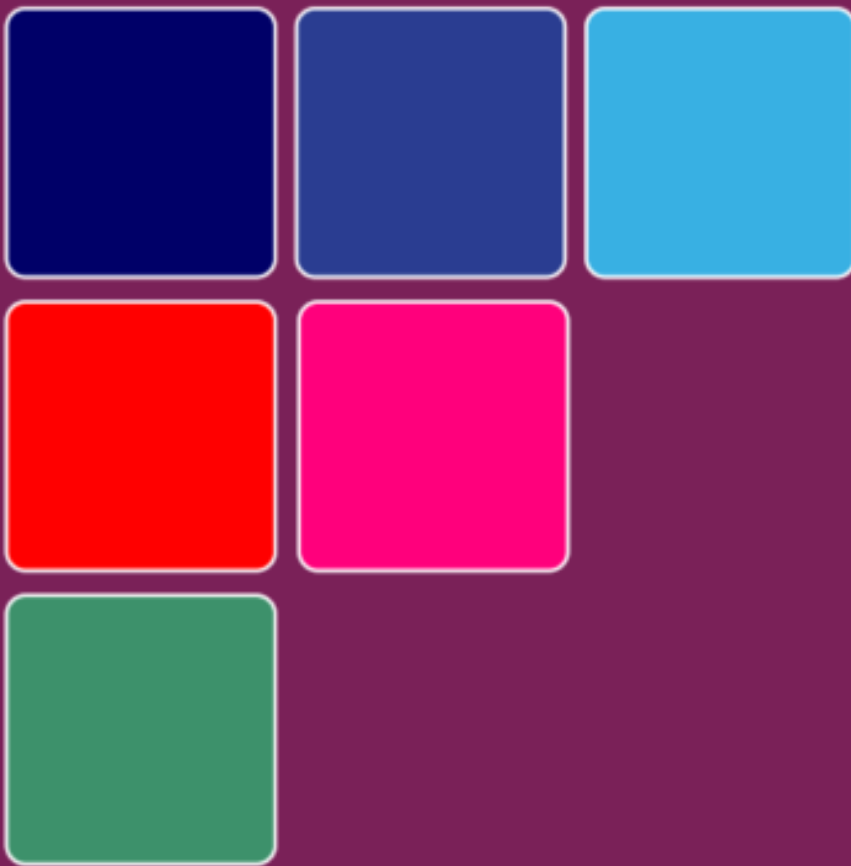


Dudley Council

Pay Policy Statement

2024-25



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1.0 Introduction and Purpose

- 1.1 The purpose of this Policy Statement is to clarify the Council's strategic stance on pay in order to provide direction for members and officers making detailed decisions and to provide the citizens of Dudley with a clear statement of the principles underpinning decisions on the use of public funds.
- 1.2 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".
- 1.3 This Pay Policy Statement (the "Statement") sets out the Council's approach to pay policy in accordance with the requirements of Sections 38 to 43 of the Localism Act 2011 and associated guidance. This excludes staff employed on teachers' terms and conditions of employment which are set nationally and support staff working in schools where the Council is not the employer. Workers engaged on a casual basis are also excluded.
- 1.4 The Statement provides transparency with regard to the Council's approach to setting the pay of its employees by identifying:
- the methods by which salaries of employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
 - the remuneration of the lowest-paid employees;
 - the relationship between the remuneration of 'chief officers' and that of other employees;
 - the persons or bodies responsible for ensuring the provisions set out in this Statement are applied consistently throughout the Council and recommending any amendments to the Full Council.
- 1.5 The Statement sits alongside the Pay Arrangements Policy 2019, which sets out the Council's approach to pay and reward, including temporary payments for additional responsibilities and temporary market forces supplement payments.
- 1.6 An annual Pay Policy Statement is produced for each financial year, in accordance with the relevant legislation prevailing at that time, for approval

by a resolution of Full Council. This Statement covers the period 1st April 2023 to 31st March 2024.

