

# PAY POLICY STATEMENT 2022/23



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## **1.0 INTRODUCTION AND PURPOSE**

This Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011 and takes account of the final guidance for 'Openness and Accountability in Local Pay' as issued by the Department for Levelling Up, Housing and Communities. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding those working in local authority schools) by identifying:

- The methods by which, salaries of all employees are determined.
- The detail and level of base remuneration of its most senior employee's i.e. 'chief officers', as defined by the relevant legislation.
- The detail and level of base remuneration of the lowest paid employees
- The relationship between the remuneration for highest and lowest paid employees
- The Committee(s)/Panel 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 the Full Council Meeting, this policy statement will come into immediate effect for the 2022/23 financial year and will be subject to review again for 2023/24 in accordance with the relevant legislation prevailing at that time. If the pay policy needs to be amended during the current financial year, any amendments will be subject to approval.

## **2.0 LEGISLATIVE FRAMEWORK**

In determining the pay and base remuneration of all 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, Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

The Council pays due 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 through the use of an equality proofed job evaluation scheme that directly relates an employee's salary to the requirements, demands and responsibilities of the role.

## **3.0 SENIOR MANAGEMENT REMUNERATION POLICY**

For the purposes of this statement, senior officer means 'chief officers' as defined within S43 of the Localism Act 2011. The Chief Executive is employed under the terms and conditions of the Joint National Council for Chief Executives and all other senior officers are under the terms and conditions for Joint National Council for Chief Officers.

The Council currently determines pay levels through a job evaluation process and grading structure that has been specifically designed for senior positions that determines the pay range for senior officers as defined by the Localism Act 2011. A cost-of-living rise of £1,925 has been applied to the Senior Officer Pay Structure, as a result of pay bargaining undertaken by Joint Negotiating Committee for Chief Officers of Local Authorities, with effect from 1<sup>st</sup> April 2022. See Annex 1 for the senior officer pay structure effective as at 1<sup>st</sup> April 2022.

Those employees working in senior positions do not receive overtime payments and 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 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 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.

In particular, it is the Council's policy that no Chief Officer or Deputy Chief Officer (subject to JNC conditions of service for Chief Officers) is paid a supplement for Returning Officer duties, whether in respect of local elections or national elections (e.g. General Elections, elections for European Parliament, national referenda etc.). Fees paid in respect of these elections by Government are used to supplement the pay of non-senior officer employees who have worked on the relevant election.

### **3.1 SENIOR MANAGEMENT POSITIONS**

#### **JNC Chief/ JNC Deputy Officers**

The senior officer positions will continue to be reviewed on a regular basis as part of the overall savings that have to be made by the Council due to the savings targets faced by local authorities in general over the next few years. See Annex 1 for full details.

### **3.2 RECRUITMENT TO SENIOR MANAGEMENT POSITIONS**

When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment policies. Appointments made to chief officer (CO) and JNC deputy chief officer (DCO) positions are all made by the Chief Officers and Deputy Chief Officers Appointments Dismissals and Service Conditions Sub-Committee. Other appointments are made by the Chief Executive or relevant delegated officer.

The determination of the remuneration to be offered to any newly appointed Chief Officer or Deputy Chief Officer will be in accordance with the local JNC (Senior) pay spine (further details can be found in Annex 1) and relevant policies in place at the time of recruitment. Where the Council is unable to recruit or retain at the designated grade, it will consider using, on a temporary basis, market supplements and retention payments in accordance with its relevant policies.

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

### **3.3 ADDITIONS TO SALARY OF CHIEF OFFICERS/DEPUTY CHIEF OFFICERS**

The Council does not apply any bonus to the salary of Chief Officers/Deputy Chief Officers, however progression within the salary scales is performance related as mentioned under 3.0. There is no element of earn back for senior manager's salaries and any pay progression is currently consolidated into basic pay.

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;

The following are applicable to all senior manager positions

- A mileage allowance is paid to all employees using their own vehicle for work purposes and the payments are in linked to the approved HMRC rates (For current HMRC mileage rates please see <http://www.hmrc.gov.uk/paye/exb/a-z/m/mileage-expenses.htm>)
- There are currently no salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies.
- Market supplements/recruitment allowances are paid where it is justified to recruit and fulfill a role or to retain an officer within a role.

### **3.4 PAYMENTS ON TERMINATION**

There is currently no restriction on Public Sector Exit Payments. Should this change in the future, this policy will be updated accordingly as outlined in 1.0.

