



## PAY POLICY 2015

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## Document Location

This document is held by Tamworth Borough Council, and the document owner is Anica Goodwin.

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## Revision History

Revision Date	Version Control	Summary of changes
17.01.13	2013	Update figures and spinal column points
09.01.14	2014	Reviewed & updated with 2013 pay settlement
10.02.15	2015	Updated following 2015 settlement
04.03.15	2015	Finalised figures based on recommendations of Leader & Appointments & Staffing Committee 26.2.15

## Key Signatories

### Approvals Creation and Major Change

Name	Title	Approved
Appointments & Staffing	Director of Transformation and Corporate Performance	26.02.15
Cabinet	Director of Transformation and Corporate Performance	12.03.15
Full Council	Leader of the Council	17.03.15

## Approval Path

### Major Change

Anica Goodwin

Tony Goodwin

Trade Union Liaison Group

Appointments & Staffing

CMT / Cabinet

Full Council

### Action

Submission

Sponsor

Consultative Group

Approval

Corporate Approval

Council Approval

## Document Review Plans

This document is subject to a scheduled annual review. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

## Distribution

The document will be available on the Intranet and published on our internet site.

## Security Classification

This document is classified as SEC 1 Routine with access restricted to Tamworth Borough Council Staff and business partners.

# PAY POLICY STATEMENT

## Tamworth Borough Council

March 2015

### Introduction and Purpose

Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as 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. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;

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

Once approved by the 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, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) 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 through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role. These are Hay for Chief Officer and Gauge for all other staffing groups.

We also need to take account of recent rulings and case law, including the recent ruling on Holiday Pay, which ensures all employees receive their regular earnings whilst on annual leave.

### Pay Structure

Based on the application of the Job Evaluation process (Pay and Conditions Review); the Council uses the nationally negotiated pay spine (Appendix 2 - National Joint Council for Local Government Services, 2014-16 Pay Scales &

Allowances, Appendix 3 – Joint Negotiating Committee for Chief Officers & Local Authorities, Chief Officers Pay agreement 2014-16) as the basis for its local grading structure (Appendix 4). This determines the salaries of all of its employees. 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 the pay spine.

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 and/or as determined by Council Policy. Additional Payments Policy and Other Payments Policy specify such payments that may be made.

In determining its 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 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. 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. From 1<sup>st</sup> April 2015 the Council intends that no employee will be subject to such a payment, but retains the right within the Pay Policy to justify such a payment where necessary. The Council will ensure the requirement for such a payment (taking into account whole package comparisons) 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 in line with the Council's Market Supplement Policy.

### **Recruitment of Chief Officers**

The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as detailed in Part 4 / D55 of the Constitution. When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Recruitment and Selection, Employment Stability and Re-engagement Policies. 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. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies where this is appropriate.

Where the Council remains unable to recruit chief officers under a contract of service, 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 such arrangements.

### Senior Management Remuneration

For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary and allowances as at 1<sup>st</sup> April 2015

Job Type / Allowance	Scale Pt	Salary	Car Allowance	Health Shield
Chief Executive	100	107,188.40	1,239.00	99.24
Deputy Register of Electors Allowance		1,336.00		
Deputy Head of Paid Service Responsibility		1,836.00		
Executive Director	CD4	82,399.00	1,239.00	99.24
Returning Officer		2,671.00		
Director	D9	73,578.00	1,239.00	99.24
Director	D9	73,578.00	1,239.00	99.24
"O" Licence Allowance		3,679.00	1,239.00	99.24
Director	D9	73,578.00	1,239.00	99.24
Director	D9	73,578.00	1,239.00	99.24
Director	D9	73,578.00	1,239.00	99.24
Director	D5	67,334.00	963.00	99.24
Solicitor & Monitoring Officer	D5	65,373.00	1,239.00	99.24
Head of Landlord Services	SM4	58,014.00	963.00	99.24

### Additions to Salary of Chief Officers

The Council does not apply any bonuses or performance related pay to its chief officers.

In addition to basic salary, set out in the above table are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfillment of duties.

In terms of additional statutory appointments the Representation of the People Act 1983 requires the Council to appoint an Electoral Registration Officer and

a Returning Officer in order to fulfil the authority's duties carrying out the electoral registration and elections process. The appointed officer receives an annual remuneration calculated according to the number of registered electors. For the year commencing 1 April 2015 the annual payment will be £890.00. The payment is subject to income tax, national insurance and superannuation. In addition, the aforesaid officer can appoint in terms of the legislation Deputy Returning Officer(s) to assist with the election process, any payments made to such deputies are at the discretion of the statutory appointee, such payments are not superannuable.

**Returning Officer/Registration of Electors duties** are determined by Electoral Registration Officer Section 8 Representation of the People Act 1983 and Returning Officer Section 35 Representation of the People Act 1983. They are based on the size of the electorate multiplied by a figure set by County Council on an annual basis.

**Deputy Head of Paid Service Responsibility Allowance** is payable for duties undertaken in the absence of the Head of Paid Service. These are set by members on an annual basis.

**Essential Car User Allowances** as determined by the Council's Travel and Subsistence Policy and reviewed and updated in line with NJC rates.

**License Payments** are made in line with the Council's Additional Payments Policy – License Holder Payments approved as part of the Pay & Conditions Review 2007. The "O" License is for Vehicle Certificate of General Competence.

With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, which is assessed on an annual basis, the level of remuneration is not variable dependent upon the achievement of defined targets.

#### **Payments on Termination**

The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. We have chosen not to adopt Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

Any other payments falling outside the provisions (such as Settlement Agreements) or the relevant periods of contractual notice shall be subject to a formal decision made by the Head of Paid Service and Directors with delegated authority to approve such payments. These must be notified to members.

