

POWYS COUNTY COUNCIL

Pay Policy Statement 2015/16

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POWYS COUNTY COUNCIL

Pay Policy Statement 2015/16

1. Introduction and Purpose

- 1.1 This Pay Policy statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 (1) of the Localism Act 2011. The Act requires English and Welsh local authorities to produce and publish a pay policy statement each financial year, detailing:
- The authority's policies towards all aspects and elements of the remuneration of chief officers
 - Their approach to the publication of and access to information relating to all aspects of the remuneration of chief officers
 - The authority's policies towards the remuneration of its lowest paid employees (including the definition adopted and reasons for it)
 - The relationship between the remuneration of its chief officers and other employees.
- 1.2 Local authorities are large complex organisations with multi-million pound budgets. They have a very wide range of functions and provide and/or commission a wide range of essential services. The general approach to remuneration levels may therefore differ from one group of employees to another to reflect specific circumstances at a local, Welsh or UK national level. It will also need to be flexible when required to address a variety of changing circumstances whether foreseeable or not.
- 1.3 The Council will continue to develop a Pay Policy and Strategy in this context and will seek to align rewards systems with business objectives. Once approved by the full Council as required by the legislation, this pay 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.

2. Legislative Framework

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes:
- Equality Act 2010
 - Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000
 - The Agency Workers Regulations 2010
 - Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.2 With regard to the Equal Pay requirements contained within the Equality Act, the Council will ensure there is no pay discrimination within its pay structures 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. Scope of the Pay Policy

- 3.1 The Localism Act 2011 requires authorities to develop and make public their pay policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office), and that pertaining to the 'lowest paid' in the authority, explaining their policy on the relationship between remuneration for Chief Officers and other groups.
- 3.2 Nothing within the provisions of the Localism Act 2011 detracts from the Council's autonomy in making decisions on pay that are appropriate to local circumstances and which deliver value for money for local tax payers.

4. Development of Pay and Reward Strategy

- 4.1 The primary aim of a reward strategy is to attract, retain and motivate suitably skilled staff so that the organisation can perform at its best. The biggest challenge for the council in the current circumstances is to maximise productivity and efficiency within current resources. The pay policy then is a matter of striking a sometimes difficult balance between setting remuneration levels at appropriate levels to facilitate a sufficient supply of appropriately skilled individuals to fill the authority's very wide range of posts, and ensuring that the burden on the taxpayer does not become greater than can be fully and objectively justified.
- 4.2 In this context it does need to be recognised that at the more senior grades in particular, remuneration levels need to enable the attraction of a suitably wide pool of talent (which will ideally include people from the private as well as public sector and from outside as well as within Wales), and the retention of suitably skilled and qualified individuals once in post. It must be recognised that the council will often be seeking to recruit in competition with other good public and private sector employers.
- 4.3 In addition the council is a major employer in the area. As such we must have regard to our role in improving the economic well-being of the people of the County. The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local economy.
- 4.4 In designing, developing and reviewing Pay and Reward strategy the council will seek to balance these factors appropriately to maximise outcomes for the organisation and the community it serves, while managing pay costs appropriately and maintaining sufficient flexibility to meet future needs.

5. Specific Local Factors Affecting Pay Policy

5.1 Local Labour Market Factors

Data from the 2011 Census and other statistics relating to Powys population trends and labour market information indicates a low birth rate and a large outward migration of young people coupled with a large inward migration of older people. Powys is seen as an attractive place to retire and there are limited opportunities for higher education and employment opportunities for young people. Currently the Council employs very few young people under the age of 21 and opportunities for school leavers and graduates have been limited, mainly due to the economic climate and the constraints on budgets. The Council's workforce reflects the community which is steadily getting older and it is recognised that the Council will need to react to this trend by introducing employment and training opportunities for young people if we are to have sufficient skills to sustain services in the future.

5.2 Current Recruitment and Retention Issues

Traditionally Powys County Council has difficulties attracting large numbers of candidates for 'hard to fill' posts. These have tended to be in the areas of Social Care, in particular for Social Workers and Children's Residential Care Workers. This difficulty exists to a lesser degree in other professionally qualified areas such as Planning, Engineering, Legal and Human Resources. The Council also has an ageing population in comparison to other Local Authorities in Wales and this, combined with the rural nature of the county, means that the Council can experience difficulties with recruitment and retention.

6. Pay Structure

6.1 Current Position

The Council applies the NJC nationally negotiated pay spine as the basis for its grading structure. This determines the salaries of the larger majority of the workforce (with the exception of teachers). The last pay award was effective from the 1st January 2015 and employees within the scale point range 11 – 49 received a 2.2% increase. Employees in the scale point range 5 – 10 received an increase ranging from 7.6% to 2.31%.The current pay spine is attached at Appendix A.

6.2 Job Evaluation

The Council's systematic approach to determining the value and worth of posts that are currently subject to the NJC nationally agreed pay spine was implemented from the 1st April 2013. This revised pay and grading structure was subject to an equal pay audit. Payment protection paid to staff suffering a detriment was agreed for a 12 month period and ended on the on 31st March 2014.

