



working together

## Localism Act 2011

# Pay Policy Statement 2019/20

February 2019

## **Pay Policy Statement 2019/20**

### **Introduction and Purpose**

Under section 112 of the Local Government Act 1972, Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011 as amended. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay and conditions of its employees.

Once approved by full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

### **Legislative Framework**

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes:-

- The Equality Act 2010
- The Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000
- The Agency Workers Regulations 2010, and where relevant
- The Transfer of Undertakings (Protection of Employment) Regulations.

With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified.

### **Pay Structure**

The Council concluded its negotiations toward a Single Status Agreement during 2010. The details of the Agreement covering all employees within the scope of the National Joint Council (NJC) for Local Government Services (“Green Book”) were agreed at Council on 28 September 2010. The Agreement to not introduce structural changes to existing pay levels at the time gained the overwhelming support of Council, employees and trade unions who accepted that following receipt of expert independent advice the Council’s pay structure was in fact non-discriminatory. The Agreement introduced a harmonised set of terms and conditions for all Council employees with effect from 1 October 2010.

As at 1 October 2010, the minimum and maximum rates of pay of employees within scope of the Single Status Agreement remained unchanged and are based on either the national pay spine and/or locally negotiated rates of pay or national minimum wage legislation, including Apprentice rates of pay as appropriate dependent on age.

On 26 November 2013 Council approved the harmonisation of pay awards across the Council. With effect from 1 April 2013, all employees (other than those covered by the national minimum wage and other Government set rates of pay) will receive

annual pay awards in line with the NJC for Local Government Services (Green Book).

The national pay spine and local pay grades are set out at **ANNEX 1**. Salaries information contained within the report, Appendix and Annex are based on the outcome of implementing locally the pay award for National Joint Council (NJC) for Local Government Services (Green Book) which applies to all employees of the Council from 1 April 2019.

The Council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated.

In order to future proof the Council's pay and grading structure from an equalities standpoint and following negotiation with local and regional trade unions and taking account of expert independent advice a revised non-discriminatory pay and grading structure was implemented for any new or revised job roles on or after 1 October 2010, as set out at **ANNEX 2**. Any future decision as to the grading of job roles is now determined by reference to the NJC Job Evaluation Scheme as adopted by the Council.

With the exception of progression through any incremental scale of any relevant grade being subject to overall satisfactory performance, the level of remuneration is not variable dependent upon the achievement of defined targets. There is in addition the provision for the acceleration of increments within any grade in order to take account of changes to duties and responsibilities or outstanding contribution.

All other pay related allowances are the subject of either national and/or local determination having been determined from time to time in accordance with national collective bargaining machinery and/or as determined by local negotiation with local trade union representatives.

In determining its pay and grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to be able to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate and to respond to variations in regional or national pay rates. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

### **Local Government Pension Scheme**

Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. In addition the Council operates pensions 'Auto

Enrolment' as required by the Pensions Act 2008. The table below sets out the pension contribution bands which are effective from 1 April 2018. At the date of writing employee pension contribution bands have not been confirmed for 2019/20.

Information is also published on the Staffordshire County Council Pensions home page <https://www.staffspf.org.uk>

<b>Band</b>	<b>Whole-time equivalent pay range</b>	<b>Employee contribution rate (%)</b>
1	Up to £13,700	<b>5.5%</b>
2	£13,701 to £21,400	<b>5.8%</b>
3	£21,401 to £34,700	<b>6.5%</b>
4	£34,701 to £43,900	<b>6.8%</b>
5	£43,901 to £61,300	<b>8.5%</b>
6	£61,301 to £86,800	<b>9.9%</b>
7	£86,801 to £102,200	<b>10.5%</b>
8	£102,201 to £153,300	<b>11.4%</b>
9	£153,301 or more	<b>12.5%</b>

The Employer contribution rates are set by Actuaries advising the Staffordshire Pension Fund and are reviewed on a regular basis in order to ensure the scheme is appropriately funded. The Employer contribution rate for 2019/20 will remain at 16.8%. (Note: the level of employer's contribution is required to be published under S7 of the Accounts and Audit Regulations).

### **Senior Management Remuneration**

The Council has formal agreements in place to share services with other Councils, the major partner being Cannock Chase District Council. A number of senior managers employed by Stafford Borough Council are responsible for the delivery of services to both Stafford Borough and Cannock Chase District Councils so the table below reflects this position as notated.

