

HR Policy

Strategic Human Resources



Localism Act: Pay Policy Statement

Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after.

Year: 2018/19

This information can be made available in a range of formats and languages, including Braille and large print. If this would be useful to you please contact [Human Resources](#).



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 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.

The purpose of this Pay Policy Statement is to increase accountability in relation to payments made to senior employees in the public sector by enabling public scrutiny.

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.

This Pay Policy Statement will aim to cover Staffordshire County Council's policy on the following points:

- the level and elements of remuneration for each chief officer;
- the remuneration of its lowest-paid employees (together with its definition of “lowest-paid employees” and its reasons for adopting that definition);
- the relationship between the remuneration of its chief officers and other officers;
- other specific aspects of chief officers’ remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

The County Council’s Reward Philosophy is:

- To be flexible so as to enable the Council to recruit and retain high quality staff to achieve its business aims;
- To recognise and reward employees’ personal performance which is seen as adding value and leading to improved service;
- To maintain a simple and clear relationship between pay, performance management and development;
- To be fair, open and transparent.

The County Council’s Pay Principles

1. Pay and Grading

- 1.1 In determining the pay and remuneration of employees, the Council will comply with all relevant and current employment legislation. With regards to equal pay the Council ensures that there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of its job evaluation mechanism.
- 1.2 The Council, as per the Equality Act 2010 (Specific Duties & Public Authorities) Regulations 2017, will publish annually a Gender Pay Gap report commencing no later than 30 March 2018. This report is a measure of the difference between the average hourly earnings of men and women.
- 1.3 For the majority of its employees the Council’s policy is to implement the pay framework and terms and conditions, unless locally agreed otherwise, prescribed by the National Joint Council for Local Government Services (‘NJC’).

- 1.4 The NJC pay framework comprises 44 salary points, currently between spinal column point (SCP) 6 (£15,014 pa) and SCP 49 (£43,821 pa) for a full-time employee (based on a 37 hour week).
- 1.5 The Council has an established pay and grading structure which, when determined, was aligned to median quartile for its chief officers. This pay and grading structure is based on a current 'points to pay' relationship, determined through a job evaluation process, aligned to market rates across the public sector and ensuring value for money.
- 1.6 Other groups of employees are paid in accordance with salaries or salary scales agreed by the relevant national negotiating bodies. These groups include such workers as youth workers, NHS workers (statutory transfer from Primary Care Trusts), craft workers, Police workers, Coroner and those falling within the group of the Soulbury Committee or School Teachers' Pay and Conditions agreements.
- 1.7 The process for the recruitment and appointment of its chief officers is set out in the [Council's Constitution](#) document.
- 1.8 The Council uses an incremental spinal column point progression approach linked to length of service with the exception of the contribution based pay (CBP) point. Increments are due on 1 April each year, or 6 months after appointment if less than 6 months in the new grade by 1 April, i.e. an increment is paid after 6 months if the employee is appointed between 1 October and 31 March.
- 1.9 The Council has clear performance expectations and a direct link between individual and organisational performance supporting this. Therefore, the last point of each grade is reserved as a contribution based pay (CBP) point and progression will be subject to the criteria set out in the Performance Management Policy.
- 1.10 The maximum point of each grade is aligned to the public sector market rates. The Council uses this external data and a pay modelling system to determine its grading structure ensuring both alignment and relativity against the market.
- 1.11 As a 'points to pay' relationship already exists for positions within the senior management structure, the provisions of the Single Status Collective Agreement do not apply.
- 1.12 Appointments are usually made to the lowest point of each grade. It is possible from time to time there is a market force/retention rationale that may require consideration when making an appointment. 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, including affordability, available from within and outside the local government sector.
- 1.13 The Council presently adheres to national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine. Pay points referred to in this document may be subject to ongoing national pay bargaining and updated pending any agreed pay award.

2 Level and elements of remuneration for each chief officer

For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act as follows:

- (a) *the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;*
- (b) *its monitoring officer designated under section 5(1) of that Act;*

- (c) a statutory chief officer mentioned in section 2(6) of that Act;
- (d) a non-statutory chief officer mentioned in section 2(7) of that Act;
- (e) a deputy chief officer mentioned in section 2(8) of that Act.

In relation to this section and specifically sub section (e) the definition of a 'deputy chief officer' as per the Local Government and Housing Act 1989 is as follows:

"deputy chief officer" means, subject to the following provisions of this section, a person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to one or more of the statutory or non-statutory chief officers.

