

**Localism Act 2011 - Pay Policy Statement 2024-25**

<b>Committee:</b>	Council
<b>Date of Meeting:</b>	6 <sup>th</sup> March 2024
<b>Report of:</b>	Head of Transformation & Assurance
<b>Portfolio:</b>	Resources & Transformation

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**1 Purpose of Report**

- 1.1 To agree a Pay Policy Statement for 2024-25 as required by Sections 38 and 39 of the Localism Act 2011.

**2 Recommendations**

That Council:

- 2.1 Approves the Pay Policy Statement as set out in Appendix 1.
- 2.2 Agrees to the publication of the Pay Policy Statement on the Council's website.

**Reasons for Recommendations**

- 2.2 Section 38 (1) of the Localism Act 2011 requires English and Welsh Local Authorities to prepare a Pay Policy Statement for 2012/13. Section 39 of the Act requires the Statement to be approved by Council by the end of March each year.

**3 Key Issues**

- 3.1 The purpose of a Pay Policy Statement is to provide transparency concerning the Council's approach to setting the pay of its employees in line with Chapter 8 of the Localism Act 2011 and the provisions of the guidance issued under section 40 (i.e. Openness and accountability in local pay) by identifying:
- A Local Authority's policy on the level and elements of remuneration for each chief officer.

- A Local Authority's policy on the remuneration of its lowest paid employees (together with a definition of "lowest paid employees").
- A Local Authority's policy on the relationship between the remuneration of its chief officers and its other officers.
- A Local Authority's policy on other specific aspects of chief officers' remuneration such as remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

3.3 For these reasons a pay policy statement has been created for approval and publication.

## **4 Relationship to Corporate Priorities**

4.1 This report contributes to corporate priority 4 ["To be a modern, forward thinking and responsible Council"](#).

## **5 Report Detail**

5.1 Section 38 (1) of the Localism Act 2011 requires English (and Welsh) local authorities to prepare a pay policy statement for 2012/13 and for each financial year after that. The bill as initially drafted referred solely to chief officers (a term which includes both statutory and non-statutory chief officers, and their deputies); but amendments reflecting concerns over low pay and also drawing on Will Hutton's 2011 review of fair pay in the public sector introduced requirements to compare the policies on remunerating chief officers and other employees, and to set out the policy on the lowest paid.

5.2 The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in-kind, increases in / enhancements of pension entitlements, and termination payments.

5.3 In terms of process, the Pay Policy Statement:

- Must be approved formally by the full Council.
- Must be approved by the end of March each year.
- Must be published on the Authority's website (and in any other way the Authority chooses)
- Must be complied with when the Authority sets the terms and conditions for a Chief Officer.
- Can be amended in-year.

5.4 The Act also requires an Authority to have regard to any statutory guidance on the subject issued or approved by the Secretary of State. Statutory recommendations

have been issued on pay multiples (within a wider code of recommended practice) on data transparency and a broader set of statutory guidance on the publication of pay policy statements. The statutory guidance emphasises that each Local Authority has the autonomy to take its own decisions on pay and pay policies.

- 5.5 The Act sets out that in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive (and seen as such). Each Local Authority will have its own way of balancing those factors, with legitimately differing emphases reflecting differing circumstances.
- 5.6 As well as being required to set out certain of its policies on pay, a Local Authority is required to use the pay policy statement to set out its policies on paying charges, fees (such as for the local returning officer or joint authority duties) allowances and benefits in kind.
- 5.7 Although not required by the Act or statutory guidance, in order to support the need for transparency the pay policy statement should include the percentage rate at which the employers pension contributions have been set for the year in question together with the employee contribution rates.
- 5.8 The pay awards for NJC Green Book and Craft and Associated Employees from 1<sup>st</sup> April 2024 are currently under national negotiation between the employers and trade unions at the time of writing. On this basis figures quoted for employee salaries in Annex 1 are as of 1<sup>st</sup> April 2023, excluding where employees are paid the Living Wage Foundation rate. In this case, rates used are as at 1<sup>st</sup> November 2023.

## **6 Implications**

### **6.1 Financial**

The approval of the Council's pay policy statement does not commit any additional expenditure over and above that approved for the next financial year 2023/24.

