

# **SOUTH STAFFORDSHIRE COUNCIL**

## **PAY POLICY STATEMENT FOR 2023/24**

**Updated September 2023**

## **1 INTRODUCTION**

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

## **2 KEY PRINCIPLES**

To be fair, transparent, and affordable maintaining rates of pay that attracts and retains talent.

## **3 LEGISLATIVE/REGULATORY FRAMEWORK IN DETERMINING PAY AND REMUNERATION**

Equality Act 2010, Part Time Employment Regulations 2000, Agency Workers Regulations 2020, Transfer of Undertakings (Protection of Earnings) Regulations 2006, National Minimum Wage 2018, relevant LGPS regulations and Special Severance Pay statutory guidance 2022.

## **4 ACCOUNTABILITY AND DECISION MAKING**

The Chief Executive is responsible for decisions affecting recruitment, pay, terms and conditions and severance arrangements of Council employees noting the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended), the Constitution and matters delegated to the Personal Development Review & Appointments Panel and Council. Future material changes to this Pay Policy Statement will also require the approval of Council.

## **5 SALARY GRADING**

Regarding equal pay and salary grading, the Council ensures there is no pay discrimination and that all pay differentials can be objectively justified using a relevant equality proofed Job Evaluation scheme which relates salaries to the requirements and responsibilities of the job.

## **6 TERMS AND CONDITIONS OF EMPLOYMENT**

Terms and conditions of employment are covered by the following national agreements: JNC for Local Authority Chief Executives; JNC<sup>1</sup> for Chief Officers and the NJC<sup>2</sup> for Local Government Services and as set out in contracts of employment, Council policies and the staff handbook derived from its Single Status agreement and consultation with UNISON. Other pay related matters are covered by statutory provisions or nationally or locally negotiated rates, by collective bargaining and/or Council Policy. The Council is committed to national pay bargaining with the relevant employment groups, subject to affordability. Where changes result from statutory provisions or national collective bargaining agreements, these are automatically applied and incorporated into employment contracts of staff whether they are union members or not.

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<sup>1</sup> *Joint Negotiating Committee*

<sup>2</sup> *National Joint Council*

## **7 PAY AWARDS**

Annual pay awards are negotiated nationally by the JNC for Local Authority Chief Executives; the JNC for Chief Officers and the NJC for Local Government Services. Once pay awards are confirmed they are automatically applied to the Council's pay and grading structure.

## **8 NEW POSTS AND STARTING PAY**

When recruiting, the Council will take account of the Constitution, relevant policy, and equality. The determination of the remuneration to be offered to any newly appointed employee will be in accordance with the pay structure and relevant policies in place at the time. Employees 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 justified. Where this applies this will be in accordance with pay advice provided by Human Resources.

## **9 APPRENTICES**

Apprentice pay is in accordance with prescribed legislation, the Council's Apprentice and Graduate Policy and the NJC annual pay award.

## **10 INTERIM CONTRACTS**

Where the Council is unable to recruit under an employment contract or there is a need for interim support to provide cover/ capacity/expertise, the Council will consider and use a range of options including engaging individuals under 'contracts for service,' or via an agency. 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).

## **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.
- Act up payments\* (Based on the grade and % of duties of the act up role)
- Honoraria\* for covering vacancies, absence, projects, and additional duties.
- Allowances approved by CLT.
- Other rewards linked to the Council's workforce strategy approved by CLT.
- Recruitment retention or performance incentive pay approved by CLT.
- Other temporary payments and/or benefits agreed by CLT.

*\* In line with Equal Pay legislation, honorariums are time limited and should not normally exceed 12 months. During sick leave payment is made up to the next pay date.*

These 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, relevant Council policy and job evaluation outcomes. These payments are authorised by the relevant senior manager<sup>3</sup>.

Officers who carry out the role of Returning Officer, Acting Returning Officer and Deputies for Elections receive an additional fee. There are also fees paid to staff who conduct 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. Further details are on the Council’s website.

Payments for untaken annual leave and/or time off in lieu is at the discretion of the relevant senior manager<sup>3</sup>.

Car allowance/mileage rates are published on the Council’s website.

## **12 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:

- Benefits through salary sacrifice schemes<sup>4</sup>
- Buying of annual leave scheme
- Employee assistance (Counselling and Physiotherapy)
- Assistance with continuing professional development

## **13 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 business critical roles, salary supplements may be paid in addition to the grade of the post. 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 range 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 where applicable the Personal Development Review and Appointments Panel or Council as set out in section 14.

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<sup>3</sup> Chief Executive, Corporate Director, Director, Assistant Director

<sup>4</sup> The Council will make available new salary sacrifice schemes during 2023/24 through their employee benefits provider Vivup.

## 14 SENIOR PAY

- a) **Chief Executive.** £122,184. A separate payment applies for returning officer duties. Terms and Conditions of Employment staff group is the JNC.
- b) **Corporate Directors.** There are 3 Corporate Director posts. Salary is £97,012. (2 further discretionary points, £98,012 and £99,012 for additional responsibilities. Separate payments apply for Deputy Returning Officer duties in the case of one post. Terms and Conditions of Employment staff group is the JNC.
- c) **Director Finance (s 151)** £90,500. Terms and Conditions of Employment staff group is the JNC.
- d) **Assistant Directors.** Salary range £64,966 to £72,226. Terms and Conditions of Employment staff group is the JNC.
- e) **Team Managers.** Salary range £34,723 to £49,590. Terms and Conditions of Employment staff group is the NJC.
- f) A Deputy S 151 allowance of £3,240 applies to one post-holder.
- g) A Deputy Monitoring Officer allowance of £2,000 and a shared service responsibility allowance of £2,000 applies to one post-holder.
- h) There are also Market Forces Supplements attached to some posts in some services for hard to recruit posts in line with the Council's Market Supplement Policy.
- i) Car mileage rates are published on the Council's website and are detailed in the statement of accounts where they apply to senior posts.