- 1.7 Once approved by the full Council, the statement will come into immediate effect and will be published by no later than 1 April each year, subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

2.0 Legislative Framework

- 2.1 In determining the pay and remuneration of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, 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. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures for employees covered by the National Joint Council for Local Government Services and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

3.0 Pay Structure

- 3.1 The salary information reported in this Statement are as at 1 April 2023 and are subject to any cost of living increase as negotiated by the appropriate national bodies.
- 3.2 The pay negotiations for 2023/24, effective from 1 April 2023, went through the appropriate collective bargaining mechanisms.
- 3.3 Most of the workforce (other than teachers) are employed on the National Joint Council (NJC) for Local Government Services terms and conditions of employment. Based on the application of the Local Government Single Status and LGE Job Evaluation Schemes, the Council uses the NJC nationally negotiated pay spine (grades 1 to 12) and a local pay spine (grades 13-18) as the basis for its local grading structure. Annex 3 shows the distribution of staff across the grading structure.

- 3.4 Chief Officer posts are evaluated taking into account advice from the regional employers' organisation. At a national level, basic pay increases are negotiated through the Joint National Committee (JNC) on a collective bargaining basis and normally chief officer pay awards reflect those of the NJC for Local Government Services.
- 3.5 The remaining employees are employed on other nationally defined rates. This includes those subject to:
- National agreements reached by the Soulbury Committee for certain education-related jobs (43 employees).
 - Joint Negotiating Committee (JNC) Craft for Local Authority Craft and Associated Employees (233 employees).
 - JNC Youth and Community Workers (15 employees).
- 3.6 In addition, where services have transferred into the Council from other organisations, including Public Health staff in 2013, employees have remained on their existing terms and conditions of employment, in accordance with employment legislation, unless they have subsequently transferred to NJC terms and conditions of employment as part of a review and restructure of their service area.
- 3.7 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 mechanisms and/or as determined by Council Policy. 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 can meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.8 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. 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. Any additional payments will be made in accordance with the Council's Policy and Procedure for Market Forces Supplements (Appendix 2 of the Pay Arrangements Policy 2019). The Policy and Procedure outlines

the criteria, which must be met for payment of a market forces supplement, including the approval process by senior management and the Cabinet Member for Finance, Legal and HR. 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. Market forces supplements when used will be time limited and subject to review. All posts receiving a market forces supplement will be reported in this annual Statement.

3.9 The Council has agreed to pay the Foundation Living Wage, from 1 April each year, where the NJC pay rates are lower than the Foundation Living Wage. From 1 April 2023 the minimum NJC hourly rate will be £10.60 and the Foundation Living wage is £10.90 per hour. The Council will pay a supplement on the two NJC points which are lower than £10.90 whilst the NJC 2023 pay award is negotiated and implemented.”

3.10 The following chief officer posts are in receipt of a Market Forces Supplement:

- Director of Children’s Services
- Director of Adult Social Care

4.0 Senior Management Remuneration

4.1 For the purposes of this statement, senior management means ‘chief officers’ as defined within S43 of the Localism Act and section 4(1) of the Local Government and Housing Act 1989 which defines designated, statutory and non-statutory positions. The posts falling within the statutory definition are set out below, in Table 1, with details of their basic salary as at 1st April 2023¹

4.2 Table 1 lists the 15 chief officer posts and 3 officers who report directly to the head of paid service as defined within S43 of the Localism Act that make up 0.34 % of the 4438 people employed by the Council (excluding schools).

¹ Data to populate this was run on 11 December 2023 based on Chief Officers in post and expected to be in post with effect from 1st April 2024 and the latest pay table as at 1 April 2023.

