

BOROUGH OF TELFORD & WREKIN

FULL COUNCIL MEETING – 1ST MARCH 2012

PUBLICATION OF THE COUNCIL'S PAY POLICY STATEMENT

REPORT OF ASSISTANT DIRECTOR: CUSTOMER AND PEOPLE SERVICES

1. PURPOSE

- 1.1 To propose content and format of the Council's Pay Policy Statement required for publication under the Localism Act 2011.

2. RECOMMENDATION

That the Council:

- 2.1 Agrees the content and format of the Council's first Pay Policy Statement for publication on the Council's website on 1st April 2012 in accordance with the requirements of the Localism Act.

3. PREVIOUS MINUTES

None.

4. BACKGROUND

- 4.1 The Localism Act 2011 requires local authorities to produce an annual Pay Policy Statement. The Act requires the statement to detail the Council's policies in respect of remuneration of defined Senior Officers within the Council and pay comparisons with lower paid employees. The Act does not apply to local authority schools.
- 4.2 The purpose of these provisions is to provide transparency with regard to the Council's approach to setting the pay of its employees by determining:
- The methods by which pay is determined.
 - The detail and level of remuneration of its most senior staff (Chief Officers)
 - A comparison between senior pay and that of the lowest graded in the organisation.
 - The Committees responsible for ensuring consistent application of the provisions set out in the Statement.
- 4.3 The Council's first Pay Policy Statement has been designed to meet the legislative requirements of the Localism Act and enable publication. Further work will be undertaken to develop the pay policy for 2013/14 in the light of prevailing financial and employment considerations,
- 4.4 The Council's Pay Policy Statement details
- pay negotiation bodies,
 - initial allocation of pay points.

- Senior management remuneration.
- the recruitment of chief officers
- additions to chief officers pay
- termination payments
- lowest graded employees and the ratio comparison with the highest paid officers.
- where accountability and responsibility lies.

5. **LEGAL**

- 5.1 The Pay Policy Statement has been drafted to in accordance with the requirements of the Localism Act 2011.

6. **FINANCE**

The Pay Policy Statement identifies the Council's approach to setting the pay of its employees. Employee costs form part of the Council's budget, which is approved in March each year, and estimates will take into account the principles set out in the Statement. Any variations from the approved budget will be highlighted as part of regular financial monitoring reports/other relevant reports in line with Financial Regulations. Senior Officer Remuneration is published in the Council's Statement of Accounts in line with the requirements of the Accounts & Audit Regulations.

7. **ENVIRONMENTAL**

There are no environmental issues arising from this report.

8. **EQUALITIES**

- 8.1 Pay is a major Equalities issue and the pay statement will assist in identifying issues requiring resolution.

TELFORD & WREKIN COUNCIL

Pay Policy Statement – 2012/13

1. Introduction and Purpose

- 1.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the 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.
- 1.2 The purpose of this Statement is to provide transparency about the Council’s approach to setting the pay of its employees (excluding those working in local authority schools and/or employed under the School Teachers’ Pay and Conditions Document) 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 Board responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.
- 1.3 Once approved by the Council, this policy statement will come into immediate effect and will be subject to review.

2. Legislative Framework

- 2.1 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 Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council is taking steps to ensure 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.

3. Pay Structure

- 3.1 Based on the application of the job evaluation process, the Council uses the nationally negotiated pay spine (further details can be found at www.lge.gov.uk - [Local government pay and conditions](#)) as the basis for its local grading structure. This determines the salaries of the large majority of the non school-based workforce, together with the use of other nationally-defined rates where relevant. There have been no increases in the national pay spine since April 2009.

- 3.2 The Council adheres to national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine.
- 3.3 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.
- 3.4 New appointments will normally be made at the minimum of the relevant grade, although this can be varied in exceptional circumstances, but having regard to the need for equal pay. 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.

4. Senior Management Remuneration

- 4.1 For the purposes of this statement, senior management means 'chief officers' as defined within S.43 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 2012:
- a) **Managing Director**
The salary of the post is £137,000 per annum. The salary is a single 'spot' salary. There is no incremental range.
 - b) **Directors**
The salaries of the posts designated as Directors are £109,600 per annum. The salaries are single 'spot' salaries and have no incremental range.
 - c) **Assistant Directors**
The salaries of the posts designated as Assistant Directors have six incremental points ranging from £74,220 to £82,304 per annum. Incremental progression will take place on 1st April each year subject to paragraph 6.1 below.
 - d) **An Interim Director of Children's Services has been in place since 1 August 2011 .This post will be deleted upon appointment to the Director**

of Children and Family Services vacancy within the new senior management structure. The interim post has five incremental points ranging from £88,000 to £94,473 per annum. Incremental progression will take place on 1st April each year subject to paragraph 6.1 below.

5. Recruitment of Chief Officers

- 5.1 The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in Part 4, Section 8 of the Constitution. When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Recruitment and Redeployment Policies. 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. 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.
- 5.2 Where the Council remains unable to recruit chief officers under a contract of employment, 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.