### **6.2 Legal**

The legal implications are discussed in the main body of this report.

### **6.3 Human Resources**

None

### **6.4 Risk Management**

None

## 6.5 Equalities and Diversity

Pay and conditions for employees are applied fairly and equitably under the Council's job evaluation scheme. Any differentials arising in pay between employees arise from the job evaluation scheme or from the effect of TUPE protections where applicable.

## 6.6 Health

None

## 6.7 Climate Change

None

## 7 Appendices

Appendix 1: Pay Policy Statement 2024-25

## 8 Previous Consideration

*None*

## 9 Background Papers

None

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<b>Ward Interest:</b>	N/A
<b>Report Track:</b>	Cabinet Briefing/Council
<b>Key Decision:</b>	Yes / No / N/A

## **PAY POLICY STATEMENT 2024-25**

### **Introduction and Purpose**

Under section 112 of the Local Government Act 1972, Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out Cannock Chase Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011 and associated guidance, and the Local Government (Transparency Requirements) Regulations 2015. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees in line with Chapter 8 of the Localism Act 2011 and the provisions of the guidance issued under s40 (i.e., ‘Openness and accountability in local pay’) by identifying:

- the methods by which salaries of all employees are determined.
- the detail and level of remuneration of its most senior staff i.e., ‘chief officers’, as defined by the relevant legislation.
- those responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

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.

### **Legislative Framework**

In determining the pay and remuneration of all its employees, the Council will comply 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 where relevant
- The Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified.

## **Pay Structure**

The Authority implemented its single status agreement from 1<sup>st</sup> April 2005 covering all employees within the scope of the National Joint Council for Local Government Services (known as the “Green book”). This was approved by Council on 23<sup>rd</sup> February 2005. A salary scheme for craft employees under the scope of the Joint Negotiating Committee for Local Authority Craft and Associated Employees (known as the “Red Book”) was approved by the Council on 26<sup>th</sup> August 2009 and implemented from 1<sup>st</sup> September 2009.

The minimum and maximum rates of pay of all employees within scope of the Single Status Agreements are based on either the national pay spine and/or locally negotiated rates of pay, national minimum wage legislation, including Apprentice rates of pay, or the living wage as defined by the Living Wage Foundation.

National pay awards to be effective from 1<sup>st</sup> April 2024 (NJC Green Book and Craft and Associated employees) remain under national negotiation between the employers and the trade unions and are unresolved at the time of writing. On this basis, the figures used in this statement are based on 1<sup>st</sup> April 2023 rates of pay, except where employees are paid at the Living Wage Foundation rate, which was uplifted from 1<sup>st</sup> November 2023.

The Living Wage Rate as proposed by the Living Wage Foundation, was implemented by the Council from 1<sup>st</sup> April 2015. This rate rose from a minimum hourly rate of £10.90 to £12.00 per hour, from 1<sup>st</sup> November 2023 for all employees who would earn less than that rate within the current national pay structure. The rate will be reviewed, and a revised rate applied in November 2024.

The Council remains committed to adherence with national pay bargaining in respect of the national pay spine (amended only by the Living Wage Foundation rate) and any annual cost of living increases negotiated in the pay spine and will implement any amended pay or grading structure that may arise from such national negotiations.

The grading of job roles is determined by reference to the NJC Job Evaluation Scheme, and the Hay Evaluation scheme as adopted by the Council. The exception to this is circumstances where, as part of shared service arrangements or other relevant transfers of personnel, employees have transferred to Cannock Chase Council under the TUPE regulations with protected pay and terms and conditions of employment. Those terms and conditions will remain in place until such time as there is an economic, technical, or organisational reason for changing them, as is required under the TUPE legislation.

The level of remuneration is not variable dependent upon the achievement of defined targets, except for progression through any incremental scale of any relevant grade being subject to overall satisfactory performance., There is the provision for the acceleration of increments within any grade to take account of changes to duties and responsibilities or outstanding contribution.

All other pay related allowances are the subject of either national or local determination having been determined from time to time in accordance with national collective bargaining machinery and/or as determined by local negotiation with local trade union representatives.

