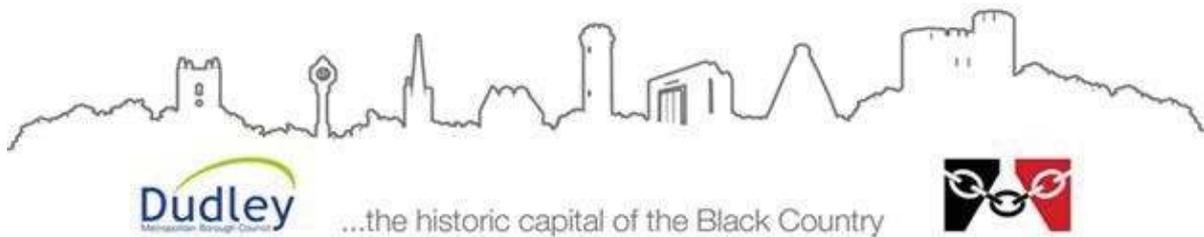


Draft Dudley Council Pay Policy Statement 2022-2023



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1.0 Introduction and Purpose

- 1.1** The purpose of this Policy Statement is to clarify the Council's strategic stance on pay in order to provide direction for members and officers making detailed decisions and to provide the citizens of Dudley with a clear statement of the principles underpinning decisions on the use of public funds.
- 1.2** 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".
- 1.3** This Pay Policy Statement (the "Statement") sets out the Council's approach to pay policy in accordance with the requirements of Sections 38 to 43 of the Localism Act 2011 and associated guidance. This excludes staff employed on teachers' terms and conditions of employment which are set nationally and support staff working in schools where the Council is not the employer. Workers engaged on a casual basis are also excluded.
- 1.4** The Statement provides transparency with regard to the Council's approach to setting the pay of its employees by identifying:
- the methods by which salaries of 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 remuneration of the lowest-paid employees;
 - the relationship between the remuneration of 'chief officers' and that of other employees;
 - the persons or bodies responsible for ensuring the provisions set out in this Statement are applied consistently throughout the Council and recommending any amendments to the Full Council.
- 1.5** The Statement sits alongside the Pay Arrangements Policy 2019, which sets out the Council's approach to pay and reward, including temporary payments for additional responsibilities and temporary market forces supplement payments.
- 1.6** An annual Pay Policy Statement is produced for each financial year, in accordance with the relevant legislation prevailing at that time, for approval by a resolution of Full Council. This Statement covers the period 1st April 2022 to 31st March 2023.
- 1.7** Once approved by the full Council, the statement will come into immediate effect and will be published by no later than 1 April each year, subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

2.0 Legislative Framework

- 2.1** 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 Employment) 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 for employees covered by the National Joint Council for Local Government Services 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.

3.0 Pay Structure

- 3.1** The salary information reported in this Statement are as at 1 April 2020 and are subject to any cost of living increase as negotiated by the appropriate national bodies.
- 3.2** The pay negotiations for 2021/22, effective from 1 April 2021, are ongoing through the appropriate collective bargaining mechanisms.
- 3.3** Most of the workforce (other than teachers) are employed on the National Joint Council (NJC) for Local Government Services terms and conditions of employment. Based on the application of the Local Government Single Status and LGE Job Evaluation Schemes, the Council uses the NJC nationally negotiated pay spine (grades 1 to 12) and a local pay spine (grades 13-17) as the basis for its local grading structure. Annex 3 shows the distribution of staff across the grading structure.
- 3.4** Chief Officer posts are evaluated taking into account advice from the regional employers' organisation. At a national level, basic pay increases are negotiated through the Joint National Committee (JNC) on a collective bargaining basis and normally chief officer pay awards reflect those of the NJC for Local Government Services
- 3.5** The remaining employees are employed on other nationally defined rates. This includes those subject to:
- National agreements reached by the Soulbury Committee for certain education-related jobs (45 employees).
 - Joint Negotiating Committee (JNC) Craft for Local Authority Craft and Associated Employees (203 employees).
 - JNC Youth and Community Workers (19 employees).
- 3.6** In addition, where services have transferred into the Council from other organisations, including Public Health staff in 2013, employees have remained on their existing terms and conditions of employment, in accordance with employment legislation, unless they have subsequently transferred to NJC terms and conditions of employment as part of a review and restructure of their service area.