6. Additions to Salary of Chief Officers

- 6.1 The Council does not apply any bonuses or performance-related pay to its chief officers.
- 6.2 In addition to the basic salary set out above, 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 are as follows:

Post / Tier of Post	Payment Details:
Managing Director	Details of Returning Officer Fees are attached at Appendix A
Managing Director, Directors and Assistant Directors	Casual Car User Mileage Rates are attached at Appendix B
Managing Director, Directors and Assistant Directors	Personal protection of pay within defined parameters will apply where an individual is downgraded as a result of a re-structuring process for a period of up to 5 years.

7. Payments on Termination

- 7.1 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 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
- 7.2 Any other payments falling outside the provisions or the relevant periods of contractual notice shall, in respect of the Managing Director, Directors and Statutory Officers, be subject to a decision made by the Personnel Board which has otherwise delegated authority to approve such payments to other Chief Officers to the Managing Director.
- 7.3 The Council's policy is not to re-employ (or engage under a contract for services), for a period of at least 12 months after their employment with Telford & Wrekin Council ends, anyone who has been made redundant or who has left the Council in the interest of the efficiency of service where a severance payment has been made in accordance with the Council's policy under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 or under Regulation 30 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, as amended.
- 7.4 Flexible retirement under Regulation 18 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, as amended, will be permitted only where savings to fund the cost of such release are achieved.

8. Publication

- 8.1 Upon approval by the full Council, this statement will be published on the Council's Website. In addition, for senior employees 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 in the current and previous year;
 - any bonuses so paid or receivable in the current and previous year (nb the Council does not operate a bonus system);
 - 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

- 8.2 This information will be listed individually by job title where the salary is £50,000 or more. Persons whose salary is £150,000 or more will be identified by name.

9. Lowest Paid Employees

- 9.1 The lowest paid persons employed under a contract of employment with the Council are employed on full-time (37 hour per week) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2012, this is £12,312 per annum. The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under a Training Contract
- 9.2 The statutory guidance under the Localism Act 2011 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.
- 9.3 The pay levels within the Council as at 1st April 2012 define the multiple between the lowest paid (full time equivalent) employee and the Managing Director as 1:11 and; between the lowest paid employee and average Chief Officer as 1:7.
- 9.4 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.

10. Accountability and Decision Making

- 10.1 In accordance with the Constitution of the Council, the Personnel Board is responsible for decision-making in relation to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council.

LOCAL GOVERNMENT ACT 1972**Unitary Council – Electoral Fees**

Scale of Fees and Disbursements for Elections with effect from 1st April 2009.

PART A – RETURNING OFFICER’S FEES

Fee for conducting the election and generally performing the duties required by an enactment relating to the election or poll and including all expenses other than those specifically mentioned in Part ‘C’ below.

		£
1.	<u>Uncontested Elections</u> For each ward	134.00
2.	<u>Contested Elections</u> For each ward	234.00
3.	<u>Declaration of Results</u> To the Deputy Returning Officer in charge of counting the votes and declaring the result (or where this function is performed by the Returning Officer personally, to the Returning Officer) For each ward	99.00

Parish Councils – Electoral Fees

Scale of Fees and Disbursements for Parish Council Elections and Polls with effect from 1 April 2009. Fees for Parish Elections are paid by Parish Councils.

PART A – RETURNING OFFICER’S FEES

		£
1.	<u>Uncontested Parish Elections</u> (i) For each parish or where the parish is divided into wards, for each ward	50.00
2.	<u>Contested Parish Elections</u> (i) For each parish or where the parish is divided into wards, for each ward	100.00
3.	<u>Polls Consequent on a Parish Meeting</u> (i) Where official notice of a poll has been received but no poll is taken in consequence of the withdrawal of a candidate or otherwise	23.00

	<p>(ii) For every poll taken for the election of the chairman of a parish meeting or for an appointment to any other office</p> <p>(iii) For every poll taken consequent on a parish meeting on any question other than as mentioned in paragraph 3(ii)</p> <p>(iv) In the case of a poll to which either paragraph 3(ii) or (iii) applies, for each additional polling station after the first</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. If a poll is taken on the same date in any parish on more than one question then only one fee shall be charged under paragraph 3(iii) 2. If polls are taken on the same day in any parish for the election or appointment of persons to more than one office, then separate fees shall be payable under paragraph 3(ii) for each poll 3. Where polls are taken in any parish on the same day for the election or appointment of persons to any office <u>and</u> on any other questions consequent on a parish meeting, separate fees shall be payable under paragraphs 3(ii) and (iii) but only one fee shall be payable under paragraph 3(iv) in respect of each additional polling station 	<p>54.00</p> <p>54.00</p> <p>11.00</p>
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APPENDIX B

Car user Allowances

Nationally there are three bands of allowance paid to employees required to use their private vehicle for Council business. Telford & Wrekin Council does not apply the higher band. The allowances paid are the same for all employees whatever their level in the organisation.

	<u>451 - 999cc</u>	<u>1000 - 1199cc</u>
<u>Essential Users</u>		
Lump sum per annum	£846	£963
per mile first 8,500	36.9p	40.9p
per mile after 8,500	13.7p	14.4p
<u>Casual Users</u>		
per mile first 8,500	46.9p	52.2p
per mile after 8,500	13.7p	14.4p