

## **Senior Pay Policy Statement – 2022-2023**

### **General Principles**

This Policy Statement has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011, which requires local authorities to state their policy on the level and elements of remuneration for each Chief Officer (as defined by the Act).

#### **1. Appointment and increments**

- 1.1 The Appointment of Senior Managers is governed by the Employee Employment Procedure Rules detailed in the Constitution of the City of Wolverhampton Council. A Special Appointment Committee will be established to appoint the Head of Paid Service, Section 151 Officer, Monitoring Officer and roles graded 15 and above, on a politically balanced basis and will usually comprise of the Leader and Deputy Leader of the Council, any appropriate Cabinet Member, the Cabinet Member with lead responsibility for Human Resources and their opposition counterparts or their substitutes and a nominated employee from an equality forum group in an observer capacity . The recommendation of the Special Appointments Committee for these posts must be confirmed by Full Council. The Council may provide delegation to the Special Appointments Committee to approve the appointments.
- 1.2 To comply with the guidance from the Secretary of State, Full Council approval is required, to agree appointment packages including salary, bonus, fees allowances and benefits in kind, to posts exceeding a pay range of £100,000. For existing posts where the salary range exceeds £100,000 (Directors and above currently), the Council is reaffirming its approval to the current and any future appointment to these already established roles. These posts are detailed in appendix 4. Where the creation of a comparable post (salary range exceeding £100,000) is required, this will need the approval of Full Council. To appoint to any already established role, a Special Appointments Committee will be established on a politically balanced basis and will usually comprise the Leader of the Council, Deputy Leader of the Council, Leader of the opposition, appropriate Cabinet Member and appropriate Scrutiny Panel chairs or their substitutes. These appointments will not require Full Council approval.
- 1.3 All other Senior Manager roles are subject to appropriate HR recruitment policy and process.
- 1.4 The salary scale upon appointment will usually be at the “minimum point of advantage”, in certain circumstances it may be appropriate to appoint at a higher pay point within the grade. This must be agreed by the Chief Executive and the Deputy Director of People & Change.
- 1.5 Senior Management roles who meet the eligible criteria, receive the appropriate pay increment on 1 April each year, to the maximum of the grade (see 4.1).
- 1.6 The Senior Management pays scales for 2022-2023 are detailed in appendix 2.

## **2. Annual Pay Award**

- 2.1 All annual pay awards are set in line with nationally negotiated rates. The last nationally agreed pay award for JNC Chief Officer and Chief Executives was a 2.75% pay award and applied to salaries on 1 April 2020. The JNC Chief Officer and Chief Executive pay award applies to Senior Managers on Grade 12 and above. At the time of writing the Policy Statement, the pay award for April 2021 and April 2022 had not been agreed.
- 2.2 Employees at Grade 11 and below receive the pay award agreed through collective bargaining with the National Employers and the relevant Trade Unions (NJC). The last nationally agreed pay award for NJC Local Government Employers was 2.75% and applied to salaries on 1 April 2020. At the time of writing the Policy Statement, the pay award for April 2021 and April 2022 had not been agreed.
- 2.3 In the absence of the NJC having yet reached a pay agreement for 2021, SCPs 1 and 2 will fall below the statutory NLW. Organisations must therefore ensure that employees currently paid on those two pay points have their pay increased with effect from 1 April 2022 to £9.50 per hour. These uprated figures will continue to be paid until NJC reaches a settlement on pay for 2021.

## **3. Market forces supplements**

- 3.1 The City of Wolverhampton Council has a policy to offer market forces supplements in instances where the substantive grade of the post is insufficient to attract or retain post holders in skill shortage areas. Market forces supplements are awarded for a defined period and subject to regular review. Currently there are no senior managers receiving Market Force Supplements.

## **4. 'Earn Back,' bonus and performance related pay**

- 4.1 None of the posts featured in this report are eligible for bonus or performance related pay. However, there is no automatic incremental progression within senior management grades, movement within grade is dependent on performance. Progression for Senior Managers who do not sit on the Strategic Executive Board (SEB), is agreed by SEB. For SEB Members progression is agreed by the Chief Executive in consultation with the Leader of the Council and any incremental progression for the Chief Executive is agreed by the Leader of the Council. Senior Managers who meet the performance criteria are expected to receive an increment in April 2022.

## **5. Cessation of Employment**

- 5.1 If made redundant, post holders covered by this policy will be compensated in the same way as other Council employees and within the confines of the Council's approved redundancy scheme. The extent of any payment will depend on the individual's age, length of service and whether the redundancy is voluntary or compulsory.

5.2 The Council retains provision to make additional payments, or payments for some reason other than redundancy. Approval for payments under £100,000, is delegated to the Leader of the Council, in consultation with the Head of Paid Service. This is approved through an Independent Executive Decision Notice (IEDN) and reported to Cabinet.

