

North Warwickshire Borough Council

PAY POLICY STATEMENT 2023/24

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 Councils 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 Group/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.

This policy statement is 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 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 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 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. The Council remains committed to adherence with national pay bargaining in respect of the national pay spine. No pay award has yet been agreed for 1 April 2023 onwards.

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. 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.

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 31 March 2023;

- a) Chief Executive
The current salary of the post is £112,739. The salary falls within a range of four incremental points between £104,919 rising to a maximum of £112,739.
- b) Corporate Director (Resources)
The current salary of the post is £79,504. The salary falls within a range of four incremental points between £74,081, rising to a maximum of £79,504. The Corporate Director (Resources) is the Council's Section 151 Officer and this was included in the evaluation of the role.
- c) Corporate Director (Streetscape)
The post is currently vacant. The salary falls within a range of four incremental points between £71,515, rising to a maximum of £75,394.
- d) Directors
The salaries of posts designated as Directors fall within a range of four incremental points between £66,485 rising to a maximum of £71,368.

Chief Officers' roles are subject to job evaluation under the JNC Job Evaluation Scheme and are paid a salary, which is considered a market rate within districts in the local government sector.

Employment of Chief Officers is in accordance with collective agreements negotiated from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities for Local Government Services, those set out in the National Agreement on Pay and Conditions of Service (currently known as The Blue Book) and as supplemented by:-

- local collective agreements reached with trade unions recognised by the Council
- the rules of the Council

Recruitment of Chief Officers

When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Recruitment, and Redeployment Policies. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements.

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 currently has one Chief Officer engaged under such arrangements.

Elected Members appoint all Chief Officers. The pay level offered, on recruitment is typically the bottom point of the salary grade. In situations, however, where the individual recruited has a high level of knowledge or skills, and/or previous relevant experience, a higher salary, up to the maximum salary for that post, may be authorised, by the Chief Executive and the Elected Member recruitment panel. The recruitment panel would authorise this for an appointment of a Chief Executive.

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;

- All Chief Officers were entitled to a lease car. Following consultation this was phased out by April 2015. There is some protection in that when the car was returned the Chief Officer received the 'spot value' less 10% as a travel allowance so long as he/she remains in the role. The 'spot value' depends on the officer's grade. The 'spot values' for each grade are detailed at Appendix 1.

Newly appointed Chief Officers will use their own vehicle, and receive an Essential User Allowance. Employees who are not Chief Officers may also receive the Essential User allowance. Essential User Allowances are also detailed at Appendix 1.

The Chief Executive is the Council's Returning Officer and the Electoral Registration Officer (who also manages the elections service) and receives an Election Allowance. The relevant bodies set this allowance. It varies each year depending on the number and type of elections in each year. There is the Borough Council election during 2023/24.

A Chief Officer may be awarded an honorarium when they 'act up' in a role. The Special Sub Group of Executive Board can authorise these. An honorarium either is a one off payment or can be a monthly allowance for a temporary period. The Council does not currently have any Chief Officers receiving an honorarium.

Payments on Termination

In the case of redundancy, a redundancy payment would be made to a Chief Officer in line with the Council's Retirement Policy & Procedure, and the Redundancy Policy & Procedure, which applies to all staff.

In the case of termination due to ill health, then there would be no termination payment but a higher pension benefit may be approved by the Warwickshire local government pension scheme. The pension benefit may include a lump sum in addition to an on-going pension payment.

On termination of employment, if it is not possible or desirable for the Chief Officer to serve their contractual or statutory notice period, then a payment may be made in lieu of the notice period not worked.

Any contractual payments such as outstanding annual leave are usually included in payments on termination of employment. Similarly, any monies owing to the Council would be deducted from payments made on termination.

The Council may choose to make a payment under a Settlement Agreement to protect against compensation claims that could be expensive or bring the Council into disrepute. The Special Sub Group of the Executive Board would approve any such payment.

Where a Section 151 Officer or Monitoring Officer cease carrying out these statutory roles, then the post would be re-evaluated to exclude these duties.

Increases to Pay

Any cost of living increases agreed through JNC are applied to Chief Officers pay. This is typically on 1st April each year.

Chief Officers appointed on a salary scale will receive an incremental increase to their pay as follows:

Chief Officers appointed between 1st October and 31st March will receive an increment after six months service.

Chief Officers appointed between 1st April and 30th September will receive an increment on the following 1st April.

Thereafter, all Chief Officers will receive increments annually on 1st April.

Chief Officers' pay will be measured against the market, normally on a three to five yearly basis, to ensure we maintain consistency with peer local authorities. Where there are significant changes in market rates then a pay benchmarking

assessment will be carried out for Chief Officers. The last pay benchmarking on Chief Officers was completed in 2018 as part of the review of the senior management structure, when the role of Deputy Chief Executive was removed. Salary increases were made at this time to all Chief Officer posts, with the exception of the Chief Executive post. In October 2019, a pay benchmarking assessment was carried out on the revised Corporate Director role. The Council's Executive Board approves increases to Chief Officers pay.

Publication

Upon approval by the full Council, this statement will be published on the Councils Website. In addition, for posts where the full time equivalent salary is at least £50,000, the Councils 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 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

This policy will be available on our website www.northwarks.gov.uk

Lowest Paid Employees

Our lowest paid employees' salary is determined by the grade for their post, which is underpinned by a job evaluation scheme, rather than being paid a market rate for their job. Market supplements are given to some posts where there are recruitment and retention difficulties. Currently none of our lowest paid employees receives a market supplement on their salary to bring it up to market rates.

Whilst we may employ apprentices on a lower wage, i.e. the minimum wage, during their apprenticeship they do have a structured training plan leading to a qualification.

With regard to other aspects of remuneration policy, there is equity across all our employees. The same policies set out above apply to our lowest paid employees.

Relationship Between Remuneration of our Chief Officers and Other Employees

Currently the average (mean) of our Chief Officers pay is 2.64 times that of the rest of our employees. Our top earning Chief Officer earns 4.01 times the mean of the rest of our employees.

Currently the average (mean) of our Chief Officers pay is 3.66 times that of our lowest paid employees. Our top earning Chief Officer earns 5.57 times the mean of our lowest paid employees.

Currently the median Chief Officers pay is 2.76 times that of the rest of our employees. Our top earning Chief Officer earns 4.20 times the median salary of the rest of our employees.

These figures are as at 31 March 2023 and do not include travel allowances, essential car user allowances.

Our policy for 2023/24 is to maintain Chief Officers pay within the following maximums:

Ratio of mean pay (Chief Officers: rest of employees) = 3.31

Ratio of median pay (Chief Officers: rest of employees) = 3.67

And not to exceed the following multipliers for our top earning Chief Officer:

5.5 X mean pay of other employees

5.5 X median pay of other employees

Accountability and Decision Making

In accordance with the Constitution of the Council, the Special Sub Group and the Executive Board are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

RELATED DOCUMENTS

Retirement Policy & Procedure
Redundancy Policy & Procedure
Recruitment Policy
Disciplinary Procedure
JNC Job Evaluation Scheme Outline

Date of this review	March 2023
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Appendix 1

Annual Spot Value Less 10%

Chief Executive	£3,456
Corporate Director (Resources)	£3,456
Corporate Director (Streetscape)	£3,456
Directors	£3,456

Annual Essential Car User Allowance

451-999cc	£846
1000-1199cc	£963
1200cc & above	£1,239