



PAY POLICY STATEMENT 2018

Document Status: Final

Document Ref: HRPP2018

Originator: Zoe Wolicki

Owner: Anica Goodwin

Version: 01.01.09

Date: April 18

For Approval by Appointments and Staffing /Full Council

Classification: SEC1 - Routine

Document Location

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

Printed documents may be obsolete; an electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

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
17.02.16	2016	Reviewed & Updated
16.02.17	2017	Reviewed and updated
20.03.17	2017 final	Finalised for Full Council Approval
13.04.18	2018	New format, reviewed information and updated with 2018 pay settlement Addition of gender pay information

Key Signatories

Approvals Creation and Major Change

Name	Title	Approved
Appointments & Staffing	Head of Paid Service	
Full Council	Leader of the Council	

Approval Path

Major Change

Anica Goodwin

Andrew Barratt

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.

1. Purpose and Scope of the Policy Statement

- 1.1 Section 38 (1) of the Localism Act 2011 requires the Council to prepare an Annual Pay Policy Statement.
- 1.2 The purpose of this statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying:
- The detail and level of salary for each of the Chief Officers as defined by relevant legislation
 - The salary of the lowest paid employee
 - The relationship between the salaries of Chief Officers and other employees
 - The methods by which salaries and grades of employees are determined
 - The committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the council and recommending any amendments to full council
- 1.3 In determining the pay of all of its employees, the Council will comply with all relevant employment legislation. This includes the:
- Equality Act 2010 (incorporating the Gender Pay Gap Regulations 2017)
 - Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000,
 - Agency Workers Regulations 2010 and
 - Transfer of Undertakings (Protection of Earnings) Regulations 2006
 - National Minimum Wage (Amendment) Regulations 2018
- 1.4 This Pay Policy Statement applies to the Council's Chief Officers. It addresses the legal requirement to set out how pay is determined for this group. This includes the following posts within Tamworth Borough Council:
- Chief Operating Officer
 - Head of Paid Service
 - Directors
- 1.5 This Pay Policy Statement is a supplement to Tamworth Borough Council's overarching pay and associated policies which form part of the terms and conditions of employees. These include but are *not limited to*:
- Tamworth Borough Council Pay Policy
 - Job Evaluation Scheme
 - NJC Terms and Conditions of Employment (Green Book) JNC Terms and Conditions for Chief Executives
 - JNC Terms and Conditions for Chief Officers (Directors within Tamworth Borough Council are appointed to these Terms and Conditions).
 - Honorarium Policy
 - Travel, Subsistence & Expenses Policy
 - Market Supplement Policy
 - Flexible retirement Policy
 - Additional Payments Policy
 - Other Payments Policy
 - Augmented Payments Policy
 - Employer Pension Discretion Policy
- 1.6 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.

2. Arrangements for Officer Pay

- 2.1 The general terms and conditions of employment are governed by the following national agreements:
- Chief Operating Officer, Head of Paid Service, Executive Directors and Directors - JNC for Chief Officers of Local Authorities,
 - All other Employee Groups - NJC for Local Government Services
- 2.2 The Council uses two forms of Job Evaluation to identify officer pay. This is either through the Council's Gauge Job Evaluation Scheme or the Hay Evaluation Scheme. The Hay Job Evaluation scheme is used to evaluate the following roles within the Council.
- Chief Operating Officer
 - Head of Paid Service
 - Executive Directors and Directors
 - Heads of Service are evaluated under Gauge and Hay (this is due to the cross over point of the two schemes).
- All other posts within the Council are evaluated under the Gauge evaluation scheme in accordance with the agreed policies.
- 2.3 Based on the application of the relevant Job Evaluation process; the Council uses the nationally negotiated pay spine as the basis for its local grading structure. 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 within this. On 11th April 2018 Unions agreed a two year pay award with Local Government Employers at a national level for those staff covered by the National Joint Council which will last for the duration of this policy period. Within the 2018/19 financial year the Council will review the pay structure to protect the integrity of the Council's job evaluation scheme in the context of proposed increases to the NLW and the subsequent impact on other grades. **Appendix 1** details the Council's pay scales for 1st April 2018 to 31st March 2019.
- 2.4 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.
- 2.5 The Chief Operating Officer and Head of Paid Service under the general scheme of delegation within the Council will determine the terms and conditions of employment of all officers.
- 2.6 The Council also recognizes that it may need to make additional payments to individuals taking on temporary assignments and responsibilities under the scope of the Council's Review of Grade/ Honorarium Policy. Where the level of remuneration cannot be determined using the job evaluation framework, this may be a discretionary payment of either one or two spinal column points. The Council retains the right to make payments not set within the pay scale, where these can be objectively justified.
- 2.7 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. The Additional Payments Policy and Other Payments Policy specify such payments that may be made.