The Council's approach to statutory and discretionary payments on termination of employment of senior managers, prior to reaching normal retirement age, is set out in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, Regulations 12 and 13 of the Local Government Pension Scheme Regulations 2013 (as amended).

Any other payments falling outside the Public Sector Exit Payments regulations, or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or the relevant elected members, committee or panel of elected members or officer with delegated authority to approve such payments, dependent on the post.

### **3.5 COMPARATORS INFLUENCING PAY LEVELS**

For the purpose of context in the local government sector, Birmingham City Council is not only the largest local authority in the UK, but also the largest unitary authority in Europe serving over one million residents and has a revenue budget of c £3.1bn. The Council needs to maintain competitive pay levels to attract suitable candidates for senior positions that can demonstrate sufficient skills, experience and capacity required at this level as would be evidenced, for example, by fulfilling a comparable role in a large complex local authority. There is often a very small pool from which to recruit candidates with other authorities offering very competitive salaries in relation to their size.

As a consequence, it may be necessary, from time to time, to review senior pay scales by benchmarking Chief Executive remuneration with the Core Cities Group which is comprised of councils that represent the largest eight economies outside London, to ensure alignment with external pay markets, both within and outside the sector, which may result in the review of JNC salaries and/or temporary additions of market supplements (as per 3.3), as appropriate.

### **4.0 NON-CHIEF/DEPUTY CHIEF OFFICER EMPLOYEES**

Based on the application of an analytical job evaluation process, the Council uses the nationally negotiated pay spine as the basis for its local grading structure with additional spine points. This determines the salary of the large majority of the non-school based workforce, together with the use of other nationally defined rates such as Soulbury and JNC/Y&C. The Council presently adheres to

national pay bargaining in respect of the national pay spine with the most recent increase effective 1<sup>st</sup> April 2022.

Progression within the grading structure for 2022/23 is automatic incremental progression within the grade, in line with agreed defined criteria effective from 1<sup>st</sup> April. Once the maximum spinal column point (as seen in annex 2) has been reached there will be no further progression.

## **4.1 RECRUITMENT**

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. 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.

## **4.2 LOWEST PAID EMPLOYEES**

The lowest paid employees under a contract of employment with the Council are employed on full time equivalent (FTE) salary in accordance with the minimum spinal column point (SCP) currently in use within the Council's grading structure. The minimum SCP for 2022 (based on April 2022 pay rates) is £20,258 (SCP1). See Annex 2 for the BCC NJC Pay Structure, effective 1<sup>st</sup> April 2022.

The Council has chosen to pay the 'Real Living Wage' equivalent of £9.90 per hour. Following the recent review by the Living Wage Foundation, this has been increased to £10.90 per hour and, in consideration of current cost of living pressures, this has been implemented with effect from 01 December 2022. For the purpose of this pay policy statement the lowest paid employee's will be defined as those on a FTE salary of £20,744 based on the Real Living Wage hourly rate of £10.90 per hour.

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 median average salary of the whole of the authority's workforce. Whilst the ratio between the highest and lowest paid employees within the Council does not exceed 20 times, the Council does not set a ratio ceiling within its pay policy for senior officers.

The following tables illustrate various pay differentials between the salary of the Chief Executive and the lowest paid full time equivalent employee, median employee pay, and average employee pay based on base pay, and does not include any pension benefits, or any other variable elements of pay (e.g. non contractual overtime, allowances etc.)

<b>Pay Differential between Chief Executive and lowest paid full time equivalent employees</b>	CEX salary	244820
	Lowest FTE salary	20744
	Pay Multiple	<b>11.8:1</b>

<b>Pay Differential between Chief Executive and the median pay for full time equivalent employees</b>	CEX salary	244820
	Median salary	27852
	Pay Multiple	<b>8.79:1</b>

<b>Pay Differential between Chief Executive and the average pay for full time equivalent employees</b>	CEX salary	244820
	Average salary	30785
	Pay Multiple	<b>7.95:1</b>

The following tables illustrate the various pay differentials between Chief/Deputy Chief Officers and the lowest paid full time equivalent employee, median employee pay and average employee pay based on base pay, and does not include any pension benefits, or any other variable elements of pay (e.g. non contractual overtime, allowances etc).

