

## **PAY POLICY STATEMENT 2022/23**

### **Introduction and Purpose**

Warwick District Council aims to have a comprehensive remuneration package that is appropriate and fair for all levels of role and responsibility; ensuring that transparency and equality underpins any rewards.

Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as authority thinks fit".

This Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the setting of pay for its employees.

The Pay Policy must set out the authority's policies relating to:

- The remuneration of its key chief officers (this includes Chief Executive, Deputy Chief Executive, Heads of Service, Section 151 Officer and Monitoring Officer)
- The remuneration of its lowest paid employees
- The relationship between
  - (i) the remuneration of its chief officers, and
  - (ii) the remuneration of its employees who are not chief officers.

The Pay Policy Statement must include:

- The definition of 'lowest paid employees' for the purposes of this statement
- The Authority's reason for adopting this definition

The Pay Policy Statement must also include the Council's Policy in relation to each of the following:

- Remuneration on recruitment
- Increases and additions to remuneration
- The use of performance related pay
- The use of bonuses
- The approach of payment on their ceasing to be employed by the authority
- The publication of and access to information relation to their remuneration

Once approved by Full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time

In support of improvements in transparency, and mindful of additional requirements of the Local Government Transparency Code 2015, the Pay Policy Statement signposts to the central point of information on the Warwick District Council website for Data Transparency.

## **REMUNERATION PROVISIONS**

### **Definition of Chief Officers**

For the purposes of this Pay Policy Statement, all references to Chief Officer include Statutory Officers, Chief Officer and Deputy Chief Officers, as defined within Section 43 of the 2011 Localism Act, apart from clerical and administrative posts. In accordance with the Council's Constitution these include:

- Chief Executive
- Deputy Chief Executive
- Heads of Service
- Section 151 Officer
- Monitoring Officer

The Council's Chief Officer Structure is set out within Article 12 of the Constitution of the Council and published in accordance with the Transparency Code.

Chief Officer grades and salaries are determined using the Hay Evaluation criteria.

For the purposes of the Pay Policy Statement, the Council is required to define and set out the relationship and definition of the lowest paid employee.

### **Definition of Lowest Paid Employees**

For the purpose of this pay policy statement, the definition of the lowest-paid employees adopted by the Council for the purposes of this statement is as follows:

'The lowest paid worker is defined as those on the lowest spinal column point of Grade J, which is the Council's lowest pay grade (excluding apprentices)'. Warwick District Council does not have any employees on the lowest spinal column point and from 1<sup>st</sup> April 2021 the annual salary of the lowest paid employee is £18,562 (£9.62 per hour).

This places a ratio between the lowest paid and highest paid employee at 6.22:1 from 1<sup>st</sup> April 2021.

The Council considers this to be the most appropriate definition as this is the lowest contractual pay point and pay level on its substantive pay structure and which normally applies to new entrants to the lowest graded jobs within the organisation.

The exception is employees who are employed on a Government sponsored apprenticeship programme that allows for them to be paid at nationally agreed apprenticeship rates. The recommended pay rates for apprentices should not be lower than the National Minimum Wage and the District Council has adopted a pay range for apprentices that exceeds National Rates for apprentices.

**A copy of the Council's pay scales can be found at the end of this statement.**

### **Section 1- POLICY ON REMUNERATION OF CHIEF OFFICERS**

#### **1. Levels of Pay for Chief Officers**

The Chief Executive as head of the paid service is employed on the JNC terms and conditions of service and paid a salary that is a spot payment, commensurate with the role.

The Deputy Chief Executives, Heads of Service (which include the Monitoring Officer and the Section 151 Officer) are paid within the Warwick Senior Management Grades (WSMG) on a salary which is considered a market rate within the local government sector. There are 3 salary scale incremental levels; the current levels of pay for each Chief Officer are set out in Appendix 1.

Employer contributions for LGPS for 2021/22 is 19.9% and Employee contributions can be found at

<https://www.lgpsmember.org/toj/thinking-joining-how.php#:~:text=Contributions%20table%202021,guaranteed%20by%20law.>

These elements of remuneration for 2020/21 are set out below. As at this time the Chief Executive and Chief Officer pay award for 2021/22 has not been agreed by the JNC.

## **2. Elements of Remuneration for Chief Officers**

In addition to the basic salary outlined above, Chief Officers may claim business mileage as HRMC guidelines.

The Chief Executive is the Council's Returning Officer and receives an Election Allowance. This allowance is set by central government and it varies each year depending on the number and type of elections held in each year.

The Council's Monitoring Officer role is carried out by the Joint Head of Law and Governance, an additional payment for Monitoring Officer duties is not made.