- 2.8 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 the Council 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. One officer currently is in receipt of such a payment.
- 2.9 Additional payments are made to any Council Officers who act as Returning Officers and carry out duties at elections. These payments are calculated according to the approved scale or set by a government department depending on the nature of the election. For the year commencing 1st April 2018 the annual payment will be £2758.52, in addition the Deputy Returning Officer receives 70% of this payment.
- 2.10 New appointments will normally be made at the lowest point of the relevant grade, although this can be varied where necessary to secure the best candidate with approval from the Head of Paid Service.
- 2.11 Tamworth Borough Council employees enjoy the benefit of a company paid healthcare cash plan at a cost of £10.95 per month per employee.
- 2.12 In exceptional circumstances the Council may make a payment to an individual under a Settlement Agreement. Such agreements protect the Council where there is a risk of compensation and/or damages claim, which could have high financial impact and/or damage the Council's reputation. Payments for all officers would be authorised by the Head of Paid Service. In the event a Settlement Agreement involving the Chief Operating Officer, the decision would be made by Full Council

3. Chief Officer Remuneration

- 3.1 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 1st April 2018. Pay award negotiations for JNC Chief Officers continue as the Unions have rejected the initial offer of 1% made.

Job Type / Allowance	Scale Point	Salary	Car Allowance
Chief Operating Officer	CD4	£84,055.80	£963.00
Honoraria		£15,000.00	
“O” License Allowance		£4,202.76	
Head of Paid Service	D9	£75,057.00	£963.00
Honoraria		£12,000.00	
Executive Director	CD4	£84,055.80	£1,239.00
Returning Officer Allowance		£2,758.56	
Responsibility Allowance		£1,836.00	
Executive Director	CD4	£84,055.80	£1,239.00
Director	D9	£75,057.00	£1,239.00
Director	D6	£68,687.16	£1,239.00
Deputy Returning Officer Allowance		£1,930.99	
Director	D6	£68,687.16	£963.00

4. Additions to Salary of Chief Officers

- 4.1 In the event that a Chief Officer vacancy is covered by the distribution of duties to other Chief Officers augmented payments will be made.
- 4.2 The salary details given in **Appendix 1** also provides details of additional payments made to chief officer salaries including:
- The “O” license for Vehicle Certificate of General Competence is paid in line with the Council’s Additional Payments Policy – License Holder Payments as approved in the 2007 Pay and Conditions Review.
 - Essential Car User Allowances as determined by the Council’s Travel, Subsistence & Expenses Policy and reviewed and updated in line with NJC rates.
 - Honoraria in line with the Council’s honorarium policy.
 - 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.
- 4.3 The council does not apply any bonuses or performance related pay to its Chief Officers.

5. Relationship between the Remuneration of Chief Officers and others

- 5.1 In comparing the Chief Operating Officer pay with the wider workforce the Council will use the following definitions:
- The lowest-paid employee: the employee or group of employees with the lowest salary (full-time equivalent) employed by the Council at the date of assessment.
 - The median: the mid -point salary when full-time equivalent salaries are arranged in order of size (highest to lowest). Based on salary levels of staff on the date of assessment.
 - This excludes those employed on casual contracts of employment, but includes part time employees where their salaries are normalised to the full-time equivalent. It also excludes Apprentices who are employed on the Tamworth Borough Council apprentice pay grade.

Statutory guidance recommends that the most appropriate metric for measuring the relationship between pay rates as a multiple of Chief Executive pay to median salary. Tracking this multiple will allow the Council to ensure that public services are accountable for the relationship between top pay and that paid to the wider workforce.

	Annual Salary	Ratio to Highest
Highest Salary	£99,055.80	
Median (Mid-point) value	£23,111	1:4.3
Lowest full time salary	£16,394	1:6

6. **Lowest Paid Employee**

- 6.1 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 1st April 2018, the lowest spinal column point is spinal column point 6, **£16,394**.