## Publication

Upon approval by the full Council, this statement will be published on the Council's Website. In addition, for senior employee\* posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include 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 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;
- any benefits received that do not fall within the above – including contribution to the person's pension

\* As defined by in the Accounts & Audit (England) Regulations 2011

## Lowest Paid Employees

The lowest paid persons employed under a contract of employment with the Council are employed on full time 37 hours equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1<sup>st</sup> January 2015, this is spinal column point 5, **£13,500** per annum until 1<sup>st</sup> October 2015, when the lowest spinal column point will be spinal column point 6 **£13,614**. The Council employs Apprentices or other such categories of workers who are not included within the definition of 'lowest paid employees' as they are employed under the National Minimum Wage for Apprentices.

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.

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 was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. 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, which for Tamworth is currently **£20,253.00 (£24,472 excluding casual employees)**.

The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee and the Chief Executive as **1:7.9** (excluding allowances) and; between the lowest paid employee and average chief officer as **1:5.3**. The multiple between the median average full time

equivalent earnings and the Chief Executive is **1:5.3 (1:4.4 excluding casual employees)** and; between the median average full time equivalent earnings and average chief officer as **1:3.5** (this excludes the Chief Executive and is 1:2.9 excluding casual employees) .

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

### **Accountability and Decision Making**

In accordance with the Constitution of the Council, the Appointments and Staffing Committee are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

Where appropriate these may be delegated to the Head of Paid Service and Directors under the scheme of delegation.

### **Amendments to the Policy**

This statement may be amended during the course of a financial year to reflect changes or developments in the authority's pay policy. However, section 39(5) of the Act requires that amendments can only be made by resolution of the full council and that any amended statement must be published as soon as is reasonably practicable.



## Equality Impact Assessment

Is this a new or existing policy?	Existing		
1. Briefly describe the aims, objectives and purpose of the policy?	To provide clear and transparent guidance of how TBC Pay Policies interrelate and are formally approved by the full Council		
2. Are there any associated policy/ procedure/ practice which should be considered whilst carrying out this equality impact assessment?	All TBC Pay & Conditions Policies, NJC pay spines, Council Constitution		
3. Who is intended to benefit from this policy and in what way?	The general public in having clear visibility on how Local Government Pay is determined		
4. What are the desired outcomes from this policy?	Transparency		
5. What factors/ forces could contribute/ detract from the outcomes?	Ability to make payments to staff and chief officers		
6. Who are the main stakeholders in relation to the policy?	Trades unions all employees and Chief Officers		
7. Which individuals/ groups have been/ will be consulted with on this policy?	TULG, CMT, Members		
8. Are there concerns that the policy <u>could</u> have a differential impact on racial groups?	Y		Biennial review to assess any adverse impact on this group.
9. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to gender?	Y		Biennial review to assess any adverse impact on this group.
10. Are there concerns that the policy <u>could</u> have a differential impact due to them being transgender or transsexual?		N	Please explain
11. Are there concerns that the policy <u>could</u> have a differential impact due to disability?	Y		Biennial review to assess any adverse impact on this group.
12. Are there concerns that the policy <u>could</u> have a differential impact due to sexual orientation?		N	Please explain
13. Are there concerns that the policy <u>could</u> have a differential impact due to age?	Y		Biennial review to assess any adverse impact on this group.
14. Are there concerns that the policy <u>could</u> have a differential impact due to religious belief?		N	Please explain
15. Are there concerns that the policy <u>could</u> have a differential impact on Gypsies/ Travellers?		N	Please explain
16. Are there concerns that the policy <u>could</u> have a differential impact due to dependant/caring responsibilities?		N	Please explain
17. Are there concerns that the policy <u>could</u> have a differential impact due to them having an		N	Please explain

<b>offending past?</b>			
<b>18. Are there concerns that the policy could have an impact on children or vulnerable adults?</b>		<b>N</b>	<b>Please explain</b>
<b>19. Does any of the differential impact identified cut across the equality strands (e.g. elder BME groups)?</b>		<b>N</b>	<b>Please explain</b>
<b>20. Could the differential impact identified in 8 – 19 amount to there being the potential for adverse impact in this policy/ procedure/ practice?</b>		<b>N</b>	<b>Please explain</b>
<b>21. Can this adverse impact be justified:</b> <ul style="list-style-type: none"> <li>• on the grounds of promoting equality of opportunity for one group?</li> <li>• For any other reason?</li> </ul>			<b>Please explain</b>
<b>22. As a result of carrying out the equality impact assessment is there a requirement for further consultation?</b>		<b>N</b>	<b>Please explain</b>
<b>23. As a result of this EIA should this policy be recommended for implementation in its current state?</b>	<b>Y</b>		<b>Please explain</b>

**PLEASE COMPLETE THE FOLLOWING ACTION PLAN FOR ALL IMPACT ASSESSMENTS**  
**Equality Impact Assessment Action Plan**

Complete the action plan demonstrating the changes required in order to meet TBC's commitment to equality and diversity. The action plan must contain monitoring arrangements, the publishing of results and the review period required for this policy.

<b>ACTION/ ACTIVITY</b>	<b>RESPONSIBILITY</b>	<b>TARGET</b>	<b>PROGRESS</b>
Pay Review	Head of Organisational Development	31 <sup>st</sup> December 2013	Completed as part of Workforce Development Plan
	Head of Organisational Development	31 <sup>st</sup> December 2014	Equal Pay Review carried out
		31 <sup>st</sup> January 2016	
<b>Monitoring arrangements:</b>		Data collected 6 monthly	reports and updates to CMT/ Appts & Staffing Committee
<b>Publication:</b>		Internet and Intranet	
<b>Review Period:</b>		Reviewed annually	

End of Document

Classified: SEC1 Routine

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