PART A – SUMMARY REPORT

1. SUMMARY OF PROPOSALS

1.1 The Council is required to prepare a Pay Policy Statement for each financial year and the proposed Pay Policy Statement for 2020/21 is attached in appendix A.

2. RECOMMENDATIONS

2.1 That Council, approve the Pay Policy Statement 2020/21 (appendix A)

3. SUMMARY IMPACT ASSESSMENT

<table>
<thead>
<tr>
<th>POLICY/COMMUNITY IMPACT</th>
<th>Do these proposals contribute to specific Council Plan objectives?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Has an Equality Impact Assessment (EqIA) been completed?</td>
</tr>
<tr>
<td></td>
<td>No                     There are no material policy changes</td>
</tr>
<tr>
<td>SCRUTINY POWERS</td>
<td>N/A                    Decision to be taken by Council.</td>
</tr>
<tr>
<td>KEY DECISION</td>
<td>No</td>
</tr>
<tr>
<td>TARGET DATE</td>
<td>Yes                    31.03.20</td>
</tr>
<tr>
<td>FINANCIAL IMPACT</td>
<td>Yes                    This is in line with 2020/21 budgetary provisions.</td>
</tr>
<tr>
<td>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</td>
<td>N/A</td>
</tr>
<tr>
<td>IMPACT ON SPECIFICWARDS</td>
<td>No                     Not applicable.</td>
</tr>
</tbody>
</table>
4. INFORMATION

PAY POLICY STATEMENT 2020/21

4.1 Section 38 (1) of the Localism Act requires local authorities to publish an annual Pay Policy Statement and sets out key information to be included within it relating to Chief Officer remuneration and pay multiples. However, the Pay Policy Statement attached in appendix A covers all employees and as such, goes wider than the minimum legal requirements.

4.2 The Pay Policy Statement must be approved by a resolution of Council. Once in force, it must be complied with although it may be amended by Council during the financial year.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

5.1 There are no material changes to the Pay Policy Statement necessitating an Equality Impact Assessment.

6. PREVIOUS MINUTES

6.1 N/A

7. BACKGROUND PAPERS

7.1 Appendix A - Pay Policy Statement 2020/21

Report prepared by Dave Heywood - Chief Executive and Wendy Bridgwater – Corporate Support Manager HR
SOUTH STAFFORDSHIRE COUNCIL

PAY POLICY STATEMENT FOR 2020/21
1  INTRODUCTION

This Pay Policy Statement covers all employees and as such, it goes wider than the minimum legal requirements of the Localism Act 2011.

2  KEY PRINCIPLES

• To be fair, reasonable and transparent
• To be affordable
• To maintain rates of pay which reflect the need to attract and retain key skills

3  LEGISLATIVE FRAMEWORK

In determining the pay and remuneration 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.

4  ACCOUNTABILITY AND DECISION MAKING

In accordance with the Constitution of the Council, the Chief Executive will continue to be responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council noting the specific arrangements for Designated Officers under Section 4 and 5 of the Local Government & Housing Act 1989 which require the approval of Council. Any future material changes to this Pay Policy Statement will also require the approval of Council.

5  SALARY GRADING

With regard to equal pay and salary grading, 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 a relevant equality proofed Job Evaluation scheme which directly relates salaries to the requirements, demands and responsibilities of the role. The Council also takes into consideration any statutory provisions according to the legislation at the time.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined in accordance with collective bargaining and/or as determined by Council Policy.

The Council remains committed to national pay bargaining with the Joint Negotiating Committee (JNC) and the National Joint Council (NJC), subject of course to affordability. Where changes result from national collective bargaining and are agreed, these are automatically incorporated into the employment contracts of staff whether they are union members or not.
6 SENIOR PAY

The remuneration of posts falling within the reporting requirements of S43 of the Localism Act is as follows,

a. Chief Executive. The current salary of the post is £101,506. A separate payment is made for returning officer duties. This payment is calculated on an agreed national or county wide formula and further details are published on the Council’s website. The Terms and Conditions of Employment staff group is the JNC.

b. Corporate Directors. There are three Corporate Director posts covering Commercial, Resource and Planning & Infrastructure. This is a spot salary of £81,205.00. The Terms and Conditions of Employment staff group is the JNC.

c. Interim Director Legal and Governance £71,054. The Terms and Conditions of Employment staff group is the JNC. Separate payments apply for deputy returning officer duties. This payment is calculated on an agreed national or county wide formula and further details are published on the website.

d. Assistant Directors. This is a salary range of £61,385 to £63,385. The Terms and Conditions of Employment staff group is the JNC.

e. Corporate Support Managers, salary range is £51,385 to £53,385. The Terms and Conditions of Employment staff group is the JNC.

f. Team Managers, salary range is £31,371 to £41,675. The Terms and Conditions of Employment staff group is the NJC.

g. There is £3,153 Deputy 151 payment payable to one Team Manager.

h. There is a £3,000 Deputy Monitoring Allowance payable to a Solicitor.

i. There are also Market Forces Supplements payable in some services for hard to recruit posts in line with the Council’s Market Supplement Policy.

