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| Report title | Senior Pay Policy Statement 2019-2020 | |
| Decision designation | RED | |
| Cabinet member with lead responsibility | Councillor Val Gibson Governance | |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All Wards | |
| Accountable director | Tim Johnson, Managing Director | |
| Originating service | Human Resources | |
| Accountable employee | Denise Pearce | Head of Human Resources |
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| Report to be/has been considered by | Strategic Executive Board | 26 February 2019 |
| | Council | 3 April 2019 |

Recommendations for decision:

The Cabinet recommends that Council:

1. Approves the Senior Pay Policy Statement for 2019 - 2020.
2. Approves the publication of the Senior Pay Policy Statement in line with the requirements of the Localism Act 2011.

Recommendation for noting

The Cabinet recommends that Council notes:

1. The Service Director and Director grades become a single grade 13 recognising the parity of the roles and responsibilities of the postholders.
2. The Senior Pay Policy Statement 2019-2020 now incorporates a delegation to the Leader of the Council, in consultation with the Head of Paid Service, to approve additional

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[NOT PROTECTIVELY MARKED]

payments to senior management, upon cessation of employment, in addition to redundancy payments where these amount to less than £100,000 in total.

3. The constitution will require some changes to comply with legislation and this Senior Pay Policy. These will be reported to a future Governance Committee.

1.0 Purpose

- 1.1 To refer to Council for approval the new Senior Pay Policy and the publication of the Senior Pay Policy
- 1.2 This report has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011.

2.0 Background

- 2.1 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”.
- 2.2 Section 38 of The Localism Act 2011 requires that each council prepares an annual pay policy statement setting out the following:
 - a. The remuneration of its chief officers. In this context a ‘chief officer’ is defined as:
 - The head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
 - Its Monitoring Officer designated under section 5(1) of the act;
 - A statutory chief officer mentioned in section 2(6) of that Act;
 - A non-statutory chief officer mentioned in section 2(6) of that Act;
 - A deputy chief officer mentioned in section 2(8) of that Act.
 - b. The remuneration of its lowest-paid employees, and
 - c. The relationship between:
 - The remuneration of its chief officers, and
 - The remuneration of its employees who are not chief officers.
- 2.3 It should be noted that provisions of the Act do not apply to the staff based in local authority schools.
- 2.4 Additionally the Act requires that the pay policy statement must set out the Council’s policies relating to:
 - a. The level and elements of remuneration for each chief officer covered by the Act
 - b. The remuneration of chief officers on recruitment
 - c. Increases and additions to remuneration for each chief officer
 - d. The use of performance related pay for chief officers
 - e. The use of bonuses for chief officers
 - f. The publication of, and access to, information relating to remuneration of chief officers.

- 2.5 The Localism Act requires that a local authority publish the pay policy statement “in such manner as they see fit which must include publication on the authority’s website”. In addition, section 38 (4) requires authorities to set out in their pay policy statements their approach to the publication of and access to information relating to the remuneration of chief officers.
- 2.6 The requirements to publish a pay policy statement and details of senior pay have been underpinned by the mandatory requirements in the Local Government Transparency Code 2014. City of Wolverhampton Council will publish the relevant data sets under the transparency code on the Wolverhampton data share site following the approval of the Senior Pay Policy.
- 2.7 The Senior Pay Policy Statement for 2019 – 2020 (appendix 1), reflects the senior management structure as it will be amended in April 2019, subject to approval by Full Council on 3 April 2019 and Cabinet on 27 March 2019. It sets out the principles of remuneration which will be followed in 2019 - 2020.
- 2.8 The senior pay scale (appendix 2) sets out the grades that will be applied to senior managers in 2019 – 2020. It includes the nationally agreed pay awards and the proposed changes to the Senior Management structure. It should be noted that Service Director and Director grades become a single grade 13 recognising the parity of the roles and responsibilities of the postholders. The senior pay data (appendix 3) covers senior posts in line within the definitions in the guidance. Decisions on individual increments will not at this point have been taken, as these are subject to performance management criteria and will not take effect, if approved, until after 1 April 2019.
- 2.9 Data on all senior salaries in 2019 - 2020 will be published on the Wolverhampton data share site at <http://data.wolverhampton.gov.uk/View/employees/senior-salaries-wcc> and on the City Council’s web site, following approval.
- 2.10 Data required by the Local Government Transparency Code 2015, will also be available by 31 March 2019. This includes employees whose remuneration in the year 2018- 2019 was at least £50,000 in brackets of £5,000. This information is recorded by job title. For senior managers whose salaries are £150,000 or more a name must also be given. At City of Wolverhampton Council this would only apply to the Managing Director.

3.0 Evaluation of alternative options

- 3.1 The authority is required to prepare and publish a Pay Policy in accordance with the Localism Act 2011.

4.0 Reasons for decision

- 4.1 To ensure that the authority complies with the relevant legislation and best practice guidance.

5.0 Financial Implications

- 5.1 As outlined in section 7 of the Senior Pay Policy (Appendix 1) the costs of payments in recognition of election responsibilities are met from Central Government.
- 5.2 The financial implications of the Senior Pay Policy have been fully reflected in the Council's Medium-Term Financial Strategy that was presented to Cabinet on 20 February 2019 and Full Council on 6 March 2019.
[AS/12032019/I]

6.0 Legal Implications

- 6.1 The preparation and approval of a pay policy statement is a requirement of section 38 of the Localism Act 2011. The Act prescribes information to be included in the statement, its manner of publication and the requirement for the Council to act in accordance with its approved Policy Statement.
[JB/06032019/F]

7.0 Environmental Implications

- 7.1 There are no environmental implications arising from this report.

8.0 Equalities Implications

- 8.1 This report sets out the policies used to manage senior pay across the Council and the current relationship between the highest and the lowest salary levels. The report highlights that the Council has a pay ratio which is within the Hutton report recommended range. All posts are subject to Job Evaluation, as agreed by the Trade Unions in the signing of our collective agreement.

9.0 Human resources implications

- 9.1 There are no direct human resources implications arising from this report. Appointments into the senior pay structure are made in line with the Council's Constitution and relevant policies and procedures.

10.0 Corporate Landlord implications

- 10.1 There are no Corporate Landlord implications arising from this report.

11.0 Health and Wellbeing implications

- 11.1 There are no health and wellbeing implications arising from this report.

12.0 Appendices

Appendix 1 – Senior Pay Policy Statement

Appendix 2 – Senior Management Pay Scales

Appendix 3 - Pay Policy Data

Appendix 4 – Current roles above £100,000 per annum