In determining its pay and 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 be able 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 where necessary to secure the best candidate and to respond to variations in regional or national pay rates. 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 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.

### **Local Government Pension Scheme**

Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. In addition, the Council operates pensions 'Auto Enrolment' as required by the Pensions Act 2008. The table below sets out the employee pension contribution bands which will have been in place from 1<sup>st</sup> April 2023. At the date of writing employee pension contribution bands have not been confirmed for 2024/25.

#### **2023/24 rates**

<b>Band</b>	<b>Whole-time equivalent pay range</b>	<b>Main Section Employee contribution rate (%)</b>	<b>50/50 Employee contribution rate (%)</b>
1	Up to £16,500	5.5%	2.75%
2	£16,501 - £25,900	5.8%	2.90%
3	£25,901 - 42,100	6.5%	3.25%

4	£42,101 - £53,300	6.8%	3.40%
5	£53,301 - £74,700	8.5%	4.25%
6	£74,701 - £105,900	9.9%	4.95%
7	£105,901 - £124,800	10.5%	5.25%
8	£124,801 - £187,200	11.4%	5.70%
9	£187,201 or above	12.5%	6.25%

The Employer contribution rates are set by Actuaries advising the Staffordshire Pension Fund and are reviewed on a regular basis in order to ensure the scheme is appropriately funded. The Employer contribution rate for Cannock Chase Council for 2024/25 remains unchanged from 1<sup>st</sup> April 2023 at 22.4%. In relation to payments to the Local Government pension scheme these are made up of two separate elements, these being the primary rate (22.4%) which is paid as a percentage based on actual salary costs and a secondary contribution which is a fixed element payable each year notified by the pension authority as part of the triennial valuation of the pension fund.

Note: the level of employer's contribution is required to be published under S7 of the Accounts and Audit Regulations.

### **Senior Management Remuneration**

For the purposes of this statement, senior management means 'chief officers' as defined within s43 of the Localism Act. The posts falling within the statutory definition are those officers who comprise the senior management team of the Council (the Leadership Team) reporting to the shared Chief Executive and whose salary exceeds £50k per annum (as required by the Local Government (Transparency Requirements) Regulations 2015). The national conditions of service, which apply to Chief Officers of the Council, and which are incorporated into contracts of employment are those set out in the Joint National Council for Chief Officers / Chief Executives terms and conditions of employment. Details of their annual salary and other additional payments as of 1<sup>st</sup> April 2023 (1<sup>st</sup> April 2024 pay award pending) are as follows.



Post	Range/Fixed Salary (£)	
	Shared Chief Executive (Note 1 & 1b)	
Deputy Chief Executive Resources & Section 151 Officer (Note 1a)	98,686	109,074
Deputy Chief Executive Place (Note 1b)	98,686	109,074
Head of Regulatory Services (Note 1a)	77,910	88,298
Head of Wellbeing (Note 1a)	77,910	88,298
Head of Housing & Corporate Assets (Note 1a)	77,910	88,298
Head of Operations (Note 1b)	77,910	88,298
Head of Economic Development & Planning (Note 1b)	77,910	88,298
Head of Law & Governance (Note 1b)	77,910	88,298
Head of Transformation & Assurance (Note 1b)	77,910	88,298

Note 1 – Single fixed salary pay point.

Note 1a - These posts are employed by Cannock Chase Council but also provide services to our Shared Services Partner, Stafford Borough Council. The salary costs of these posts are shared with Stafford Borough Council.

Note 1b –These posts are employed by our Shared Service partner, Stafford Borough Council. The salary costs of these posts are shared with Cannock Chase Council.

Cannock Chase District Council and Stafford Borough Council agreed to share all services (except for Housing HRA functions and Elections) with effect from 1 April 2023. This agreement also included the implementation of the new Joint Leadership Team structure and the associated agreement of revised Terms and Conditions for Chief Officers. These terms and conditions offer an all-inclusive salary package.

The pay structure for Chief Officers is determined by reference to Hay Job Evaluation, benchmarking of comparable roles and responsibilities and recruitment and retention issues.

The Council does not apply any bonuses or performance related pay to its Chief Officers or any other employee.