For the purposes of this statement, senior management means 'chief officers' as defined within S.43 of the Localism Act. The posts falling within the statutory definition are those officers who comprise the senior management team of the Council, report directly to the Chief Executive and whose salary exceeds £50k. The main national conditions of service, which apply to chief officers of the Council and which are incorporated into contracts of employment are those set out in either the Joint National Council for Chief Officers/Chief Executives. Details of their annual salary and other remuneration (excluding on-costs) as at 1<sup>st</sup> April 2019 are set out below:-

<b>Post</b>	<b>Salary (£) (Note 7)</b>	<b>Lease Car or Cash Allowance (Note 8)</b>
Chief Executive (Note 1)	114,079	n/a
Head of Development (Note 2)	75,350	n/a

Head of Operations (Note 3)	75,350	n/a
Head of Human Resources and Property Services (Note 4)	70,740	5638
Head of Law and Administration (Note 5)	63,092	5638
Head of Technology (Note 6)	61,255	5638

Note 1	Single salary pay point inclusive of 'within Borough boundary' business mileage. Additional local annual payment of £6,436 in lieu of National and Local Election Returning Officer Fees.
Note 2	The substantive post is vacant pending recruitment. The post is temporarily being covered via a secondment arrangement. The salary figure reflects the potential maximum FTE salary wef 1 April 2019 within the overall salary range of £63,048 - £75,350. The post receives a local car user allowance of £3,350 pa.
Note 3	The substantive post is vacant pending recruitment. The post is temporarily being covered by the Chief Executive and acting – up arrangements. It is proposed to advertise the position on an interim basis pending a service review. The salary figure reflects the potential maximum FTE salary wef 1 April 2019 within the overall salary range of £63,048 - £75,350. The post receives a local car user allowance of £3,350 pa.
Note 4	Responsible for provision of services to other local authorities
Note 5	Responsible for provision of services and acting as Solicitor and Monitoring Officer for another local authority. The job holder (on a personal basis) reduced working hours from 37 to 30 hours per week following flexible retirement wef 1 December 2013. When the job holder leaves the employment of the Council any future vacancy will revert to a full-time position.
Note 6	Responsible for provision of services to another local authority
Note 7	Salaries reflect 01/04/19 pay award (excluding on-costs).
Note 8	The Council's Lease Car (or equivalent cash allowance) Scheme is closed to new applicants and subject to negotiated personal protection arrangements

The total cost of senior management posts reflects the following structural decisions as set out below:-

- (a) Posts covered by notes 4, 5 and 6 are shared with another Council under joint shared service and management arrangements.
- (b) Note 5 refers to reduced hours of the job holder due to flexible retirement.
- (c) Deletion of two vacant chief officer posts following the transfer of operational responsibility for delivering leisure and culture services to Freedom Leisure (1 December 2017) and subsequent internal restructure.

The pay structure of the senior management team is determined by reference to Hay Job Evaluation, benchmarking of comparable roles and responsibilities and recruitment and retention issues. The Council does not apply any personal bonuses or performance related pay to its chief officers.

## **Additions to Salary of Chief Officers**

In addition to basic salary, other elements of potential 'additional pay' which are taxable and do not solely constitute reimbursement of expenses incurred in the normal course of work are set out below:-

- (a) Lease Car/Cash Allowance - scheme closed. Protected allowances shown in above table. Discretionary locally agreed essential car user allowance of up to £3,350 pa payable as appropriate to assist with recruitment and retention
- (b) Where appropriate and subject to operational circumstances payment for untaken leave is permitted but not guaranteed. This discretionary provision applies to all employees. The purchase of additional leave is also permitted as appropriate
- (c) Recognition Payments (eg honoraria, acting-up payments, ex-gratia payments, salary plussages) - additional payments (as appropriate) are permissible in order to recognise additional duties and responsibilities which occur over and above normal contractual arrangements. The provision of such payment is available to all Council employees.

## **Recruitment of Chief Officers**

The Council's policy and procedures with regard to recruitment of chief officers is set out in Section 10, Part 3 of the Council's Constitution which can be found on the Council's website (<http://www.staffordbc.gov.uk/constitution>). When recruiting to any post the Council will take full and proper account of its own Recruitment, and where appropriate Redeployment Policies. This policy does not exclude the possibility of recruiting former Chief Officers either from this Council or any other provided that a valid business case exists to do so. However, such occurrences are unlikely to be approved without a break in continuity of service being affected. This policy does not prevent the Council from any future use of the flexibility within the Local Government Pension Scheme to agree "flexible retirement" where a suitable business case exists. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and as agreed by Council. Where the Council is unable to recruit to a post at the designated grade and/or salary, it will consider the use of temporary market forces supplements in accordance with its relevant policies, or review grades in light of market related information. Any decision as to the remuneration of chief officer posts is to be determined by Council.

