

PAY POLICY STATEMENT 2019

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**For Approval by Full Council**

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**Document Location**

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**Revision History**

<b>Revision Date</b>	<b>Version Control</b>	<b>Summary of changes</b>
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
04.04.19	2019	Reviewed information and updated with 2019 new grade structure and gender pay information

**Key Signatories****Approvals Creation and Major Change**

<b>Name</b>	<b>Title</b>	<b>Approved</b>
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 Executive
  - Executive Directors
  - Assistant 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 (Executive Directors & Assistant 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 Executive, Executive Directors and Assistant 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 Executive
  - Executive Directors and Assistant 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. In 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. In order to meet the requirements of the two year agreement it was necessary to review the Council's grade structure to protect the integrity of the Council's job evaluation scheme in the context of proposed increases to the National Living Wage (NLW) and the subsequent impact on other grades.
- 2.4 A thorough review of the council's grade structure for employees subject to NJC conditions was approved in March 2019. **Appendix 1** details the Council's pay scales for 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 alongside those for 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 to demonstrate the changes made to the grading structure.
- 2.5 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.
- 2.6 The Executive Director Organisation (Head of Paid Service) under the general scheme of delegation within the Council will determine the terms and conditions of employment of all officers.
- 2.7 The Council also recognises 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 (SCP). The Council retains the right to make payments not set within the pay scale, where these can be objectively justified.

- 2.8 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.
- 2.9 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. The Council has no officers in receipt of such payment.
- 2.10 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 1<sup>st</sup> April 2019 the annual payment will be £2758.52, in addition 70% of this amount is paid to the Deputy Returning Officer.
- 2.11 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 and will be subject to an equality impact assessment. Employees who transfer within the organisation to a job of the same grade will transfer on their current SCP.
- 2.12 Tamworth Borough Council employees enjoy the benefit of a company paid healthcare cash plan at a cost of £10.95 per month per employee.
- 2.13 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 Executive or Head of Paid Service, 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 1<sup>st</sup> April 2019. In July 2018 a two year pay award for JNC Chief Officers was made at 2% of individual basic salaries for the years commencing 1<sup>st</sup> April 2018 and 1<sup>st</sup> April 2019.

<b>Job Type / Allowance</b>	<b>Scale Point</b>	<b>Salary</b>	<b>Car Allowance</b>
<b>Chief Executive</b> Returning Officer Fee	Chief Exec	£114240.00 £2758.56	£963.00
<b>Executive Director, Head of Paid Service and Deputy Chief Executive</b>	EX1	£93840.00	£963.00
<b>Executive Director</b> Responsibility Allowance (S151)	EX2	£88740.00 £0.00	£1239.00
<b>Executive Director</b>	EX2	£88740.00	£1239.00
<b>Assistant Director</b>	AD4	£66300.00	£963.00
<b>Assistant Director</b>	AD3	£64260.00	£963.00
<b>Assistant Director</b>	AD2	£62730.00	£963.00
<b>Assistant Director</b>	AD2	£62730.00	£963.00
<b>Assistant Director</b>	AD2	£62730.00	£1239.00
<b>Assistant Director</b>	AD2	£62730.00	£1239.00
<b>Assistant Director</b>	AD2	£62730.00	£1239.00

#### 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 **3.1** also provides details of additional payments made to chief officer salaries including:
- Essential Car User Allowances as determined by the Council’s Travel, Subsistence & Expenses Policy and reviewed and updated in line with NJC rates.
  - 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 has introduced performance related incremental rises for the 7 Assistant Directors, who were appointed in June 2018.
- 4.4 The council does not apply any bonuses to its Chief Officers.

#### 5. Relationship between the Remuneration of Chief Officers and others

- 5.1 In comparing the Chief Executive 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, which mirrors age related national minimum wage.

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	114,240	
Median (Mid-point) value	23,836	<b>1:4.8</b>
Lowest full time salary	17,364	<b>1:6.6</b>

## 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 1<sup>st</sup> April 2019, the lowest spinal column point is spinal column point 1 (£17,364).

The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are paid the age related National Minimum Wage. From 1st April 2019 the National Minimum Wage rates paid are:

25 and over	21 to 24	18 to 20	Under 18	Apprentice
£8.21	£7.70	£6.15	£4.35	£3.90

## 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 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 Chief Executive and Head of Paid Service with delegated authority to approve such payments.



## **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 data is based on the pay situation as at 31<sup>st</sup> March 2018 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 and is attached at **Appendix 2**.

## **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 employment policies including recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council. Where appropriate implementation of these policies may be delegated to the Chief Executive and Head of Paid Service 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 each financial year and that the Council remains compliant with legislation.

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

The Council complies with this requirement and publishes the data on the Tamworth Borough Council website.

Grade Structure until 31/03/2019			Grade Structure from 01/04/2019			
Grade	Spinal Column Point	Current Annual Salary	Grade	Spinal Column Point	Proposed Annual Salary	% Increase
1	6	16394	A	1	17364	5.92
2	7	16495	B	1	17364	5.27
	8	16626		2	17711	6.53
	9	16755		2	17711	5.71
	10	16863		3	18065	7.13
	11	17007		3	18065	6.22
3	12	17173	C	4	18426	7.3
	13	17391		4	18426	5.95
	14	17681		5	18795	6.3
	15	17972		5	18795	4.58
	16	18319		6	19171	4.65
	17	18672		6	19171	2.67
4	18	18870	D	7	19554	3.62
	19	19446		8	19945	2.57
	20	19819		9	20344	2.65
				10	20751	New scp
	21	20541		11	21166	3.04
	21074		12	21589	2.44	
5	23	21693		13	22021	Delete
	24	22401		14	22462	Delete
				15	22911	Delete
	25	23111		16	23369	Delete
	26	23866	E	17	23836	3.14
	27	24657		18	24313	New scp
				19	24799	3.91
	28	25463		20	25295	2.59
6	29	26470		21	25801	New scp
	30	27358		22	26317	3.35
	31	28221	F	23	26999	2.00
	32	29055		24	27905	2.00
	33	29909		25	28785	2.00
	34	30756		26	29636	2.00
				27	30507	2.00
7	35	31401		28	31371	2.00
	36	32233	G	29	32029	2.00
	37	33136		30	32878	2.00
	38	34106		31	33799	2.00
		32		34788	2.00	
8	39	35229	H	33	35934	2.00
	40	36153		34	36876	2.00
	41	37107		35	37849	2.00
	42	38052		36	38813	2.00
				37	39782	Delete
9	45	40858		38	40760	Delete
	46	41846	I	39	41675	2.00
	47	42806		40	42683	2.00
	48	43757		41	43662	2.00
	49	44697		42	44632	2.00
		43		45591	2.00	
10	50	45814	J	44	46731	2.00
	51	46976		45	47916	2.00
	52	48133		46	49096	2.00