<b>Pay Differential between the average of Chief Officers pay and the lowest paid full time equivalent employee</b>	Average Chief Officer salary	117263
	Lowest FTE salary	20744
	Pay Multiple	<b>5.65:1</b>

<b>Pay Differential between the median of Chief Officers pay and the median pay for a full-time equivalent employee</b>	Median Chief Officer salary	111723
	Median salary	27852
	Pay Multiple	<b>4.01:1</b>

<b>Pay Differential between the average of Chief Officers pay and the average pay for a full-time equivalent employee</b>	Average Chief Officer salary	117263
	Average salary	30785
	Pay Multiple	<b>3.81:1</b>

### 4.3 ACCOUNTABILITY AND DECISION MAKING

In accordance with the Constitution of the Council, the Chief Officers and Deputy Chief Officers Appointments Dismissals and Service Conditions Sub-Committee are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council on JNC terms and conditions.

## 5 PUBLICATION

The Pay Policy 2022/23 will be submitted as a document within the Financial Planning Papers, and upon approval by the full Council, this statement will be published as part of those papers, and separately in its own right, on the Council's Website [www.birmingham.gov.uk/cosd](http://www.birmingham.gov.uk/cosd). Other formats will also be made available on request.

In addition, for employees where the full-time equivalent salary is £50,000 or more, excluding employer superannuation contributions, the Councils Annual Statement of Accounts will include the number of employees in bands of £5,000.



## Annex 1 Birmingham City Council - Senior Pay Spine (Chief/Deputy Chief Officers)

Pay structure effective as at 1<sup>st</sup> April 2022

Job Level	Grade	Minimum £	Maximum £
Chief Executive	B04	£190,718	£285,114
Corporate Director	B03	£143,079	£213,656
Service Director	B02	£107,459	£160,226
Assistant Director	B01	£80,126	£119,226

The posts falling within the statutory definition for Chief Officers of the Local Government and Housing Act 1989, which covers the statutory officers and those others that report to the Chief Executive, are set out below:

- a) Chief Executive - The head of paid service defined under section 4(1) of that Act. The salary for the above post falls within a range from £190,718 rising to a maximum of £285,114. There is no additional supplement paid for returning officer duties incorporated into this role.
- b) City Solicitor & Monitoring Officer Legal and Governance – A statutory chief officer defined under section 5(1) of that Act. The salary for the above post falls within a range between £107,459 rising to a maximum of £160,226.
- c) Strategic Director of Adult Social Care – A statutory officer defined under section 2(6) of that Act. The salary for the above post falls within a range between £143,079 rising to a maximum of £213,656.
- d) Strategic Director of Children & Families - A statutory officer defined under section 2(6) of that Act. The salary for the above post falls within a range between £143,079 rising to a maximum of £213,656.
- e) Strategic Director of City Operations - A non-statutory chief officer defined under section 2(7) of that Act. The salary for the above post falls within a range between £143,079 rising to a maximum of £213,656.
- f) Strategic Director of City Housing - A non-statutory chief officer defined under section 2(7) of that Act. The salary for the above post falls within a range between £143,079 rising to a maximum of £213,656.

- g) Strategic Director Places, Prosperity & Sustainability - A non-statutory chief officer defined under section 2(7) of that Act.  
The salary for the above post falls within a range between £143,079 rising to a maximum of £213,656
- h) Director of Strategy, Equalities & Partnerships – A non-statutory chief officer defined under section 2(7) of that Act.  
The salary for the above post falls within a range between £107,459 rising to a maximum of £160,226
- i) Director of Public Health – A statutory post under section 73A (7) of the NHS Act 2006.  
The salary for the above post falls within a range between £107,459 rising to a maximum of £160,226. There are also two statutory payments made in relation to this role.

## Annex 2 Birmingham City Council – NJC Pay Spine

Pay structure effective as at 1<sup>st</sup> April 2022.

Grade	Spinal Column Point	Salary FTE
GR1	1	£20,258*
GR1	2	£20,441*
GR1	3	£20,812
GR2	3	£20,812
GR2	4	£21,189
GR2	5	£21,575
GR2	6	£21,968
GR2	7	£22,369
GR2	8	£22,777
GR3	9	£23,194
GR3	10	£23,260
GR3	11	£24,054
GR3	12	£24,496
GR3	13	£24,948
GR3	14	£25,409
GR3	15	£25,878
GR3	16	£26,357
GR3	17	£26,845
GR3	18	£27,344
GR3	19	£27,852
GR3	20	£28,371
GR3	21	£28,900
GR3	22	£29,439
GR4	23	£30,151
GR4	24	£31,099
GR4	25	£32,020
GR4	26	£32,909
GR4	27	£33,820
GR4	28	£34,723
GR4	29	£35,411
GR4	30	£36,298
GR4	31	£37,261
GR5	32	£38,296
GR5	33	£39,493