Where the Council remains unable to recruit chief officers under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any chief officers engaged under any such arrangements.

## **Payments on Termination (All employees)**

The Councils approach to statutory and discretionary payments on termination of employment of all employees including chief officers prior to reaching normal retirement age is set out in accordance with the Local Government Pension Scheme regulations. For Chief Officers, any other payments falling outside these provisions apart from contractual payments or other delegated matters shall be subject to a formal decision made by full Council or relevant elected members, or committee or panel of elected members with delegated authority to approve such payments.

## **Publication**

Upon approval by full Council, this statement will be published on the Council's Website and Intranet. In addition, for posts where the full time equivalent salary is at least £50,000, the Councils Annual Statement of Accounts includes a note setting out the total amount of:-

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year; (none payable not applicable at SBC)
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination of employment;
- any benefits received that do not fall within the above

## **Pay Relationships**

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement. From time to time, the Council will employ Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under the Government's national minimum wage legislation and pay is dependent on age.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report suggested that no public sector manager can earn more than **20** times the lowest paid person in the organisation. However, the report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.

The 2019/20 national pay award (wef 1 April 2019) provides for a revised minimum spinal column point payable under the Council's formal grading structure of SCP 1 £17,364 (£9.00 per hour). In contrast, the Government's National Living Wage (NLW), the statutory minimum for workers aged 25 and over, will increase to £8.21 per hour from 1 April 2019. Furthermore, the Living Wage Foundation rate outside of London will be £9.00 per hour from 1 April 2019. The Council continues to use

national minimum wage rates as appropriate for casual, temporary and apprentice roles dependent on age on appointment.

The actual pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee (SCP 10 £18,065 (£9.36 per hour)) and the Chief Executive (£114,079) (FTE base salary) **as 1: 6.31** (rounded down), and between the lowest paid employee (SCP 10) and average chief officer (excluding Chief Executive post £69,157) **as 1: 3.83** (rounded up)

The multiple between the median full time equivalent earnings (£21,589) and the Chief Executive **is 1: 5.28** (rounded down) and; between the median full time equivalent earnings (£21,589) and average chief officer (£69,157), **is 1: 3.20** (rounded down)

### **Accountability and Decision Making**

In accordance with the Council's Constitution, Council, and /or Cabinet are responsible for decision making in relation to the recruitment, retention, pay, terms and conditions and severance arrangements in relation to employees of the Council. The Constitution sets out the various delegations to Heads of Service and other bodies within the Council.

<b>SCP</b>	<b>Salary wef 1/4/19 £</b>	<b>Hourly rate £</b>
1	17,364	9.00
2	17,771	9.18
3	18,065	9.36
4	18,426	9.55
5	18,795	9.74
6	19,171	9.94
7	19,554	10.14
8	19,945	10.34
9	20,344	10.54
	20,751	10.76
11	21,166	10.97
12	21,589	11.19
13	22,021	11.41
14	22,462	11.64
15	22,911	11.88
16	23,369	12.11
17	23,836	12.35
18	24,313	12.60
19	24,799	12.85
20	25,295	13.11
21	25,801	13.37
22	26,317	13.64
23	26,999	13.99
24	27,905	14.46
25	28,785	14.92
26	29,636	15.36
27	30,507	15.81
28	31,371	16.26
29	32,029	16.60
30	32,878	17.04
31	33,799	17.52
32	34,788	18.03
33	35,934	18.63
34	36,876	19.11
35	37,849	19.62
36	38,813	20.12
37	39,782	20.62
38	40,760	21.13
39	41,675	21.60
40	42,683	22.12
41	43,662	22.63
42	44,632	23.13
43	45,591	23.63
44	46,756	24.23
45	47,924	24.84
46	49,092	25.45

NB: SCP's shaded not to be used by local agreement wef 1 April 2019

**Grading Structure wef 1 April 2019**

<b>Grade</b>	<b>Spinal Column Points in Grade</b>							
<b>A</b>	1							
<b>B</b>	2	3						
<b>C</b>	3	4	5					
<b>D</b>	5	6	7					
<b>E</b>	7	8	9		11	12		
<b>F</b>	12		14	15		17		19
<b>G</b>	19	20		22	23	24		
<b>H</b>	24	25	26	27	28			
<b>I</b>	28	29	30	31	32			
<b>J</b>	32	33	34	35	36			
<b>K</b>	36	37	38	39	40			
<b>L</b>	40	41	42	43				
<b>M</b>	43	44	45	46				

NB: SCP's shaded not to be used by local agreement wef 1 April 2019