- 3.7** 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 mechanisms 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 can meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.8** 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. Any additional payments will be made in accordance with the Council's Policy and Procedure for Market Forces Supplements (Appendix 2 of the Pay Arrangements Policy 2019). The Policy and Procedure outlines the criteria, which must be met for payment of a market forces supplement, including the approval process by senior management and the Cabinet Member for Commercial and Customer Services. 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. Market forces supplements when used will be time limited and subject to review. All posts receiving a market forces supplement will be reported in this annual Statement.
- 3.9** The following chief officer posts are in receipt of a Market Forces Supplement:
- Director of Children's Services
 - Director of Adult Social Care
- 3.10** Although not management posts, there are two Consultant in Public Health / Consultant in Public Health Medicine posts – basic salary range £81,618 - £90,263 per annum. In addition, there are national monetary Clinical Excellence Awards for which they may apply. Any such allowances are met by the national body, Public Health England. These posts report to the Director of Public Health and Well Being.

4.0 Senior Management Remuneration

- 4.1 For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act and section 4(1) of the Local Government and Housing Act 1989 which defines designated, statutory and non-statutory positions. The posts falling within the statutory definition are set out below, in Table 1, with details of their basic salary as at 1st April 2022¹

¹ Data to populate this was run on [x] January 2022 based on Chief Officers in post and expected to be in post with effect from 1st April 2022 and the latest pay table as at 1 April 2020.

4.2 Table 1 lists the 14 chief officer posts as defined within S43 of the Localism Act that make up 0.18 % of the 7937 people employed by the Council (excluding schools).

Title	Grade/point	Pay Range Minimum (£)	Pay Range Maximum (£)
Chief Executive	Chief Officer/6	179,933	179,933
Deputy Chief Executive	Chief Officer/5	151,159	151,159
Director of Children's Services (includes a market supplement of £30,513 and a payment for statutory duties of £10,378)	Chief Officer/3	139,885	139,885
Director of Adult Social Care (includes a market supplement of £25,538 and a payment for statutory duties of £10,378)	Chief Officer/3	134,911	134,911
Director of Health & Wellbeing (including a payment for statutory duties of £10,378)	Chief Officer/3	109,373	109,373
Director of Finance & Legal (including a payment for statutory duties of £10,378)	Chief Officer/3	109,373	109,373
Director of Digital, Customer & Commercial Services	Chief Officer/3	98,996	98,996
Director of Regeneration & Enterprise	Chief Officer/3	98,996	98,996
Director of Public Realm	Chief Officer/3	98,996	98,996
Director of Housing	Chief Officer/3	98,996	98,996
Service Director for Early Help, Schools and SEND	Chief Officer/3	98,996	98,996
Service Director for Children's Social Care	Chief Officer/3	98,996	98,996
Lead for Law & Governance	Grade 17	72,974	76.335
Head of HR & Organisational Development	Grade 17	72,974	76.335
Head of Communications and Public Affairs	Grade 15	58,215	64.526

An organisation structure chart showing the current senior management structure for the Council can be found in Annex 1 of this Policy Statement.

- 4.3 The Lead for Law and Governance is the designated statutory Monitoring Officer role defined under section 5(1) of the Act and the post reports to the Director of Finance and Legal.
- 4.4 The Chief Executive is employed under the terms and conditions of the Joint Negotiating Committee for Chief Executives, the Deputy Chief Executive, Directors and Service Directors are employed under the terms and conditions of the Joint Negotiating Committee for Chief Officers.

5.0 Recruitment to Senior Management Positions

- 5.1 The Council's Policy and Procedures with regard to recruitment of 'Chief Officer' posts is set out within the Officer Employment Procedure Rules as contained in Part 4 of the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own Equality and Diversity, Recruitment and Redeployment Policies, including any particular requirements for those who have transferred into the Council, e.g. Public Health. 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 may consider the use of temporary market forces supplements in accordance with its relevant policies.
- 5.2 The terms of reference of the Council's Appointments Committee, contained within the Council's Constitution, include:
- Recommending to the Full Council on the appointment of the Chief Executive;
 - Recommending to the Full Council any new appointments or severance packages that exceed a threshold of £100,000 (excluding pension payments);
 - The appointment of the Deputy Chief Executive, Directors and Service Directors.
- 5.3 Where the Council remains unable to recruit to a Chief Officer post under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive post, the Council may, where necessary, consider and utilise engaging individuals under 'contracts for services'. These will be sourced through a relevant procurement process, and in accordance with HMRC rules, ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

5.4 Market forces supplements/recruitment allowances are paid where it is justified in order to recruit and fulfil a role or to retain an officer within a role.