Title	Grade/point	Pay Range Minimum (£)	Pay Range Maximum (£)
Chief Executive	Chief Officer	191,017	191,017
Deputy Chief Executive	Chief Officer	160,789	160,789
Director of Children's Services (includes a market supplement of £32,055 and a payment for statutory duties of £10,903)	Chief Officer	148,949	148,949
Director of Adult Social Care (includes a market supplement of £26,829 and a payment for statutory duties of £10,903)	Chief Officer	143,723	143,723
Director of Public Health & Wellbeing	Chief Officer	116,894	116,894
Director of Finance & Legal (including a payment for statutory duties of £10,903)	Chief Officer	116,894	116,894
Director of Environment	Chief Officer	105,991	105,991
Director of Digital, Customer & Commercial Services	Chief Officer	105,991	105,991
Director of Regeneration & Enterprise	Chief Officer	105,991	105,991
Service Director – Neighbourhood Delivery	Chief Officer	105,991	105,991
Director of Housing & Communities	Chief Officer	105,991	105,991
Service Director of Education, SEND & Family Solutions	Chief Officer	105,991	105,991
Service Director for Children's Social Care	Chief Officer	105,991	105,991
Lead for Law & Governance (including a payment for statutory duties of £10,903)	Grade 17	90,036	93,590

Officers who report direct to Head of paid Service			
Assistant Director – People & Inclusion	Grade 18	86,638	92,350
Head of Communications and Public Affairs	Grade 16	72,412	76,924
Head of Chief Executives Office	Grade 13	52,430	56,168

An organisation structure chart showing the current senior management structure for the Council can be found in Annex 1 of this Policy Statement.

- 4.3 The Lead for Law and Governance is the designated statutory Monitoring Officer role defined under section 5(1) of the Act and the post reports to the Director of Finance and Legal.
- 4.4 The Chief Executive is employed under the terms and conditions of the Joint Negotiating Committee for Chief Executives, the Deputy Chief Executive, Directors and Service Directors are employed under the terms and conditions of the Joint Negotiating Committee for Chief Officers.

5.0 Recruitment to Senior Management Positions

- 5.1 The Council's Policy and Procedures with regard to recruitment of 'Chief Officer' posts is set out within the Officer Employment Procedure Rules as contained in Part 4 of the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own Equality and Diversity, Recruitment and Redeployment Policies, including any particular requirements for those who have transferred into the Council, e.g. Public Health. 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. Where the Council is unable to recruit to a post at the designated grade, it may consider the use of temporary market forces supplements in accordance with its relevant policies.
- 5.2 The terms of reference of the Council's Appointments Committee, contained within the Council's Constitution, include:

- Recommending to the Full Council on the appointment of the Chief Executive;
- Recommending to the Full Council any new appointments or severance packages that exceed a threshold of £100,000 (excluding pension payments);
- The appointment of the Deputy Chief Executive, and Directors.

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

5.4 Market forces supplements/recruitment allowances are paid where it is justified in order to recruit and fulfil a role or to retain an officer within a role.

6.0 Additions to Salary of Chief Officers

6.1 The Council does not apply any bonuses or performance related pay to any of its Chief Officer posts.

6.2 In addition to basic salary, set out below are details of other elements of 'additional pay', which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

- Fees are paid for deputy returning officer duties in accordance with the rates approved by the Council and increased in line with national pay awards. Employees who act as deputy returning officers at local elections are currently paid a fee of £78 per ward.
- A mileage allowance is paid to all employees using their own vehicle for work purposes. The rate is 45p per mile (or, where applicable, the NHS mileage rate is 67p per mile). Mileage rates are taxable above an approved amount (known as MAP) and this is set by HMRC.

- The Council may consider granting an honorarium (of an amount dependent upon the circumstances of each case) to Chief Officers who perform duties outside the scope of their role over an extended period. Any requirement for an honorarium will be dealt with through evaluation of the additional duties. Such a temporary arrangement would need to be approved by the relevant Cabinet Member in consultation with the Chief Executive and formalised in a Decision Sheet and would be in the interests of efficient administration of a service(s).
- By law, all staff are entitled to 5.6 weeks holiday (28 days for a full-time employee; this is inclusive of bank holidays). The statutory provision was designed to give employees paid time away from the work environment and there are sound health and wellbeing reasons for them to have that time. For those reasons contracting out of the minimum holiday entitlement by paying them instead is not allowed. The Local Government Association specifies that holidays should be taken within the year to which they relate therefore the Council encourages employees to use their annual leave throughout the year. Untaken annual leave is reimbursed through payment only where an employee has not taken a proportionate amount of leave when exiting the Council's employment.

