

Appendix 4

Senior Pay Policy Statement 2017 -2018

General Principles

This Policy Statement has been compiled to comply with the requirements of section 38 (1) of the Localism Act 2011.

1. Salaries on appointment and increments

- 1.2. Senior management appointments at Head of Paid Service and Strategic Director level are subject to full Council approval. It is expected that Senior Managers who meet the eligible criteria will receive their increments with effect from 1st April 2017

2. Annual Pay Award

- 2.1. All annual pay awards are set in line with nationally negotiated rates. No national agreement has yet been made about a pay award for JNC for Chief Executive's pay or for Chief Officer's pay. When this is agreed, this will automatically be implemented and will cover the period 1st April 2017 to 31st March 2018. The Managing Director on Grade 16 receives the equivalent pay award for a Chief Executive and other Senior Managers on grade 12 to Grade 15 receive the equivalent pay awards for Chief Officers.

3. Market forces supplements

- 3.1. 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, based on evidence of recruitment and retention difficulties. Market forces supplements are awarded for a defined period and subject to regular review. The Strategic Director – People was offered a fixed term contract until 30 June 2017, with a Market Forces supplement. This was a less expensive option, than retaining the employee on an interim basis and is allowing the Managing Director an opportunity to consider how he would want to fill this role in the future. The employee was retained whilst transformation of the service continues and the Childrens Ofsted Inspection is being undertaken.

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

- 4.1. Local authorities have been asked to consider Lord Hutton's recommendation (Final Report of the Independent Review into Fair Pay in the Public Sector, March 2011) that senior staff could have an element of their basic pay 'at risk' to be earned back each year through meeting pre-agreed objectives. Wolverhampton City Council has not implemented this and has no plans to introduce this approach during 2017/18. It should be noted that had the City of Wolverhampton Council implemented Performance Related Pay, this would be in addition to any substantive salary.

- 4.2. 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 and for those Senior Managers grade 12 and above, but below Strategic Director they are considered by the Managing Director and agreed at Strategic Executive Board. Strategic Directors progression, is agreed by the Managing Director in consultation with the Leader of the Council and any incremental progression for the Managing Director is agreed by the Leader of the Council. Senior Managers who meet the criteria are expected to have incremental progression in 2017/2018.

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. The Council retains provision to make additional payments, or payments for some reason other than redundancy, but any payments require the prior approval of Cabinet and are reported in the annual accounts of the Council. Exit Capping and 'claw back' will have an impact on redundancy/early retirement processes and re-engagement. The impact this will have on City of Wolverhampton Council will be subject to a separate report.

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

- 6.1. 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 ex-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 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 regulations, at times of election 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. Other Officers receive payments in recognition of election responsibilities. To date the Council does not know the figure for 2017-2018

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 2014. The employer contribution rate for 2017 – 2018 is not yet known.

9. Interim Directors

- 9.1. Interim Service Director, Commercial Services commenced on 23 May 2016. This role is required to provide the Council with more commercial acumen to ensure best value is achieved across all of its Services. This role also acts as the Lead Officer for both Procurement and Commissioning in the Council. It is envisaged this role will continue into 2017-2018.
- 9.2. Interim Director of Education was appointed on 10 August 2015. This role was appointed to, following the departure of the permanent Director of Education, who had to leave due to ill health. The post needed to be filled quickly as it was essential to ensure the School Improvement Agenda did not fall behind. It is envisaged this role will continue into 2017-2018.

10. Pay comparison between the highest and the lowest paid

- 10.1. When publishing his interim report on fair pay in the public sector, Lord Hutton said:

“There is a strong case for public sector organisations having to comply with, or explain why they do not comply with, a maximum pay multiple, such as 20:1. This would demonstrate fairness by reassuring public opinion, address a problem of collective action across remuneration committees, and benefit organisations’ productivity“

“The public sector walks a fine line. It must create value for citizens by attracting and retaining talented individuals – otherwise it will become a second class sector of the economy. But equally it has to be vigilant about ensuring value for money”

- 10.2. 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. The highest paid role is that of Managing Director.

For the purposes of this policy statement, and the identification of the lowest paid role, full-time jobs performed all year round have been taken into account with the exclusion of posts that include an on-going training requirement, such as an apprenticeship.

The lowest paid role that meets this criteria is that of a Cleaner, who is paid Grade 2, Local Pay Point 2 (annual full time equivalent salary £15,807), on the Wolverhampton local pay scale which was implemented as part of the Single Status collective agreement on 1 April 2013. This includes the Pay award for NJC employees for 1 April 2017.

There are 20 employees paid at Grade 1, but they do not fit the criteria of having employees in post full time and all year round.

The comparison between pay is set out below:

Job Title	Gross Annual Payment	Multiplier
Managing Director	£143,925 (current salary until increment and National Pay Award is agreed on 1 April 2017).	9.11 : 1
Cleaner	£15,807 including NJC pay award for 1 st April 2017	

The Council's multiplier of 9.11 falls well below Lord Hutton's public sector threshold, is lower than similar-sized Councils and is substantially below private sector equivalents. Once Chief Executive pay awards are known for April 2017, this will slightly change the multiplier, but only by a decimal point of a percentage.

11. Publication

- 11.1. The Senior Pay Policy Statement 2017 – 2018 will be published on the City Council's website, alongside the data published under the Local Government Transparency code, at <http://www.wolverhampton.gov.uk/article/1889/Corporate>. When data is updated or further information available this will be amended.