All the above figures exclude any pay award for 1 April 2020.

In accordance with the 2011 Code of Recommended Practice for Local Authorities (Data Transparency), information on senior salaries is published on the Council’s website. Payments over £50,000 in a year are also published in the Council’s statement of accounts.

The determination of Terms and Conditions is subject to the Chief Executive’s approval.

In the case of senior manager pay (JNC Conditions), pay increases (e.g. job evaluation outcomes and/or market pay related payments will be considered by the Personal Development Review and Appointments Panel.

7 OTHER EMPLOYEES

The Council’s salary scales for other employees is on our website. Apprentices and/or other categories of workers are in accordance with the Council’s Apprentice and Graduate Policy and in line with the nationally prescribed minimum wage rates.
8  PAY AWARDS

Pay levels are adjusted to take account of any cost of living increase negotiated nationally by
the JNC for Local Authority Chief Executives; the JNC for Chief Officers and the NJC for Local
Government Services.

9  STARTING PAY

Employees when appointed to new posts are paid on an incremental scale and will normally
be appointed at the lowest SCP in the grade. However, in certain circumstances it may be
appropriate to appoint to a higher point within the pay grade providing this can be objectively
justified. Where this applies this should be in accordance with pay advice provided by Human
Resources.

10  MARKET PAY

The Council recognises that at times it may be difficult to recruit new employees from time
to time due to market rates for certain roles. To ensure the Council attracts and retains a
skilled and experienced workforce, salary supplements may be paid in addition to the post
grade. This will be in accordance with the Council’s Market Supplement Policy.

The Council is under no obligation to match market pay. However, where it chooses to do so
for business reasons it will seek to match the middle pay quartile subject to affordability. In
cases of exceptional recruitment/retention difficulties, the Council can refer to the upper pay
quartiles of market pay data with the agreement of the Chief Executive or in the case of senior
management pay, the Personal Development Review and Appointments Panel.

11  OTHER PAYMENTS

In addition to annual salary the Council can (subject to an approved business case) pay extra
payments to employees to recognise additional work undertaken, including:

- Acceleration through the grade.
- Overtime (as set out in the employee handbook).
- Act up payments* (Based on the grade/% of duties of the act up role)
- Honoraria* in relation to covering vacancies, absence, projects, additional duties and
  partnership working. Honoraria’s are time limited and should not normally exceed 12
  months.
- Allowances approved by CLT.
- Other rewards linked to the Council’s workforce strategy approved by CLT.
- Performance related pay (subject to a scheme or pilot approved by CLT).

*During sick leave payment is only made up to the next pay date.

Such payments are most likely to apply to employees below senior management level and
will be made in accordance with pay advice provided by Human Resources in line with
relevant Council policy, job evaluation assessments, gender pay gap outcomes, current or
new legislation.
Business cases/payments relating to the above are subject to authorisation by the relevant senior line manager (i.e. Chief Executive, Corporate Director, Interim Director Legal and Governance, Assistant Director, and Corporate Support Manager).

Those officers who have statutory positions in relation to elections i.e. Returning Officer, Acting Returning Officer and Deputies also receive a fee in recognition of these roles. There are also fees paid to staff who carry out the annual canvass of the electoral register and who undertake additional work at the time of the election – poll staff, inspectors, count staff, etc. The payments referred to are calculated on an agreed national or county wide formula and further details are published on the Council’s website.

Payments for untaken annual leave/time off in lieu/pay in lieu of notice is at the discretion of the relevant senior manager (i.e. Chief Executive, Corporate Director, Interim Director Legal and Governance, Assistant Director, and Corporate Support Manager), in accordance with the relevant policy or staff handbook.

Car allowance/mileage rates applicable to designated posts are on the Council’s website.

12 TERMS AND CONDITIONS OF EMPLOYMENT

The Council adopts best practice and applies terms and conditions and benefits equitably in accordance with the relevant staff group national conditions, South Staffordshire Council contracts of employment, HR policies and the staff handbook derived from its Single Status agreement and consultation with the UNISON South Staffordshire Branch.

13 OTHER BENEFITS (NON-CONTRACTUAL)

The Council aims to adopt best practice and recognises employee benefits are an important part of recruitment and retention. All employees (subject to qualifying conditions) are entitled to access these benefits which include the following:

- Childcare vouchers or other benefits through salary sacrifice schemes\(^1\)
- Buying of annual leave scheme
- Employee assistance (Counselling and Physiotherapy)
- Assistance with continuing professional development

14 REDUNDANCY, PAY PROTECTION AND PENSION PAYMENTS

- Where an employee is placed on a lower grade as a result of employer led change, time limited salary protection will apply in accordance with the Council’s, Redundancy, Early Retirement and Managing Organisation Change policy.