GR5	34	£40,478
GR5	35	£41,496
GR5	36	£42,503
GR5	37	£43,516
GR5	38	£44,539
GR5	39	£45,495
GR5	40	£46,549
GR6	41	£47,573
GR6	42	£48,587
GR6	43	£49,590
GR6	44	£51,127
GR6	45	£52,676
GR6	46	£54,222
GR6	47	£55,781
GR6	48	£57,322
GR6	49	£58,981
GR7	50	£60,633
GR7	51	£62,307
GR7	52	£64,262
GR7	53	£66,294
GR7	54	£68,397
GR7	55	£70,570
GR7	56	£72,828
GR7	57	£75,160
GR7	58	£78,123

\*Real Living Wage supplement paid to colleagues on SCP1 and 2

## Annex 3 JNC Deputy Chief Officers

The positions in the table below are core establishment, JNC deputy chief officers as mentioned in section 2(8) of the Localism Act, i.e. JNC officers that report directly to any of the JNC chief officers listed in Annex 1:

Designation	Directorate	Grade	Range
Director of Finance (& Deputy S151 Officer)	Council Management	B02	£107,459 - £160,226
Director Development & Commercial (& Deputy S151 Officer)	Council Management	B02	£107,459 - £160,226
Assistant Director Audit	Council Management	B01	£80,126 – £119,226
Assistant Director Governance & Deputy Monitoring Officer	Council Management	B01	£80,126 - £119,226
Assistant Director Legal Services	Council Management	B01	£80,126 - £119,226
Director of People Services	Council Management	B02	£107,459 - £160,226
Director Digital & Customer Services	Council Management	B02	£107,459 - £160,226
Assistant Director Health Protection & Environmental Health	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Assistant Director Knowledge, Evidence & Governance	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Assistant Director Health Behaviours & Communities	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Assistant Director Adults & Older People	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Assistant Director Children's & Families	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Deputy Director Public Health	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Consultant Public Health Parks & Neighbourhoods	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Assistant Director Communications	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Assistant Director Strategic Partnerships, External Affairs & Corporate Leadership	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226
Assistant Director Insight & Strategy	Strategy, Equalities & Partnerships	B01	£80,126 - £119,226

Service Director of City Housing Solutions & Support Services	City Housing	B02	£107,459 – £160,226
Service Director of City Housing Management	City Housing	B01	£80,126 – £119,226
Service Director of City Housing Asset Management	City Housing	B01	£80,126 – £119,226
Assistant Director Strategic & Enabling	City Housing	B01	£80,126 – £119,226
Director of Street Scene	City Operations	B02	£107,459 – £160,226
Director of Regulation & Enforcement	City Operations	B02	£107,459 – £160,226
Assistant Director Community Safety & Resilience	City Operations	B01	£80,126 – £119,226
Assistant Director Highways & Infrastructure	City Operations	B01	£80,126 – £119,226
Assistant Director Neighbourhoods	City Operations	B01	£80,126 – £119,226
Director Planning, Transport & Sustainability	Place, Prosperity & Sustainability	B02	£107,459 – £160,226
Assistant Director Birmingham Property Services	Place, Prosperity & Sustainability	B01	£80,126 – £119,226
Assistant Director Housing Development	Place, Prosperity & Sustainability	B01	£80,126 – £119,226
Assistant Director Place, Strategy & Performance	Place, Prosperity & Sustainability	B01	£80,126 – £119,226
Assistant Director Property & Investment	Place, Prosperity & Sustainability	B01	£80,126 – £119,226
Assistant Director Schools & Achievement	Children & Families	B01	£80,126 - £119,226
Assistant Director Home to School Transport	Children & Families	B01	£80,126 - £119,226
Director of C&F Strategy, Transformation & Commissioning	Children & Families	B02	£107,459 - £160,226
Director of SEND & Inclusion	Children & Families	B02	£107,459 - £160,226
Director of Lifelong Learning & Employability	Children & Families	B02	£107,459 - £160,226
Director of Thriving Children & Families	Children & Families	B02	£107,459 - £160,226
Director of Adult Social Care Delivery	Adult Social Care	B02	£107,459 – £160,226
Director of Adult Social Care Commissioning	Adult Social Care	B02	£107,459 – £160,226

Assistant Director Community Services and Equality, Diversity & Inclusion	Adult Social Care	B01	£80,126 – £119,226
Assistant Director Quality & Improvement	Adult Social Care	B01	£80,126 – £119,226
Assistant Director Early Intervention & Prevention	Adult Social Care	B01	£80,126 – £119,226