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 Age Related National Minimum Wage

From 1st April 2018 the National Minimum Wage rates paid are:

25 and over	21 to 24	18 to 20	Under 18	Apprentice
£7.83	£7.38	£5.90	£4.20	£3.70

7. **Recruitment of Chief Officers**

- 7.1 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 / Schedule 8 of the Constitution. When recruiting to all posts the Council will take full and proper account of its own Equality and Diversity, 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.
- 7.2 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 utilize engaging individuals under 'contracts for service' (subject to the relevant tests for compliance with IR35 Intermediaries Regulations). 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.

8. **Payments on Termination - Chief Officers**

- 8.1 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.
- 8.2 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.
- 8.3 When the Enterprise Act 2016 (Commencement No. 2) Regulations 2017 are implemented the Council will ensure the cap on Exit Payments is observed.

9. Gender Pay Gap Reporting

- 9.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require Tamworth Borough Council to calculate and publish the pay gap between male and female employees each year. The first set of data is based on the pay situation as at 31st March 2017 and is published on the Tamworth Borough Council's and the Government's website. The Pay Gap Report is included as part of this policy, see **Appendix 2** - Gender Pay Gap Report 2017.

10. Accountability and Decision Making

- 10.1 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.

11. Publication

- 11.1 Once approved by Full Council, this policy statement and any subsequent amendment will be published on the Council's website. Human Resources will be responsible for the annual review to ensure an accurate pay policy is published ahead of each financial year.
- 11.2 In accordance with the Code of Practice on Local Authority Accounting, the annual Statement of Accounts must include pay details of Senior Officers (as defined by the Accounts and Audit (England) Regulations 2011) where the salary is above £50,000 per annum. The following aspects must be included:
- 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

Appendix 1**Tamworth Borough Council Pay Scales 2018****(including the agreed pay award of at least 2% for all employees covered by the NJC agreement)****(The pay award for JNC Chief Executives and Chief Officers remains unsettled at this time)**

<u>Grade</u>	<u>Points</u>	<u>S.C.P.</u>	<u>Hourly Rate</u>	<u>Annual Salary</u>
		-	-	-
1	0-268	6	8.50	16394
2	269-	7	8.55	16495
	311	8	8.62	16626
		9	8.68	16755
		10	8.74	16863
		11	8.82	17007
3	312-	12	8.90	17173
	340	13	9.01	17391
		14	9.16	17681
		15	9.32	17972
		16	9.50	18319
		17	9.68	18672
4	341-	18	9.78	18870
	395	19	10.08	19446
		20	10.27	19819
		21	10.65	20541
		22	10.92	21074
5	396-	23	11.24	21693
	448	24	11.61	22401
		25	11.98	23111
		26	12.37	23866
		27	12.78	24657
		28	13.20	25463
6	449-	29	13.72	26470
	498	30	14.18	27358
		31	14.63	28221
		32	15.06	29055
		33	15.50	29909
		34	15.94	30756
7	499-	35	16.28	31401
	559	36	16.71	32233
		37	17.18	33136
		38	17.68	34106
8	560-	39	18.26	35229
	614	40	18.74	36153
		41	19.23	37107
		42	19.72	38052

9	615-	45	21.18	40858
	850	46	21.69	41846
		47	22.19	42806
		48	22.68	43757
		49	23.17	44697
10	700 (Guage 550 - 611 (HAY))	50	23.75	45814
		51	24.35	46976
		52	24.95	48133
Snr Mgt	612 - 635 (HAY)	SM1	28.28	54560
		SM2	29.18	56302
		SM3	30.09	58043
		SM4	31.29	60364
DIR1	636 - 701 (HAY)	D1	30.32	58498
		D2	31.20	60200
		D3	32.38	62474
		D4	33.56	64744
DIR2	702 - 774 (HAY)	D4	33.56	64744
		D5	34.57	66687
		D6	35.60	68687
DIR3	775-923 (HAY)	D7	36.67	70748
		D8	37.77	72870
		D9	38.90	75057
Exec Dir	924 - 964 (HAY)	CD2	41.21	79510
		CD3	42.39	81781
		CD4	43.57	84055
Chief Exec	1182 (HAY)	100	58.63	113120

Appendix 2 - Gender Pay Gap Report**Gender Pay Gap Report****March 2018****Background**

From April 2017, Employers with 250 or more employees are required to publish information each year to show the difference in average pay between male and female employees. All of the information in this report is based on salary data at a 'snapshot' date of 31st March 2017.

