

Newcastle-under-Lyme Borough Council **Pay Policy Statement – 2020/21**

Introduction and Purpose

Section 38 of the Localism Act 2011 requires the council to publish a Pay Policy Statement (the “Statement”). The purpose of the Statement is to set out the council’s approach to how its employees are paid.

The Statement must be reviewed at least annually, so that full Council can approve, prior to the 31st of March each year, the Statement that will apply in the following financial year. Any in-year amendments to the Statement must also be approved by full Council.

Once approved, the Statement is published and comes into immediate effect.

Legislative Framework

In deciding how its employees are paid, the council complies with all relevant employment legislation. This includes the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Agency Workers Regulations 2010 and the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Pay Structure

The posts of the majority of employees have been assessed using a National Joint Council for Local Government Services (NJC) job evaluation scheme which is supported by both the national trade unions and the council. That scheme evaluates and the requirements, demands and responsibilities of each role and then directly ascribes evaluated roles to a nationally negotiated pay scale. This ensures that there is no pay discrimination and that all pay differentials can be objectively justified.

The NJC pay scale was last increased by an average of 2% on 1st April 2019. The current version of the NJC pay scale is set out in appendix 1 to this Statement.

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 the times 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 a market supplement 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. Any market supplements awarded are kept under review.

Where the council has been unable to recruit to critical roles under a contract of employment it will engage individuals under 'contracts for service'. These will be sourced through the relevant procurement process ensuring the council is able to demonstrate the maximum value for money in securing the relevant service.

Senior Management Pay

For the purposes of this Statement, the council has had regard to the definitions of "Chief Officers" (statutory and non-statutory) and "Deputy Chief Officers" set out in Section 43 of the Localism Act 2011 and Section 2 of the Local Government and Housing Act 1989.

The definition of Chief Officers (statutory and non-statutory) covers the council's:-

- Chief Executive
- Executive Directors
- Section 151 Officer (who might also be an Executive Director)
- Monitoring Officer (who might also be an Executive Director)

The statutory definition of Deputy Chief Officers includes all employees who report directly to Chief Officers, with the exception of secretarial and clerical support roles. However, because of the way some of our departments are structured, there are some employees who are not in secretarial or clerical support roles who do report directly to Chief Officers, but who we do not consider to be Senior Managers for the purposes of this Statement. We have not, therefore, listed those specific posts below.

In reaching this decision, we have had regard to the guidance issued about Pay Policy Statements, which draws on the Accounts and Audit Regulations 2015 salary publication threshold of £50,000 to identify "senior employees". We also note the content of Government's Transparency Code 2015 on this issue.

Accordingly, for the purposes of this Statement, staff members who are paid less than £50,000 are not considered to be Deputy Chief Officers/Senior Managers for the purposes of this Statement. Those officers are paid in accordance with the JNC job evaluation process and pay scale set out in Appendix 1.

Chief Officers

- 1) The Chief Executive (Head of the Paid Service). The salary of the post is a spot salary of £105,851. There is no incremental point range. This does not include payments the Chief Executive may receive as the Council's Returning Officer for elections.

- 2) Executive Directors. There are three Executive Directors covering Resources and Support Services; Operational Services; and Commercial Development & Economic Growth. The Executive Director for Resources and Support Services is also the Council's Section 151 Officer. The salaries of these posts fall within a range of 4 incremental points between £85,238 and £ 90,926. The current Director for Resources and Support Services is retained on an interim basis under a contract for services.
- 3) Monitoring Officer. The Council's Head of Legal & Governance Services is designated as the Council's Monitoring Officer. As such this falls within the definition of a Chief Officer role. The Head of Legal & Governance Services is remunerated on the Head of Service (Band 1) scale which has a range of 5 incremental points between £ 53,645 and £59,618. The post also currently receives a Market Supplement of £10,000.

Deputy Chief Officers

- 4) Head of Service (Band 1). There are 6 roles in this category which are identified below. The salaries fall within a range of 5 incremental points between £ 53,645 and £59,618.

- i. Head of Leisure and Cultural Services
- ii. Head of Operations
- iii. Head of Planning and Development
- iv. Head of Recycling, Waste and Fleet Services
- v. Head of Housing, Regeneration and Assets Services
- vi. Head of Environmental Health Services

- 5) Head of Service (Band 2). There are 4 roles in this category which are identified below. The salaries fall within a range of 5 incremental points between £49,332 and £53,615.

- i. Head of Customer and ICT Digital Services (acting up)
- ii. Head of Finance (acting up)
- iii. Head of People & Organisational Development
- iv. Head of Communications

Other Remuneration

The council does not apply any target related bonuses or performance related pay to its senior managers. Progression through the pay increments in a pay scale (where relevant) are subject to satisfactory performance which is assessed on an annual basis.

Appendix 2 sets out details of additional remuneration some employees receive which is chargeable to UK Income Tax. That remuneration does not solely constitute reimbursement of expenses incurred in the fulfillment of duties.

Payments on Termination

The council's approach to 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. That policy statement is available on the Council's website.

Any other payments falling outside the policy statement relating to termination payments prior to reaching normal retirement age or outside of contractual notice periods shall, where those payments exceed £100,000, be authorised by a resolution of full Council. This is without prejudice to the urgency provisions which are set out in the Council's constitution.

Flexible Retirement

The council's policy on Flexible Retirement for members of the Local Government Pension Scheme is available on the Council's website

Publication

Upon approval by the full council, this statement will be published on the council's Website, alongside data required under the Transparency Code 2015.

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 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

Lowest Paid Employees

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 National Living Wage. The lowest paid employee will be paid at the Living Wage hourly rate of £9.00 which equates to a full-time equivalent salary of £17,364.

The council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under the National Apprenticeship Scheme.

Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.

The current pay levels within the council give a multiple between the lowest paid (full time equivalent salary) employee and:-

- . the Chief Executive as 1:6.09

Appendix 2

- the average Chief Officer (excluding the Chief Executive, but including deputy chief officers) as 1:3.26

The multiple between:-

- the median (average) full time equivalent earnings and the Chief Executive is 1:4.44
- the median (average) full time equivalent earnings and average chief officer as 1:2.37

Date of Statement: 19 February 2020

Other Remuneration

Car Lease Subsidy

The council's car leasing scheme is in the process of being phased out. Chief Officers who have an existing lease car are entitled to a car lease subsidy; the value is £2,750 per annum which has been reduced as follows:

Employee Grade	% Subsidy Reduction
Executive Directors	50
JNC 1 & 2	40
NJC 10 – 14*	30
NJC 8 – 9	20
NJC 5 – 7	10

* (Includes NJC 9 with market supplements)

Five chief/deputy chief officers have opted not to receive the subsidy.

No alternative payment is made to chief officers who chose not to receive the subsidy.

The mileage rate paid to those who are still in receipt of the subsidy is 11 pence per mile. The rate paid to those who do not receive the subsidy is 55 pence per mile (inside the Borough), 43.3 pence per mile (outside the Borough).

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