*b, c, d include the 1 April 2023 pay award. As at, August 2023 the pay award for a, e has not been agreed nationally.*

Market rates for senior pay (JNC Conditions)<sup>5</sup> will be assessed every 2 years as agreed at Full Council on 14 September 2021. The approval process for pay increases to senior pay bands are:

- Corporate Leadership Team posts will be reviewed by the Personal Development Review and Appointments Panel who make recommendations to Council.
- Assistant Director posts will be reviewed and determined by the Personal Development Review and Appointments Panel.
- Annual pay awards for all posts are negotiated nationally and automatically applied.
- Temporary payments for senior managers are delegated to the Chief Executive in consultation with the Chairman of the Personal Development Review and Appointments Panel providing the total remuneration does not exceed £100,000 in which case this will be referred to Council in accordance with the Localism Act 2011.
- Pay matters for all other staff (NJC) conditions are delegated to the Chief Executive.

In line 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 a year and other prescribed payments are also published in the Council's statement of accounts or on the Council's website.

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<sup>5</sup> Applies to Corporate Leadership Team (CLT) and Extended Leadership Team (ELT).

## **15 PAY PROTECTION, REDUNDANCY, AND SEVERANCE PAYMENTS**

Where an employee is placed on a lower grade because of organisational change, time limited salary protection applies in line with the Council's, Redundancy and Early Retirement Policy.

The formula for calculating redundancy payments is set out in the Council's, Redundancy and Early Retirement Policy.

Severance payments will comply with relevant employment law, Local Government Pension Scheme (LGPS) Regulations, the Council's Redundancy, Early Retirement and Employer Pensions Discretion policies and Special Severance Payments statutory guidance<sup>6</sup>.

Additionally, any payments classed as Special Severance Payments will be subject to the following approvals:

- payments of £100,000 and above must be approved by a vote of Full Council, as set out in the Localism Act 2011
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service<sup>7</sup>, with a clear record of the Leader's approval and that of any others who have signed off the payment.
- payments below £20,000 must be approved according to the local authority's scheme of delegation.

## **16 PENSIONS**

New starters are enrolled into the Local Government Pension Scheme (LGPS), subject to certain conditions, unless they choose to opt out.

Employer contribution rates are set by Pension Fund Actuaries and reviewed on a triennial basis to ensure the scheme is appropriately funded. The contribution rate applicable from 1<sup>st</sup> April 2023 is 21.80% (figure subject to ratification) of salaries paid plus a lump sum deficit repair contribution for the year which has been calculated to be £591,000.

Under current LGPS regulations employees who have joined the LGPS will receive their pension at their normal retirement age, with an additional entitlement to leave with a reduced pension at age 55.<sup>8</sup> Pension payments may be released early in certain other circumstances. This is not an entitlement and is subject to criteria and affordability. Payments are at the discretion of the Council and in accordance with employment legislation, LGPS pension regulations, and relevant Council policy.

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<sup>6</sup> *Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England - GOV.UK (www.gov.uk)*

<sup>7</sup> *Except where the proposed payment is to the Head of Paid Service para 5.2 of the above guidance applies.*

<sup>8</sup> *The government have proposed to increase this from 55 to 57 on 6 April 2028.*

## **17 RE-ENGAGEMENT OF FORMER SENIOR MANAGERS**

The Council's policy is to not re-employ a senior manager who has left South Staffordshire Council and gained access to their pension through redundancy, efficiency, ill health retirement or previously received a redundancy compensation payment and or early release of pension from South Staffordshire Council. This does not apply to Returning Officers, election duties or where the Council has a critical business need subject of course to any appointment being compatible with employment and pension legislation/regulation and satisfying the public confidence test. As regards all other staff the policy on re-engagement is set out in the Council's Redundancy and Early Retirement policy.

## **18 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.

Current pay levels within the Council defines the multiple<sup>9</sup> between the lowest paid full-time equivalent employee and the Chief Executive as 1:6 and between the lowest paid employee and average chief officer as 1:3.9. The multiple between the median average full-time equivalent earnings and the Chief Executive is 1:5.1 and between the median average full-time equivalent earnings and average Chief Officer is 1:3.3.

*\*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'*

## **19 GENDER PAY GAP**

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

## **20 POLICIES/INFORMATION RELEVANT TO THIS PAY POLICY STATEMENT <sup>10</sup>**

- Employer Pensions Discretions Policy
- Flexible Retirement Policy
- Redundancy and Early Retirement Policy
- Market Supplement Policy
- Election fees
- NJC salary scales
- Car mileage rates

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<sup>9</sup> Note multiple or ratio rounded up or down where applicable as defined in the Localism Act.

<sup>10</sup> These policies are updated to reflect any changes to the Pay Policy Statement approved by Council.