	% change
English Unitary	147,489	160,000	-7.8%
London Borough	175,313	187,613	-6.6%
Met District	160,000	165,425	-3.3%
Shire County	173,643	184,228	-5.7%
Shire District	106,800	109,260	-2.3%
Welsh Unitary	127,642	131,645	-3.0%
<b>Total</b>	<b>122,210</b>	<b>129,092</b>	<b>-5.3%</b>

The impact that authority types has on regional averages should be noted. For example, the high concentration of Shire Districts in the South East results in a lower regional average than for example, the North East. In Table 2 we have split the regional data by Shire County/ single tier and Shire District.

Median pay for Tier 1 posts in Shire County/ single tier authorities is highest in London (£175,313), closely followed by East Midlands (£173,528) and East of England (£171,700). The lowest pay is in Wales (£127,642) and the North East (£149,373).

Median pay for Tier 1 posts in Shire Districts is highest in East of England (£106,727) and lowest in Yorkshire and Humber (£93,000).



**Table 2: Tier 1 average pay by region and single tier/county and shire district**

	Region	Lower Quartile (£)	Median (£)	Upper Quartile (£)	Inter - Quartile Range (£)
Shire County/Single Tier	East Midlands	158,692	173,528	177,483	18,791
	East of England	147,033	171,700	180,000	32,967
	London	164,634	175,313	188,978	24,344
	North East	145,112	149,373	159,874	14,762
	North West	142,157	158,820	170,000	27,843
	South East	141,285	150,701	176,902	35,617
	South West	137,175	150,000	159,409	22,234
	Wales	111,100	127,642	140,000	28,900
	West Midlands	139,000	166,433	182,500	43,500
	Yorkshire and Humber	142,188	160,000	175,190	33,002
Shire District	East Midlands	104,660	106,819	108,244	3,584
	East of England	106,727	110,924	122,773	16,046
	North West	93,840	101,511	106,000	12,160
	South East	105,705	107,492	111,332	5,627
	South West	88,257	103,224	110,000	21,743
	West Midlands	94,690	104,308	107,574	12,884
	Yorkshire and Humber	93,000	104,460	105,757	12,757

The full Senior Pay Report is only available to **Epaycheck** subscribers. To register for the **Epaycheck** service go to [www.epaycheck.org.uk/register](http://www.epaycheck.org.uk/register) or contact your Regional Employers' Organisation.

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This **Epaycheck** report is produced in partnership with the