6. Additions to Salary of Chief Officers

6.1 The Council does not apply any bonuses or performance related pay to any of its Chief Officer posts.

6.2 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 fulfilment of duties:

- Fees are paid for deputy returning officer duties in accordance with the rates approved by the Council and increased in line with national pay awards. Employees who act as deputy returning officers at local elections are currently paid a fee of £78 per ward.
- A mileage allowance is paid to all employees using their own vehicle for work purposes. The rate is 45p per mile (or, where applicable, the NHS mileage rate is 67p per mile). Mileage rates are taxable above an approved amount (known as MAP) and this is set by HMRC.
- The Council may consider granting an honorarium (of an amount dependent upon the circumstances of each case) to Chief Officers who perform duties outside the scope of their role over an extended period. Any requirement for an honorarium will be dealt with through evaluation of the additional duties. Such a temporary arrangement would need to be approved by the relevant Cabinet Member in consultation with the Chief Executive and formalised in a Decision Sheet and would be in the interests of efficient administration of a service(s).
- By law, all staff are entitled to 5.6 weeks holiday (28 days for a full-time employee; this is inclusive of bank holidays). The statutory provision was designed to give employees paid time away from the work environment and there are sound health and wellbeing reasons for them to have that time. For those reasons contracting out of the minimum holiday entitlement by paying them instead is not allowed. The Local Government Association specifies that holidays should be taken within the year to which they relate therefore the Council encourages employees to use their annual leave throughout the year. Untaken annual leave is reimbursed through payment only where an employee has not taken a proportionate amount of leave when exiting the Council's employment.

7. Payments on Termination

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment of staff, prior to reaching normal retirement age, is set out within policies on managing employees at risk of redundancy, the discretionary severance payments scheme and any policies adopted in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 or as amended, and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 or as amended. For employees who transferred from the NHS, the NHS Agenda for Change Staff Handbook and NHS Pension Regulations apply.
- 7.2 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.
- 7.3 The Constitution states that any severance packages for employees leaving the Council that exceed £100,000 (excluding pension payments) should be the subject of a recommendation by the Appointments Committee to full Council.

8. Publication

- 8.1 Upon approval by the Full Council, this Statement will be published on the Council's website. Reference is made to the Council's Constitution, which is also available on the Council's website. In addition, for posts 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 by the person in the current and previous year;
 - any bonuses so paid or receivable by the person in the current and previous year;
 - any sums payable by way of expenses allowances 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.