For an exceptional piece of work or an exceptional achievement, a Chief Officer may be awarded an honorarium. The Chief Executive can approve this for any employee and this is either paid as a one off payment or can be a monthly allowance for a temporary period.

## **3. Pay Levels on Recruitment**

The pay level offered on recruitment is typically the bottom point of the salary grade for all roles including Chief Officers. In situations, however, where the individual recruited has a high level of knowledge or skills, and/or previous relevant experience, a higher salary up to the maximum salary for that post, may be authorised by the Chief Executive.

Chief Officers are appointed by the Joint Appointments Committee (which reflects all political parties) exercising their delegated powers as outlined in the officer employment procedures.

This excludes the appointment to the role of Head of Paid Service (Chief Executive) and any other posts where the salary is greater than £100,000 where the Employment Committee recommends the appointment to Full Council for approval.

#### **4. Increases to Pay**

Any cost of living increases agreed through JNC are applied to Chief Officers pay. This is typically on 1<sup>st</sup> April each year and incremental increase to their pay will be applied 12 months after the date of appointment.

There are 3 levels of increment; the first is the recruiting salary, the second level is automatic but the final level is subject to a satisfactory performance as signed off by their line manager. It may be withheld if the Chief Officer is deemed to not have a satisfactory performance appraisal or has a live formal written warning for conduct or performance issues.

Where a Chief Officer has given exceptional performance then they may be awarded additional increments outside of the normal incremental timescale as detailed above - subject to their pay not exceeding the maximum salary for their post. This would be authorised by the Chief Executive.

Chief Officers' pay will be benchmarked when required against the market to ensure consistency is maintained both in the peer local authorities and nationally if relevant. Where there are significant changes in market rates then a pay benchmarking assessment will be carried out for Chief Officers.

Where a Chief Officer is temporarily working in a higher level role, (duration of 3 months or more) this may be recognised by payment of an honorarium or the higher salary relevant to that role on a temporary basis.

#### **5. Impact of Shared Service Working for Chief Executive, Deputy Chief Executive and Heads of Service**

The Council has agreed to pursue a merger with Warwick District Council to form a South Warwickshire District Council in 2024

Any such proposal under this

Strategy should lead to:

- Maintained/improved service performance
- Increased resilience to the service
- Reduction in cost to the Council

The Council has agreed to the sharing of senior posts, via a Section 113 Agreement, with Stratford District Council as opportunities arise. All costs relating to shared posts will be split equally between the two Councils.

In recognition of the additional duties being undertaken, during the transitional stage an interim honorarium of 5% is being applied to all Head of Service posts which are undertaking a joint Head of Service role, for both authorities, with effect from the date the S113 Agreement became active.

#### **6. Market Forces Supplement**

The Council updated their Market Forces Supplement Scheme in 2017. It is the Council's policy to pay temporary and reviewable 'market forces supplement' to posts where there is clear and demonstrable evidence that the salary level attached to the post creates substantial recruitment and retention difficulties. Any supplement will be

automatically withdrawn at the end of two years unless an application for extension is agreed.

## **7. Performance Related Pay or Bonuses**

Exceptional performance of Chief Officers is recognised by either accelerated increments or an honorarium as detailed previously. Poor performance may result in an increment being withheld.

## **8. Termination Payments**

In the case of redundancy, a severance payment would be made to a Chief Officer in line with the current the Discretionary Compensation Policy and as per the Redundancy Calculator. Pension benefits, on termination of employment, prior to reaching normal retirement age, would be calculated in accordance with the Local Government Pension Scheme regulations

Employees who wish to apply for Early Retirement or Flexible Retirement may do so in accordance with the associated policies for early retirement and flexible retirement. In the case of termination due to Ill-health, a termination payment would not be applicable but an early pension benefit may be awarded by the pension scheme. The pension benefit may include a lump sum in addition to an on-going pension payment.

On termination of employment, if it is not possible or desirable for the Chief Officer to serve their contractual or statutory notice period, then a payment may be made in lieu of the notice period.

Any contractual payments such as outstanding annual leave are usually included in payments on termination of employment. Similarly, any monies owing to the Council would be deducted from payments made on termination.

In exceptional circumstances the Council may choose to make a payment under a Settlement Agreement. Such circumstances could include minimising the risk of uncertainty or disruption to the authority. Such payments are subject to a formal decision by the Chief Executive, in consultation with the relevant Deputy Chief Executive, relevant Head(s) of Service and Group Leaders. Approval will be sought by the Cabinet at its next meeting.

Any severance package that exceeds £100,000 should be approved by full Council. The components of which may include pay in lieu of notice, redundancy compensation, payment made in accordance with a Settlement Agreement, pension entitlements, holiday pay and any fees or allowances paid.