The gender pay gap report must set out the Council's results in relation to 6 calculations:

Mean Gender Pay Gap	The difference between the mean hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees
Median Gender Pay Gap	The difference between the median hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees
Mean Bonus Gap	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
Median Bonus Gap	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
Bonus proportions	The proportions of male and female relevant employees who were paid bonus during the relevant period
Quartile Pay	The proportions of male and female full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

The council must publish its result both on its own website and the government gender pay gap service website all results for the snapshot date of 31st March 2017 can be found on the link below:

<https://gender-pay-gap.service.gov.uk/Viewing/search-results?p=1&search=&y=2017>

The data analysed relates to all employees of Tamworth Borough Council employed in temporary or permanent contracts on the reporting snapshot date (known as relevant employees). It includes those under an apprenticeship or contract to provide a service which falls under the IR35 regulations. Pay is based on ordinary pay which includes basic pay (hourly rate), contractual enhancements (such as stand by or essential car user) and sick pay. Pay excludes expenses, overtime pay, pay in lieu of leave, benefits in kind and redundancy pay.

Gender Pay Gap Outcomes

The results of the 6 required calculations are outlined below, based on data for the snapshot date of 31st March 2017.

Gender	Full-Pay Relevant Employee Count
Female	214
Male	132
Total	346

Mean Gender Pay Gap

The mean (average) gender pay gap is the difference between the mean hourly pay rate of relevant male employees and that of relevant female employees as a percentage of men's earnings.

Gender	Mean Hourly Rate
Female	13.11
Male	14.79
Mean Average	13.75

Therefore in TBC the hourly rate for women is **11.37%** lower than for men.

Median Gender Pay Gap

The median (middle value) gender pay gap is the difference between the median hourly pay rate of relevant male employees and that of relevant female employees as a percentage of men's earnings.

Gender	Median Hourly Pay
Female	12.18
Male	12.97
Average	12.8

Therefore in TBC the hourly rate for women is **6.05%** lower than for men.

Bonus Pay Gap

Tamworth Borough Council do not pay bonus payments to employees in line with the criteria within the scope of the data requirements and therefore we are unable to report on this element.

Quartile Pay Bands

The proportions and male and female relevant employees in the four quartiles

	No Employees	No Female	No Male	% Female	% Male
Lower Quartile	61	47	14	77.05%	22.95%
Lower Middle Quartile	109	65	44	59.63%	40.37%
Upper Middle Quartile	103	66	37	64.08%	35.92%
Upper Quartile	73	36	37	49.32%	50.68%

It should be noted that in all but the upper quartile we have a significantly higher percentage of female employees than male employees and the upper quartile is evenly balanced in terms of gender. It is therefore concluded that as our pay gap is 11% that we do have some work to do to redress the balance especially as we have a ratio of 1.62 female employees to every male employee.

Comparison to other organisations

The table below shows ONS data detailing the sector gender pay gap for 2017. TBC's gender pay gap is **significantly** lower than the national averages for both public and private sector organisations.

A		B	C	D
Table 13.12 Gender pay gap (%)[^] - For all employee jobs^{^^}: United Kingdom, 2017				
Description [*]	Code	Gender pay gap median	Gender pay gap mean	
Public sector		19.4	17.7	
Private sector		23.7	21.1	
Non-profit body or mutual association		22.1	19.4	
Not classified		8	34.6	

^{*} Gender pay gap defined as the difference between men's and women's hourly earnings as a percentage of men's earnings.

^{^^} Employees on adult rates whose pay for the survey pay-period was not affected by absence.

Source: Annual Survey of Hours and Earnings, Office for National Statistics.

Our Next Steps

1. Develop an action plan which endeavours to improve our gender pay gap to support our diversity and equality action plan.
2. Include the gender pay gap details and action plan in our annual pay policy.
3. Review our Diversity and Equality scheme to take into account gender pay gap issues.
4. Calculate the gender pay gap for the snapshot date of 31st March 2018 by 31st May 2018.