- 2.1 The Council's Chief Executive is paid a basic spot salary of £180,000 pa. In addition there is up to 8.3% available by way of performance related pay which was agreed by Special Committee in December 2014.
- 2.2 The NJC scale is extended locally from SCP50 to SCP73 with JNC Chief Officers being paid on one of two incremental scales/grades (Grade 15: £67,926 - £73,020 pa or Grade 16: £80,827 - £84,870 pa) agreed by the Council in accordance with independent advice from Hay Management Consultants and is reviewed annually under the JNC for Chief Officers. Single 'spot' salaries for chief officers exist outside this range aligned to market rates.
- 2.3 The salary levels of chief officers on appointment have been set by elected members, at the relevant Council committee. The salary details for chief officers can be seen in Appendix 1 and will be updated as and when necessary via the website (www.staffordshire.gov.uk).
- 2.4 Between annual approval of the pay policy statement and in respect of chief officer posts (as defined within S43 of the Localism Act):
 - 2.4.1 In accordance with the constitution, decisions made in relation to the variation in number and/or nature of posts are reserved for the Chief Executive in consultation with the Leader and Deputy Leader of the Council.
 - 2.4.2 Variation(s) in pay must be dealt with in accordance with [Council's constitution](#).

3 Relationship between the highest and lowest paid employees

- 3.1 The Council's definition of its 'lowest paid' are employees on Grade 1, SCP 6 who receive £15,014 pa, or on a pro-rata basis if they work for less than 37 hours per week. This definition does not include those working as apprentices who are paid in line with the National Minimum Wage guidelines.
- 3.2 The current pay levels within the Council define the multiple¹ between the lowest paid (full time equivalent) employee and the [Chief Executive] as [1:14] and; between the lowest paid employee and average chief officer as [1:7]. The multiple between the median (average) full time equivalent earnings and the [Chief Executive] is [1:8] and; between the median (average) full time equivalent earnings and average chief officer is [1:4]. Note - The Hutton report on Fair Pay in the public sector was asked to explore the case for a fixed limit on pay dispersion in the public sector, through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. There are advantages and disadvantages of using a maximum pay multiple. The Hutton Report concluded that the most appropriate metric is top to median earnings.

¹ Note – multiple or ratio rounded up or down where applicable

4 Performance Related Pay

- 4.1 Some chief officers may be subject to performance related pay in addition to their basic salary. Payment of this element will be linked to agreed performance objectives and measures that are set and reviewed as part of the annual performance review cycle. The outcome is reviewed and agreed annually by way of a remuneration panel. Chief officers subject to performance related pay are identified in Appendix 1.

5 Lease Car Subsidy

- 5.1 The Council only offers a lease car subsidy or cash alternative for JNC Chief Officers based on a 3 tier approach (Tier 3: £4,395, Tier 2: £5,483 or Tier 1: £8,375 pa). Two options are available to chief officers: either:

- A non pensionable subsidy to the hire of a lease car; or
- A non pensionable cash payment (dependent on the appropriate tier) as an alternative.

Chief officers in receipt of the lease car subsidy or cash alternative are not authorised to claim business mileage.

6 Allowances

- 6.1 Green Book (NJC) allowances are applied to both NJC and JNC posts.
- 6.2 On occasion, it may be agreed to pay other allowances to chief officers which will be objectively justified.

7 Honoraria

- 7.1 All honorarium payments are subject to local arrangements and criteria set out in the Green Book terms and conditions of service and will be objectively justified by reference to clear and transparent evidence, using appropriate data sources, including affordability, available from within and outside the local government sector.
- 7.2 All honorarium payments must be approved in accordance with the relevant scheme of delegation, and for chief officers as defined in section 2 above, will be approved by the Chief Executive in consultation with the Leader of the Council. All honorariums will be reviewed regularly.

8 Pay Protection

- 8.1 Employees who are displaced from their substantive post and redeployed to a lower graded role as a result of organisational change or for medical reasons receive pay protection (subject to meeting the eligibility criteria). The period of pay protection is currently three years (Grades 1 to 11) or one year (Grades 12 and above) from the date of the change.

9 Market Supplements

- 9.1 Market supplements will no longer be part of the Council's pay and reward strategy at this point subject to 1.11 above.