It is not the Council's policy to re-employ or to contract with senior managers who have been made redundant from the council unless there are exceptional circumstances where their specialist knowledge and expertise is required.

## **Section 2 - POLICY ON REMUNERATION OF ALL EMPLOYEES AND IDENTIFICATION OF OUR LOWEST PAID EMPLOYEES**

In 2021/22 the lowest paid persons employed under a contract of employment with the Council were employed on new spinal column point 3 of the NJC Pay. The full time equivalent salary for this point is £18,562. This is the evaluated rate for the job

in accordance with the Hay job evaluation scheme and the Council's agreed grading structure.

Using the Hay Job Evaluation process, the Councils uses the nationally negotiated pay spine (further details can be found at [www.LGE.gov.uk](http://www.LGE.gov.uk)) as the basis for its local grading structure. This determines the salaries of the large majority of the workforce – apart from Chief Officers - together with the use of other nationally defined rates where relevant. The Council is committed to adherence to the national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine. The 2021/22 award has yet to be agreed.

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 the Council. 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 at times at which those services are required.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied within the grade 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 and this would be done in accordance with the Market Forces Supplement Scheme. Where necessary, 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.

### **Section 3 - THE RELATIONSHIP BETWEEN REMUNERATION OF CHIEF OFFICERS AND OTHER EMPLOYEES**

The statutory guidance under the Localism Act 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 report was asked by Government to explore the case for a fixed limit on dispersion of pay – in that a public sector manager cannot 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 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 Council's workforce.

| <b>Salary Information 2021/22</b> |          |
|-----------------------------------|----------|
|                                   | <b>£</b> |
| Highest Chief Officer Salary      | 115,469  |
| Median Chief Officers Salary      | 66,652   |
| Median Officers Salary            | 25,481   |
| Lowest Officer Salary             | 18,562   |

|   | 2020/21 |
|---|---------|
| Comparison of the Chief Officers Mean / Officer Mean    | 2.65    |
| Highest earning Chief Officer/ Pay scale Officer Mean   | 4.13    |
| Highest earning Chief Officer/ Lowest Pay scale Officer | 6.22    |
| Median Chief Officer/ Median Pay scale Officer          | 2.62    |
| Highest Chief Officer/ Median Pay scale Officer         | 4.53    |

These figures are accurate as of January 2022 data and exclude any other payments or allowances. The tolerances are well within the limits recommended by the Hutton report.

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 benchmark information as appropriate.

#### **Section 4 - PUBLICITY AND ACCESS TO INFORMATION**

This policy including Appendices will be available on our web site [www.Warwickdc.gov.uk](http://www.Warwickdc.gov.uk).

#### **Section 5 - RELATED DOCUMENTS**

|   |                              |
|---|------------------------------|
| Early Retirement                          | Flexible Retirement          |
| Redeployment Policy                       | Ill-Health Retirement Policy |
| Recruitment Policy                        | Honoraria Policy             |
| Final Increment Scheme for Chief Officers | Capability Policy            |
| Disciplinary Policy                       | Market Forces Supplement     |
| Scheme                                    |                              |
| Hay Job Evaluation Scheme                 |                              |

|                      |              |
|----------------------|--------------|
| Date of first issue: | March 2012   |
| Date of next review: | January 2023 |

## WARWICK SENIOR MANAGERS GRADES 2020/21

### **Chief Officers and Chief Executive 2021/22 Pay Award has yet to be agreed**

(WSMG Scheme for Chief Officers excluding the Chief Executive)

#### **Basic Pay**

| <b>Grade</b> | <b>Post</b>                                 | <b>Starting Point £</b> | <b>Mid Point £</b> | <b>Max Point £</b> |          |
|--------------|---|-------------------------|--------------------|--------------------|----------|
| CX           | Chief Executive                             | 105,460                 | -                  | 115,469            |          |
| WSMG1        | Joint Deputy Chief Executive                | 86,759                  | 90,375             | 93,989             |          |
| WSMG1        | Joint Programme Director for Climate Change | 86,759                  | 90,375             | 93,989             |          |
| WSMG1        | Joint Head of Finance (S151)                | 76,748                  | 79,807             | 82,865             | 2        |
| WSMG3        | Joint Head of Housing                       | 61,521                  | 64,086             | 66,652             | 1, 2 & 3 |
| WSMG3        | Joint Head of Culture, Tourism and Leisure  | 61,521                  | 64,086             | 66,652             | 2        |
| WSMG3        | Joint Head of People and Communications     | 61,521                  | 64,086             | 66,652             | 2        |
| WSMG3        | Joint Head of ICT                           | 61,521                  | 64,086             | 66,652             | 2        |
| WSMG3        | Joint Head of Assets                        | 61,521                  | 64,086             | 66,652             | 2        |
| WSMG3        | Head of Community Protection                | 61,521                  | 64,086             | 66,652             | 2        |