7.0 Payments on Termination

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment of staff, prior to reaching normal retirement age, is set out within policies on managing employees at risk of redundancy, the discretionary severance payments scheme and any policies adopted in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 or as amended, and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 or as amended. For employees who transferred from the NHS, the NHS Agenda for Change Staff Handbook and NHS Pension Regulations apply.
- 7.2 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.

7.3 The Constitution states that any severance packages for employees leaving the Council that exceed £100,000 (excluding pension payments) should be the subject of a recommendation by the Appointments Committee to full Council.

8.0 Publication

8.1 Upon approval by the Full Council, this Statement will be published on the Council's website. Reference is made to the Council's Constitution, which is also available 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 will include 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;
- any sums payable by way of expenses allowances 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.

9.0 Lowest Paid Employees

9.1 As referred to above, there are a number of national pay scales covering different groups of employees.

9.2 The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's NJC grading structure which is £22,366 per annum.

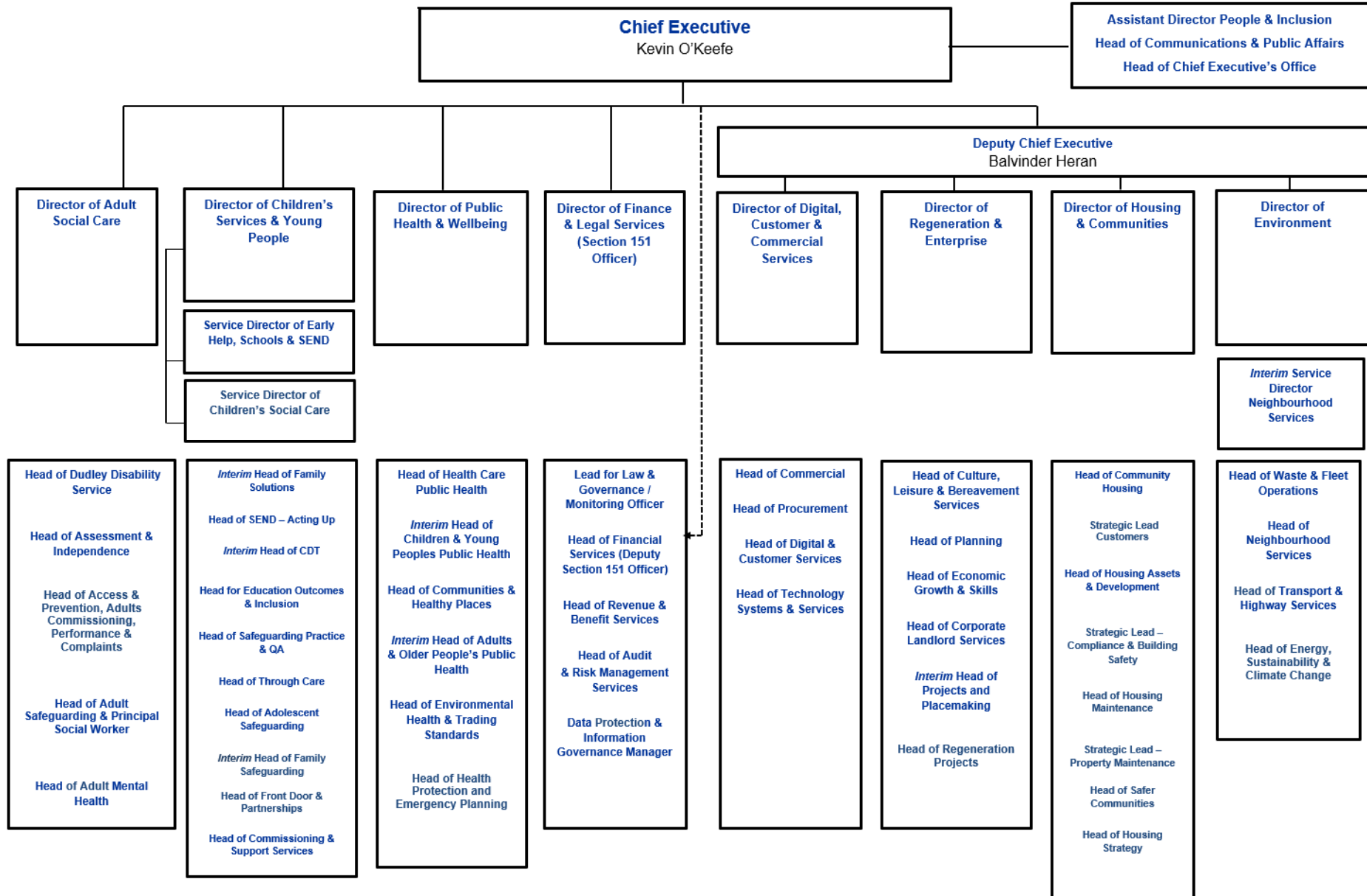
- 9.3 The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under the terms, conditions and pay rates applicable to the relevant apprenticeship scheme. Apprentices are paid in accordance with the National Minimum Wage, according to age. The relationship between the rate of pay for the lowest paid and Directors/'Chief Officers' is determined by the processes used for determining pay and grading structures as set out earlier in this Policy Statement.
- 9.4 The statutory guidance under the Localism Act 2011 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 review was asked by the 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 Local Government Transparency Code 2015 requires the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
- 9.5 The current pay levels within the Council defined the multiple (rounded to the nearest whole number):
- between the lowest paid full time equivalent employee and the Chief Executive as 1:9
 - between the lowest paid employee and average Deputy Chief Executive/Director as 1:5
 - between the median (average) full time equivalent earnings and the Chief Executive as 1:7
 - between the median (average) full time equivalent earnings and average Deputy Chief Executive/Director as 1:5
- 9.6 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 benchmarking information as appropriate. The Council participates in the