5.3 Section 40, a supplement to the original Localism 2011 Act, stated that we should have regard for any guidance issued or approved by the Secretary of State. Guidance issued recommends that Full Council should be given the opportunity to vote on salary packages and severance payment of £100,000 and over. Appointment processes are detailed in 1.1 of the Pay Policy and have been agreed by Full Council. Any severance packages in excess of £100,000, (not inclusive of pension capital costs), will be agreed by Full Council.

## **6. Re-engagement of senior employees in receipt of a local government pension**

6.1. The City of Wolverhampton Council recognises that the re-employment of retired local government officers is likely to be perceived negatively and bring into question the use of retirement packages in the public sector. The Council's Voluntary Redundancy Scheme makes clear that employees, regardless of salary level, should not seek re-employment into council roles for 12 months after accepting early retirement/voluntary redundancy. Appointment of former employees as either agency staff or consultants is also prohibited if the arrangement could have been foreseen at the time of retirement. The Council is, however, not averse to appointing senior staff who have retired from other public sector employers. This is because the City of Wolverhampton Council has no control over the decision-making of other employers and could potentially benefit from the skills and experience of the individual concerned.

## **7. Payments made in recognition of election responsibilities**

7.1 In accordance with the regulations, at times of General or Mayoral Elections the council appoints an Acting Returning Officer, by convention, the Head of Paid Service, whose fee for overseeing the election process, is paid by central government. The fee is set nationally. However, at times of a Local Election it forms part of the Head of Paid Services' contract of employment to be Returning Officer and no additional payment is made by Central Government for his role. Other Senior Managers may act as Returning Officer at times of a Local Election and will receive payment from Central Government.

## **8. Pension Contributions and other elements of remuneration**

8.1 Employer pension contributions have been included in the pay data included in this policy; this is in line with the definitions of remuneration in the Local Government Transparency Code 2015. The employer contribution rate for LGPS in 2021-2022 was 26.16% and for Teachers Pension was 23.68%.

## **9. Interim Senior Managers**

9.1. There is a requirement from time to time to appoint senior managers on an interim basis in response to short term vacancies or skill shortages, the engagement of all interim senior managers is subject to the necessary approvals and council processes.

## 10. Pay comparison between the highest and the lowest paid

- 10.1. In setting the requirement that the policy statement includes a comparison between the highest and the lowest paid, the Act gives no definition of 'lowest paid' and specifies that authorities should set their own and explain why it has been chosen.
- 10.2. For the purposes of this policy statement, to comply with the Localism Act, the identification of the lowest paid role has been identified as a full-time job, performed all year round, with the exclusion of posts that include an on-going training requirement, such as an apprenticeship.
- 10.3. The lowest pay point is pay point 1 currently £17,842. This point is part of City of Wolverhampton Council's Grade 2. Grade 2 is from pay point 1 £17,842 – pay point 3 £18,562 per annum.
- 10.4. The type of roles that fall within Grade 2 are Catering and Cleaning roles, School Crossing Patrol and Passenger Assistant. There were 642 employees on Grade 2 as of 01 April 2021.
- 10.5. The City of Wolverhampton Council's pay ratio of 9.39:1 falls below the City of Wolverhampton Council's pledge to keep the pay ratio below 10:1.

City of Wolverhampton Council's Pay Multiple	Highest and Lowest paid salaries	Highest and Lowest paid roles
9.39:1	£167,688 £17,842	Chief Executive Cleaner

- 10.6. Comparative data for this financial year is not yet available, however figures for last year show Birmingham as 10.29:1, Sandwell at 8:1 and Dudley at 10:1. Walsall council report on the pay ratio between the highest pay and the median pay therefore data would not be comparative.
- 10.7. In addition to reporting the above as part of the Localism Act, there is a requirement under the Transparency Code 2015, to report the pay multiple, defined in this case, as the ratio between the highest taxable earnings for a given year (2020-2021) and the median figure for the whole authority's workforce. The median figure should be calculated using all employees on a fixed date each year. The date of 1 April 2021 has been used to provide the most current data. The highest salary is the Chief Executive on Grade 17 £167,688 and the lowest full time pay is £17,620, with 13 Apprentices on this salary. The median earning figure used as the denominator is £27,041, giving a pay ratio of 6.20:1.

- 10.8 The median earning figure has remained static at £27,041. Comparative data for this financial year is not yet available, however data from last year show Birmingham reporting 7.59:1, Walsall 7.1:1, Dudley 7:1 and Sandwell 6:1

## **11. Publication**

- 11.1. The Pay Policy Statement 2022-2023 will be published on the City of Wolverhampton Council's website, alongside the data published under the Local Government Transparency code, at <http://www.wolverhampton.gov.uk/article/1889/Corporate>
- 11.2 As good practice the actual remuneration of Chief Officers (as defined by the Localism Act) for 2021-2022 will also be published on the City of Wolverhampton Council's website.