1 = In receipt of a Market supplement

2 = In receipt of 5% honorarium enhancement to reflect joint working

3 = In receipt of an honorarium payment to reflect working at a higher level

| <b>Joint Posts Employed by Stratford</b>              |
|---|
| Joint Deputy Chief Executive                          |
| Joint Head of Law and Governance - Monitoring Officer |
| Joint Head of Environmental and Operational Services  |
| Joint Head of Revenues and Customer Services          |
| Interim Joint Head of Development Services            |
| Joint Head of Place and Economy                       |

## **ELEMENTS OF REMUNERATION FOR CHIEF OFFICERS**

### **Car Mileage Payments**

The accumulative mileage claims for the Chief Officer population for 2019/20 is approximately £990. In 2020/21 claims were in the region of £45

### **Election Allowance for 2021/22 (Chief Executive only)**

The fee paid to the Returning Officer is determined by legislation and the recovery of the costs for the Returning Officer duties at a UK or European Election is met from Central Government funds and as such does not constitute a cost the Council.

### **Market Forces Payments**

# The Head of Housing Services post is currently in receipt of a £6,360 market supplement in accordance with the Market Forces Supplement Scheme.

### **Honorarium Payments**

Chief Officers acting as Joint Head of Service with Stratford District Council received a 5% honoraria in 2021/22 from the date of joint responsibilities being undertaken.

### **Relocation Scheme**

None anticipated for 2021/22

### **Mortgage Subsidy Scheme**

None currently

### **NJC Salary Grades 1 APRIL 2020**

At the time of writing the NJC 21/22 Pay Award has not been agreed

| <b>Salary Grade</b> | <b>Spinal Column Point</b> | <b>Salary £</b> |
|---------------------|----------------------------|-----------------|
| <b>I</b>            | 2                          | 18,198          |
|                     | 3                          | 18,562          |
| <b>H</b>            | 4                          | 18,933          |
|                     | 5                          | 19,312          |
| <b>G</b>            | 6                          | 19,698          |
|                     | 7                          | 20,092          |
|                     | 8                          | 20,493          |
|                     | 9                          | 20,903          |
|                     | 10                         | 21,748          |
|                     | 11                         | 22,183          |
| <b>F</b>            | 12                         | 23,080          |
|                     | 13                         | 23,541          |
|                     | 14                         | 24,491          |
|                     | 15                         | 25,481          |
| <b>E1</b>           | 16                         | 25,991          |
|                     | 17                         | 27,041          |
|                     | 18                         | 27,741          |
|                     | 19                         | 28,672          |
|                     | 20                         | 29,577          |
| <b>E2</b>           | 21                         | 30,451          |
|                     | 22                         | 31,346          |
|                     | 23                         | 32,234          |
|                     | 24                         | 32,910          |
|                     | 25                         | 33,782          |
| <b>D</b>            | 26                         | 34,728          |
|                     | 27                         | 35,745          |
|                     | 28                         | 36,922          |
|                     | 29                         | 37,890          |
| <b>C</b>            | 30                         | 38,890          |
|                     | 31                         | 39,880          |
|                     | 32                         | 40,876          |
|                     | 33                         | 41,881          |
|                     | 34                         | 42,821          |
| <b>B</b>            | 35                         | 43,857          |
|                     | 36                         | 44,863          |
|                     | 37                         | 45,859          |
|                     | 38                         | 46,845          |
|                     | 39                         | 47,846          |
|                     | 40                         | 48,847          |
| <b>A</b>            | 41                         | 49,865          |
|                     | 42                         | 50,881          |
|                     | 43                         | 51,896          |

# **WARWICK SENIOR MANAGER GRADES**

## **Salary Grades 2020/21**

At the time of writing the JNC and Chief Executive's 21/22 Pay Award had not been agreed

| Grade  | WSMG Point | 1.4.21<br>Salary<br>£ |
|--------|------------|-----------------------|
| WSMG3  | 1          | 61,521                |
|        | 2          | 64,086                |
|        | 3          | 66,652                |
| WSMG2  | 4          | 77,748                |
|        | 5          | 79,807                |
|        | 6          | 82,865                |
| WSMG1  | 7          | 86,795                |
|        | 8          | 90,375                |
|        | 9          | 93,989                |
| C Exec | 1          | 105,460               |
|        | 2          | 115,469               |