- Termination payments including redundancy and/or early release of pension before normal retirement age (NRA) will always be in accordance with the relevant law, applicable Local Government Pension Scheme (LGPS) Regulations and Council Policy including the Council’s, Redundancy, Early Retirement and Managing Organisation Change policy and the Council’s Employer Pensions Discretions Policy.

\(^1\) Subject to legislation
• The Chief Executive has the discretion to approve voluntary or deferred voluntary redundancy at an enhanced rate up to but not exceeding a multiplier of 2, except where Council approval is required. For example, Designated Officers under Section 4 and 5 of the Local Government & Housing Act 1989.

• Arising from the auto-enrolment regulations, a change took effect to pension joining arrangements from 1 April 2013; new starters are enrolled into the Local Government Pension Scheme (LGPS), subject to certain conditions, unless they choose to opt out.

• The employee pension contribution rates, currently, vary between a range of 5.5% and 12.5% according to specified salary ranges. The Employer contribution rates are set by Actuaries advising the Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The contribution rate payable from 1st April 2020 is 16.4% of salaries paid plus a lump sum deficit repair contribution for the year which has been calculated to be £659,000.

• The fact that an individual is receiving a pension under the LGPS regulations does not prevent the Council from appointing them. However, if an employee is in receipt of a pension from a previous employer that is a member of the LGPS and they are appointed it is their responsibility to notify their existing pension provider of re-employment, even if they do not elect to join the Council’s pension scheme. It is the existing pension provider’s responsibility to review their pension and if necessary, make any reduction due to the level of earnings.

• Under current legislation and pension provisions employees who have joined the LGPS will receive their pension at their normal retirement age (NRA), with an additional entitlement to leave with a reduced pension at age 55. Pension payments may be released early in certain other circumstances. These are not an automatic entitlement and are subject to criteria and affordability as set out in the Council’s Redundancy, Early Retirement and Managing Organisation Change policy, Employer Pensions Discretions Policy and where applicable the Council’s Flexible Retirement Policy.

• During 2015/16 the Government announced that it proposed changes to Public Sector exit payments. The proposals have yet to be implemented and at the time of writing the Public Sector are awaiting confirmation of the date that these Regulations are due to come into force. The core elements of the proposed Regulations are:
  1. Recovery of exit payments if you return to the public sector within 12 months.
  2. Absolute cap on the value of any exit payment set at a maximum of £95,000.
  3. Proposed reduced limits on calculating all exit payments.

15 CONTRACTS FOR SERVICES AND APPOINTMENT OF CONSULTANTS

When recruiting to all posts the Council will take full and proper account of its equality, recruitment and redeployment policies and the Constitution. The determination of the remuneration to be offered to any newly appointed senior manager or employee will be in accordance with the pay structure and relevant policies in place at the time of recruitment.
However, where the Council is unable to recruit under an employment contract or there is a need for interim support to provide cover/additional capacity, the Council will, where necessary, consider and utilise a range of options. These can include engaging individuals under ‘contracts for service’, or via an agency. Senior Managers will ensure these are sourced through a relevant procurement process and be compliant with IR35 (Off-payroll working rules in the public sector for intermediaries).

16 RE-ENGAGEMENT OF FORMER SENIOR MANAGERS

The Council’s policy is not to re-employ a senior manager who has left South Staffordshire Council and gained access to their pension through redundancy, efficiency or ill health retirement or previously received a redundancy compensation payment from South Staffordshire Council. This does not apply to Returning Officers or election duties.

As regards all other employees the policy on re-engagement is set out in the Council’s Redundancy, Early Retirement and Managing Organisation Change policy.

17 PAY MULTIPLES

A pay multiple is the ratio between the salary of the highest paid employee and the median full-time equivalent salary of the organisation. The Hutton Report (Fair Pay in the Public Sector) introduced pay multiples as a method of assessing pay dispersion.

The current pay levels within the Council defines the multiple\(^2\) between the lowest paid full-time equivalent employee and the Chief Executive as 1:5.8 and; between the lowest paid employee and average chief officer\(^3\) as 1:4.8. The multiple between the median average full-time equivalent earnings and the Chief Executive is 1:3.9 and; between the median average full-time equivalent earnings and average chief officer is 1:3.2.

*NB the above is based on the NJC scheme’s lowest SCP and excludes apprentices/categories of workers who are not included within the definition ‘lowest paid employees’*

18 GENDER PAY GAP

Gender Pay Gap reporting became mandatory for the Public Sector with first reports published on 31 March 2017 and then annually. The Council publishes this information on its website on an annual basis.

List of policies/information relevant to this Pay Policy Statement and Links

- Employer Pensions Discretions Policy
- Flexible Retirement Policy
- Market Supplement Policy
- Redundancy, Early Retirement and Managing Organisation Change Policy
- Election fees
- NJC salary scales
- Car Mileage rates

\(^2\) Note multiple or ratio rounded up or down where applicable. \(^3\) as defined in the Localism Act.

*All figures and ratios stated are based on information known at the time of writing as at 31 December 2019.*