9. Lowest Paid Employees

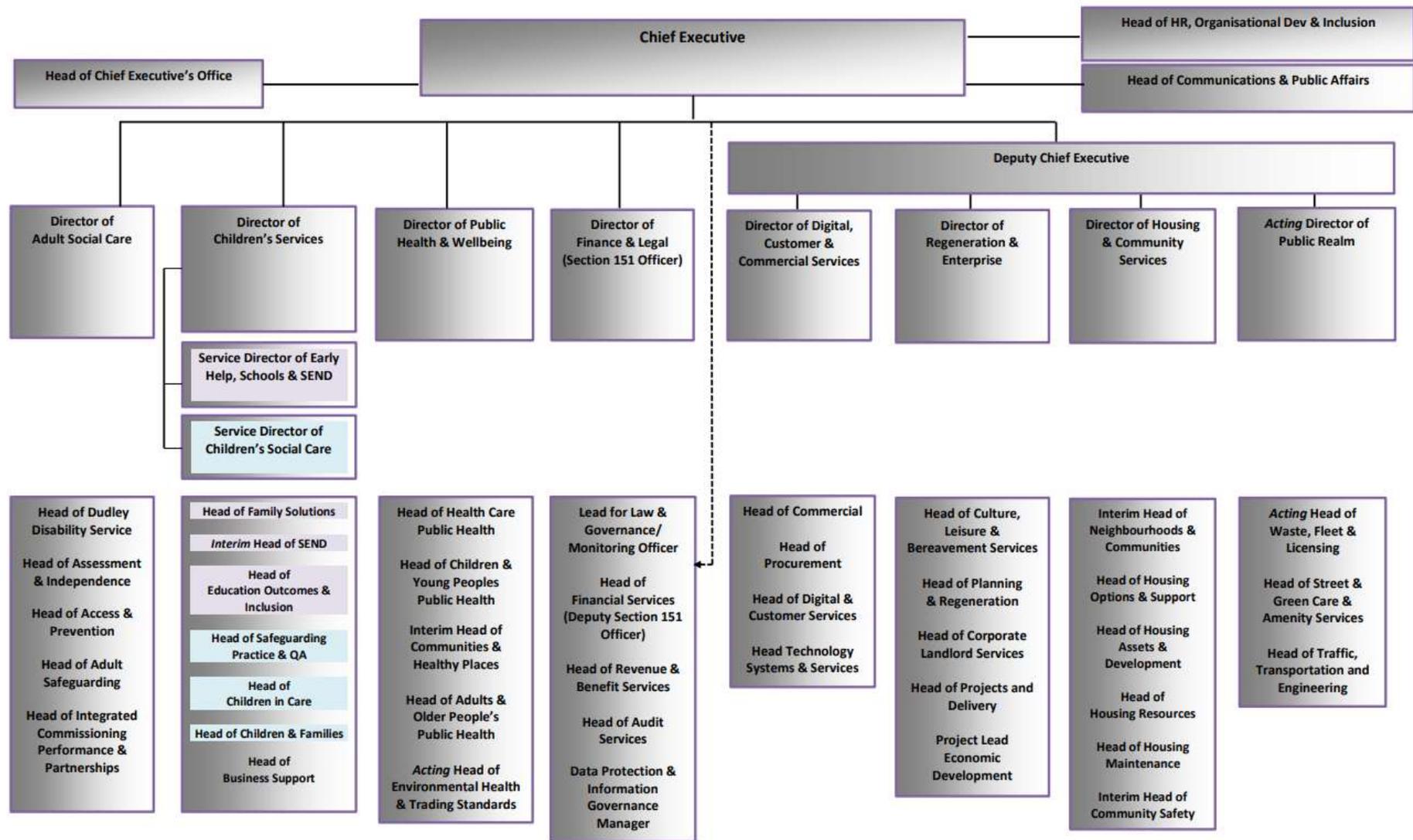
- 9.1 As referred to above, there are a number of national pay scales covering different groups of employees.
- 9.2 The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's NJC grading structure which is £17,842 per annum.
- 9.3 The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under the terms, conditions and pay rates applicable to the relevant apprenticeship scheme. Apprentices are paid in accordance with the National Minimum Wage, according to age. The relationship between the rate of pay for the lowest paid and Directors/'Chief Officers' is determined by the processes used for determining pay and grading structures as set out earlier in this Policy Statement.
- 9.4 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 review was asked by the 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. The report concluded that the relationship to median earnings was a more relevant measure and the Local Government Transparency Code 2015 requires the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
- 9.5 The current pay levels within the Council defined the multiple (rounded to the nearest whole number):
- between the lowest paid full time equivalent employee and the Chief Executive as 1:10
 - between the lowest paid employee and average Deputy Chief Executive/Director as 1:6
 - between the median (average) full time equivalent earnings and the Chief Executive as 1:7
 - between the median (average) full time equivalent earnings and average Deputy Chief Executive/Director as 1:4
- 9.6 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 benchmarking information as appropriate. The Council participates in the Local Government

Earnings Survey, which provides pay bill and average pay rate information for all local government employees (excluding Teachers) in England and Wales.

10. Accountability and Decision Making

In accordance with the Council's Constitution, the Full Council, the relevant Committee and elected members or officers with delegated authority are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. These are contained in Part 4, Officer Employment Procedure Rules, of the Constitution. The full terms of reference of the Appointments Committee are set out in Part 3.

Annex 1 – Dudley Council Organisation Structure



Annex 2 – National Joint Council Pay Spine

The Dudley Council pay spine is based on nationally negotiated rates through the National Joint Council.