Local Government Earnings Survey, which provides pay bill and average pay rate information for all local government employees (excluding Teachers) in England and Wales.

10.0 Accountability and Decision Making

- 10.1 In accordance with the Council's Constitution, the Full Council, the relevant Committee and elected members or officers with delegated authority are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. These are contained in Part 4, Officer Employment Procedure Rules, of the Constitution. The full terms of reference of the Appointments Committee are set out in Part 3.

Annex 1 – Dudley Council Organisation Structure



Annex 2 – National Joint Council Pay Spine

The Dudley Council pay spine is based on nationally negotiated rates through the National Joint Council.

The table below sets out the Main Salary Grades effect from 1st April 2023.

<u>Grade</u>	<u>National Joint Council value</u>	<u>National Joint Council value</u>	<u>National Pay Spinal</u>
	Pay range minimum	Pay range maximum	
Grade 1	£22,366	£22,366	2
Grade 2	£22,737	£22,737	3
Grade 3	£22,737	£23,114	3-4
Grade 4	£23,500	£23,893	5-6
Grade 5	£24,294	£25,979	7-11
Grade 6	£26,421	£28,770	12-17
Grade 7	£29,269	£32,076	18-23
Grade 8	£33,024	£35,745	24-27
Grade 9	£36,648	£39,186	28-31
Grade 10	£40,221	£43,421	32-35
Grade 11	£44,428	£47,420	36-39
Grade 12	£48,474	£51,515	40-43

<u>Locally Agreed Senior Grades**</u>					
Grade 13		£52,430		£56,168	50-53
Grade 14		£57,584		£61,325	54-57
Grade 15		£63,532		£70,204	58-61
Grade 16		£72,412		£76,924	62-65
Grade 17		£79,133		£82,687	66-69
Grade 18		£86,638		£92,350	70 - 73

Footnotes

* Where applicable, a supplement will be paid to bring employees in line with the Real Living Wage

