

EAST STAFFORDSHIRE BOROUGH COUNCIL
Pay Policy Statement – 31st March 2016

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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 Cabinet are 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 Workers (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended. 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.

Pay Structure

Based on the application of the Job Evaluation process, the Council's uses the nationally negotiated pay spine as the basis for its local grading structure. This determines the salaries of the large majority of the workforce, together with the use of other nationally defined rates where relevant. There have been no increases in the national pay spine since ~~January 2015~~ April 2009. 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. 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. Progression is by annual increments subject to satisfactory service to the maximum of the grade. Accelerated increments may be given for achievement of relevant qualifications during the course of the employment. 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.

The Council has also employed some apprentices during 2015 at the national apprenticeship rates of pay.

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 as at 1st April 2015⁵⁴:

- a) Chief Executive
The current salary of the post is £120,000. The salary falls within a range of 4 incremental points between £108,000, rising to a maximum of £120,000. This is inclusive of payment for returning officer duties in relation to elections.
- b) Heads of Service
The salaries of posts designated as Head of Service fall within a range of 5 incremental points between £71,400 rising to a maximum of £81,600

The Council has a number of salary sacrifice schemes in place for officers to participate as they wish; details available on request.

As far as the remuneration of Chief Officers are concerned the Council will not enter into any employment payment arrangements that seek to minimize tax payments. I.e. by paying permanent or long term contracts through PAYE.

Recruitment of Chief Officers

The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Rules as set out in [Section 41] of the Constitution. When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities Policy including Recruitment procedures and Redeployment Policy. 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. In accordance with the DCLG supplementary guidance issued in February 2013 any future remuneration packages offered above £100,000 shall be subject to vote at full Council. 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 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.

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 below 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;

Chief Executive and Heads of Service Payment Details

- Fees paid for returning officer duties for referendum are paid separately; these are determined by the statutory instruments for the referendum (the fees order);
- Fees paid for elections duties for Heads of Service are determined by the Returning Officer with regard to any government guidance issued for that election;
- Car mileage reimbursed for business miles, at the rate of 28p/32p/35p/43pp per mile, this is determined by petrol or diesel engine and the cc rating of the car. Gross car insurance is reimbursed subject to a maximum of the NJC Essential Car user lump sum rate.

With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, 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 in its Redundancy Policy. Any payments above £100,000 and any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments in line with our scheme of delegation.

Publication

Upon approval by the full Council, this statement will be published on the Council's Website and is available on request. In addition, for 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 bonuses so paid 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

Lowest Paid Employees

The lowest paid persons are apprentices on the national apprenticeship rate of £3.30 per hour i.e. £6,367 per annum. The next lowest paid persons employed -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 (scp6). As at 31st March 2016⁵, this is £13,614⁵⁰⁰ per annum. 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.

The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee (including apprentices) and the Chief Executive as 1:~~18.84~~⁹ and; between this lowest paid employee and average chief officer as 1:~~12.285.86~~

The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee (excluding apprentices) and the Chief Executive as 1:8.81 and; between this lowest paid employee and average chief officer as 1:5.74

-The multiple between the median (average) full time equivalent earnings and the Chief Executive ~~is~~ 1:6.08 and; between the **median (average) full time equivalent earnings** and average chief officer ~~is~~ 1:~~4~~ ^{3.96}

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, section 4I Officer Employment Rules, full Council is responsible for decision making in relation to the recruitment of the Head of Paid Service. The pay, terms and conditions and severance arrangements in relation to the Head of Paid Service is determined by the Leader of the Council, so long as this is within existing policy and budgets; otherwise the decision will be taken by full Council. In accordance with the DCLG supplementary guidance issued in February 2013 any future appointments offered above £100,000 shall be subject to vote at full Council; as will any approval of severance packages above £100,000. The appointment, pay, terms and conditions and severance arrangements in relation to Heads of Service and below is the responsibility of the Chief Executive (i.e. the Head of Paid Service), or Heads of Service (for officers below their level) and is not be made by Councilors. This is in line with the Constitution – Appendix 4I Officer Employment Rules. Recruitment decisions may be made by officers delegated by the Chief Executive or Head of Service.