### **Additions to Salary of Chief Officers**

In addition to basic salary, as set out below are details of other elements of potential 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the normal course of work.

- (i) Where appropriate and subject to operational circumstances – for officers who are unable to utilise their full leave entitlement, payment for untaken leave is permitted. This discretionary provision applies to all Chief Officers. (Other employees have the option to buy additional annual leave).
- (ii) Recognition Payments (including honoraria, acting-up payments, ex-gratia payments) – subject to approval such additional payments are permissible to recognise additional duties and responsibilities which occur over and above normal contractual obligations. The provision of such payments is available to all Council employee's dependent on circumstances.
- (iii) Returning Officer Fees – a range of fees are payable to the Deputy Chief Executive Resources & Section 151 Officer for his role as returning officer for local elections for Cannock Chase District Council. The fees are based on indicative rates set by Staffordshire County Council for all Local Authorities in Staffordshire. The rates for 2024/25 reflect a 2% annual increase in line with the County Council's anticipated approach to budget setting for staffing costs.

Depending on the type of election, fees range from £118.77 per 1,000 or part, thereof, electors for either a standalone district or parish election, with a maximum of £475.08 per ward; to £157.30 per 1,000 or part, thereof, electors for combined district and parish elections, with a maximum of £629.23 per ward. Additionally, there are fees of £18.40 per ward for the issue and receipt of ballot papers; a supervisory fee of £39.62 per ward up to four wards, then £19.81 per ward thereafter, for poll cards; and £57.43 for every uncontested ward for which an election is held for a district or parish councillor(s).

## **Recruitment of Chief Officers**

The Council's policy and procedures with regard to recruitment/appointment of chief officers is set out in Section 23, of the Council's Constitution (<http://www.cannockchasedc.gov.uk>). When recruiting to all posts the Council will take full and proper account of its own Recruitment, and where appropriate, Redeployment Policies. This policy does not exclude the possibility of recruiting former Chief Officers either from this Council or any other provided that a valid business case exists to do so. However, such occurrences are unlikely to be approved without a break in continuity of service being affected. This policy does not prevent the Council from any future use of the flexibility within the Local Government Pension Scheme to agree "flexible retirement" where a suitable business case exists. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and as agreed by Council.

Where the Council is unable to recruit to a post at the designated grade and/or salary, it will consider the use of temporary market forces supplements in accordance with its relevant policies, or review grades in light of market related information. Any decision as to the remuneration of chief officer posts is to be determined by Council.

Where the Council remains unable to recruit Chief Officers under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

The Council does not currently have any Chief Officers engaged under any such arrangements.

## **Payments on Termination**

The Councils approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with the provisions of the 2014 Local Government Pension Scheme.

Any other payments falling outside the provisions, or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee, or panel of elected members with delegated authority to approve such payments in line with any prevailing legislation governing termination payments.

## Publication

Upon approval by full Council, this statement will be published on the Council's Website. In addition, for posts where the full-time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts includes 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; (not applicable)
- 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

From 1<sup>st</sup> April 2024 the lowest paid persons employed under a contract of employment with the Council are paid in accordance with the minimum hourly rate currently in use within the Council's grading structure. This is £12.00 per hour, which equates to £23,151.49 per annum. The Council, from time to time, employs other categories of workers who are not included within the definition of 'lowest paid employees' as they are employed under the Government's national minimum wage legislation dependent on age.

The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

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 through a requirement that no public sector manager can 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 mean average salary of the whole of the authority's workforce.

The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee (£23,151.49) and the shared Chief Executive post (£145,432.00) as **1:6.3** and between the lowest paid employee (£23,151.49) and the

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average Chief Officer employed by Cannock Chase District Council (86,946.75) as **1: 3.8**.

The multiple between the median full time equivalent earnings (£29,300.15) and the Chief Executive is **1: 5**) and between the median full time equivalent earnings (£29,300.15) and the average Chief Officer (£86,946.75) is **1: 3**.

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.

### **Accountability and Decision Making**

In accordance with the Council's Constitution, Council, and /or Cabinet are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council. The Constitution sets out the various delegations to Chief Officers.