The table below sets out the Main Salary Grades effect from 1st April 2022. Please note: the values quoted do not include the awaited pay award effective from 1 April 2021

<u>Grade</u>	<u>National Joint Council values</u>	<u>National Joint Council values</u>	<u>National Pay Spinal Column Points (SCP)</u>
	<u>Pay range minimum</u>	<u>Pay range maximum</u>	
Grade 1 *	£17,842	£17,842	1
Grade 2 *	£17,842	£18,199	1-2
Grade 3	£18,562	£18,933	3-4
Grade 4	£19,312	£19,699	5-6
Grade 5	£20,092	£21,749	7-11
Grade 6	£22,183	£24,492	12-17
Grade 7	£24,982	£27,742	18-23
Grade 8	£28,673	£31,346	24-27
Grade 9	£32,234	£34,729	28-31
Grade 10	£35,745	£38,890	32-35
Grade 11	£39,881	£42,822	36-39
Grade 12	£43,857	£46,845	40-43

<u>Locally Agreed Senior Grades **</u>					
Grade 13		£47,711		£51,249	50-53
Grade 14		£52,589		£56,125	54-57
Grade 15		£58,215		£64,526	58-61
Grade 16		£66,616		£70,883	62-65
Grade 17		£72,974		£76,335	66-69

Footnotes

* Where applicable, a supplement will be paid to bring employees in line with the Real Living Wage

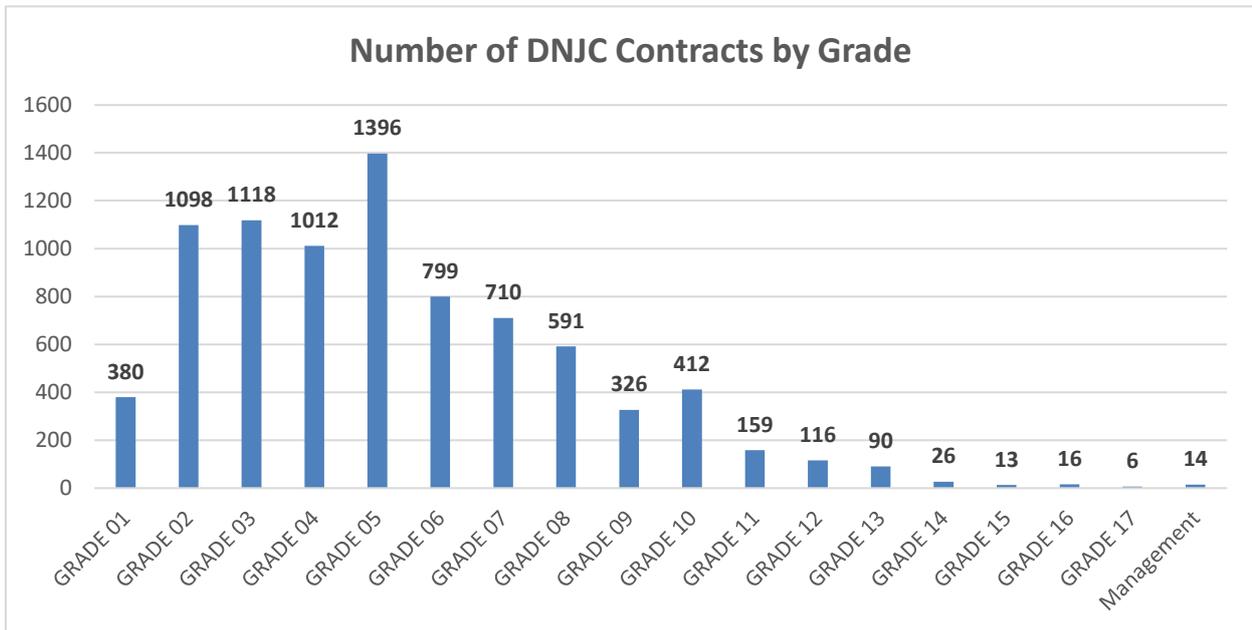
** Senior grades 13 – 17 are locally agreed as part of the Collective Agreement implemented in 2012.

The above rates are subject to any pay award agreed for April 2021. At the time of publication, no agreement has been reached in this regard.

Annex 3

Employee distribution across DNJC grades

(including employees of the Council and community and voluntary controlled schools)



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