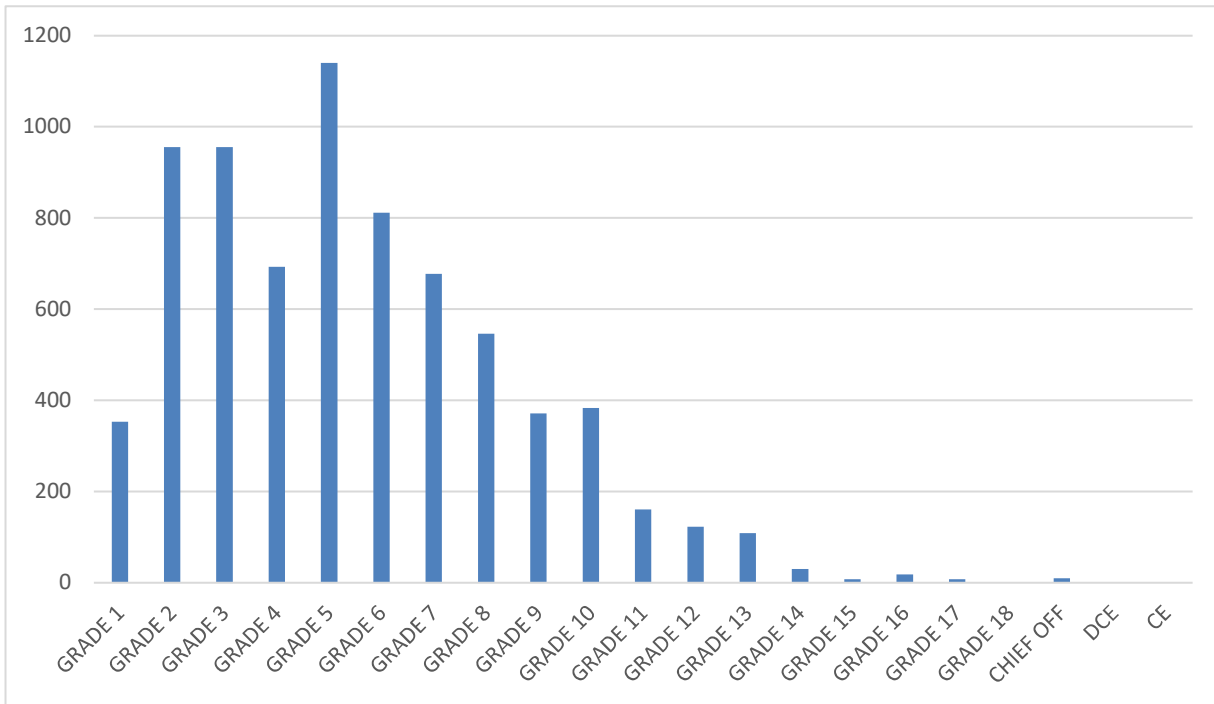
** Senior grades 13 – 18 are locally agreed as part of the Collective Agreement implemented in 2012.

The above rates are subject to any pay award agreed for April 2024.

Annex 3

Employee distribution across DNJC grades

(including employees of the Council and community and voluntary controlled schools)



Payment Table	Grade	Number of Contracts
DNJC 2021	GRADE 1	353
DNJC 2021	GRADE 2	955
DNJC 2021	GRADE 3	955
DNJC 2021	GRADE 4	693
DNJC 2021	GRADE 5	1140
DNJC 2021	GRADE 6	811
DNJC 2021	GRADE 7	677
DNJC 2021	GRADE 8	546
DNJC 2021	GRADE 9	371
DNJC 2021	GRADE 10	383
DNJC 2021	GRADE 11	161
DNJC 2021	GRADE 12	123
DNJC 2021	GRADE 13	109
DNJC 2021	GRADE 14	30
DNJC 2021	GRADE 15	8
DNJC 2021	GRADE 16	18
DNJC 2021	GRADE 17	8
DNJC 2021	GRADE 18	1
CHIEFS	CHIEF OFF	10
CHIEFS	DCE	1
CHIEF EXECUTIVE	CE	1

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