10 Pensions

- 10.1 All Council employees are entitled to join the Local Government Pension Scheme (LGPS). The LGPS is the occupational pension scheme offered by Local Government Employers and other public sector employers such as colleges and academies. Employees are eligible to join LGPS provided they are not entitled to be a member of another Public Sector Scheme such as the Teachers, Police or Fire Pension Scheme. Eligible employees join the Scheme automatically on commencement of their employment provided they are under age 75 and have a contract of more than 3 months.
- 10.2 Members have the right to leave the Scheme at any time. The benefits and contributions payable are set out in the Local Government Pension Scheme Regulations 2013. Both employees and employers contribute to the Pension Fund.
- 10.3 Further details of the employee and employer contribution rates can be found on the Staffordshire Pension Fund Web site:

<http://www.staffspf.org.uk/>

- 10.4 Employer Contribution Rates

<http://www.staffspf.org.uk/Finance-and-Investments/Actuarial-Valuation-Report.aspx>

- 10.5 Employee Contribution Rates

<https://www.staffspf.org.uk/Members/Active-Members/Contribution-Rates.aspx>

11 Payments on Termination

- 11.1 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 in accordance with regulations five and six of the local government (Early Termination Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, and the Council's policy on increasing an employees total pension scheme membership and on awarding additional pension under Regulations 31 of the Local Government Pension Scheme Regulations 2013
- 11.2 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.
- 11.3 The Council will implement the proposed government changes to exit payments when they become law, however this may necessitate a review of current Council policies.

12. Publication of and access to information relating to the remuneration of chief officers and other employees

- 12.1 The Council's policy is to provide information on the remuneration of its Chief Executive, Strategic Directors and Heads of Service on its website (www.staffordshire.gov.uk) in accordance with the Local Government Transparency Code 2015 and as required by s.7 of the Accounts and Audit (England) Regulations 2011.

12.2 The Council, as per 1.2 above, will publish its Gender Pay Gap report no later than 30 March annually. This information will be available at www.staffordshire.gov.uk and also <https://gender-pay-gap.service.gov.uk/Viewing/search-results>.

Policy Revisions

Revision Date	Summary of Changes
February 2015	Reviewed for 2015/16
February 2016	Reviewed for 2016/17
February 2017	Reviewed for 2017/18
February 2018	Reviewed for 2018/19

Appendix 1 – Chief Officer Remuneration

Service	Position	Full Time Equivalent	Annual salary	Performance Related Pay (iv)	Honorarium (per annum) (i)	Lease Car Subsidy Tier (ii)
	Chief Executive	1.00	£180,000	£15,000		1
Economy Infrastructure and Skills	Director for Economy Infrastructure & Skills	1.00	£116,843	£10,854		1
	Commissioner for Business and Enterprise	1.00	£80,827			3
	Commissioner for Transport & Connectivity	1.00	£84,870			3
	Commissioner for Highways & Built County	1.00	£84,870			3
	County Commissioner Skills & Employability	1.00	£73,020			3
Families and Communities	Deputy Chief Executive & Director for Families and Communities	1.00	£136,693			1
	County Commissioner for Access to Learning	1.00	£73,020			3
	Commissioner for Culture & Communities	1.00	£84,870			3
	Head of Families First	1.00	£102,869			2
	County Commissioner for School Quality Assurance & Intervention	1.00	£59,744		£2,957	NA
	Head of Child Health & Wellbeing	1.00	£58,217		£13,834	NA
	Commissioner for Safety, Children & Families	1.00	£102,869			2
Finance and Resources	Director of Finance and Resources	1.00	£136,693			1
	Interim Deputy Director of Finance	1.00	£84,870		£4,243	3
	Head of Commercial & Interim Head of Property	1.00	£84,870			3
	Head of Customer Services	1.00	£73,020			3
	Interim Head of Audit and Financial Services	1.00	£61,103		£6,828	3
	Interim Head of Treasury and Pensions	1.00	£61,103		£6,828	3
	Interim Head of ICT	1.00	£61,103		£12,220	NA
Health and Care	Director for Health and Care (iii)	1.00	£132,500	£11,262		1
	Adult Social Work & Safeguarding Lead	1.00	£102,869			2
	Care Commissioning Lead	1.00	£102,869			2
	Public Health & Prevention Lead (iii)	1.00	£84,870			3
Strategy Governance and Change	Director for Strategy Governance & Change	1.00	£122,412			1
	Head of Policy and Communications	1.00	£84,870			3
	Head of Executive Office	1.00	£59,682			NA
	Head of Law & Democracy	1.00	£82,849			3
	Head of Organisational Development & Interim Head of HR	1.00	£73,020		£11,850	3
	Head of Strategic Policy & Partnerships	1.00	£84,870			3
	Head of Transformation Delivery	1.00	£102,869			2
West Midlands Employers (Hosted by Staffordshire County Council)						
	Director of Employer Services	1.00	£73,020			3

- (i) Post holder is temporarily receiving an honorarium for undertaking additional responsibilities which is paid in addition to basic pay.
- (ii) Car lease cash alternative as indicated above is paid in addition to basic salary as specified in 5.1.
- (iii) Post holder currently receives a monthly travel and accommodation allowance.
- (iv) Performance related pay is in addition to basic salary and subject to an annual performance review as specified in 4.1.