6.3 Terms and Conditions

In conjunction with the job evaluation process a review of associated terms and conditions has been undertaken which has consolidated the range of nationally and locally negotiated terms which have been agreed through previous collective bargaining. The objective is to apply a single status approach across the authority which is fair for all staff and which also complies with the equality impact assessment.

6.4 Living Wage

The Council has agreed that with effect from 1 April 2015, employees will receive a rate of pay at the Living Wage where the substantive grade for the post currently falls below that level. This will be paid as a Living Wage Supplement and will be calculated as the difference between the current salary and the current living wage. The Council will review the implementation of the annual uplift payment as provided by the Living Wage Foundation in November each year. The current Living Wage is £7.85 per hour.

6.5 Acting Up/Honoraria

On occasions when employees undertake additional responsibilities for a limited period of time, the Head of Service will have the discretion to award an honorarium or acting up payment. This will be applied in line with the Guidance attached at Appendix B.

6.6 Pay and Performance

The Authority expects high levels of performance from all its' employees. Individual performance is managed and supported by line managers. Managers have several tools to assist them in this process including the current Employee Development Review Scheme and the Performance Capability Policy. The Employee Development Review Scheme or Appraisal Scheme is currently being reviewed.

7. Accountability and Decision Making

- 7.1 In accordance with statutory requirements and the Constitution of the Council policies relating to the recruitment, pay, terms and conditions, and severance arrangements of all employees of the Council is the responsibility of the Council.

8. Chief Officer Remuneration

8.1 Definition of Chief Officer:

For the purposes of this statement, 'chief officers' are as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below:

- Chief Executive
- Strategic Directors
- Director
- Heads of Service

The above posts are governed by JNC terms and conditions of employment. The last pay award of 2% was effective from the 1st January 2015. The agreement did not apply to Chief Executives and only to FTE salaries of £99,999 or less as at 31st December 2014. Prior to this the last national pay award received by local authority Chief Officers was the 1st April 2008.

The last pay award received by Local Authority Chief Executives was 1st April 2008.

The Council also has a category of employees employed on Senior Manager or SM grades. These grades fall between the top of the NJC pay spine and the bottom of the Head of Service range. These posts are governed by NJC terms and conditions of employment.

The grades for all the above posts are agreed locally and are attached at Appendix C

The Council has a number of posts within the Schools Service and Youth Service that are employed under Soulbury terms and conditions. The Soulbury grades are attached at Appendix D.

8.2 Recruitment of Chief Officers

The Council's policy and procedures with regard to the recruitment of Chief Officers is set out within Part 4 of the Constitution. When recruiting to all posts the Council will take full and proper account of its Equal Opportunities, Recruitment and Redeployment policies. 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.

8.3 Policy on the Payment of Chief Officers on ceasing to hold office or to be employed by the Council

Should a Chief Officer be in a redundancy situation and no alternative employment can be found they will, like all other employees, be entitled to compensation in line with the Council's Redundancy Compensation Scheme.

The Councils approach to statutory and discretionary payments on termination of employment of chief officers (and all other employees), prior to reaching normal retirement age, is set out within its Early Retirement and Redundancy Policy, in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. This is in respect of a redundancy payment being based on actual weekly earnings (Regulation 5) and when an enhanced redundancy payment of up to 45 weeks would be granted (Regulation 6). Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 do not apply as the Authority does not increase the total membership of active members (Regulation 12) or award additional pension (Regulation 13).

Decisions relating to any other payments falling outside the provisions or the relevant periods of contractual notice will be taken by those officers and members authorized to do so by the Constitution.

9. Remuneration at the Lowest Grades

9.1 The lowest paid employees employed under a contract of employment with the Council are employed on full time equivalent salaries in accordance with the minimum NJC spinal column point currently in use within the Council's grading structure. At the moment this is spinal column point 5, £13,500 per annum. The introduction of the Living Wage from the 1st April 2015 will increase this to £15,144 per annum, £7.85 per hour.

9.2 The Council does run an apprenticeship scheme where individuals are engaged under a fixed term contract for a period of three years. During this time their rates of pay comply with the nationally applied rates for an apprentice and therefore they do not fall into the category of lowest grade or lowest paid in the council.

9.3 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

10. Pay Relativities within the Authority

10.1 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.

10.2 The multiples of pay for Powys County Council are as follows:

1. The multiple between the lowest paid full time equivalent employee and the chief executive is 1:9.84 *(Previous year 1:10.7)*
2. The multiple between the lowest paid employee and average chief officer is 1:7.39 *(Previous year 1:6.15)*
3. The multiple between the median (average) full time equivalent earnings (excluding schools) and the chief executive is 1:6.47 *(Previous year 1:6.79)*
4. The multiple between the median (average) full time equivalent earnings (excluding schools) and average chief officer is 1:4.86 *(Previous year 1:3.91)*

(information based on Payroll data February 2015)

11. Publication

Upon approval by the full Council, this statement will be published on the Council's website.

12. Partnership with Trade Unions

- 12.1 The Council will endeavour to maintain the constructive partnership approach that it has developed with the recognised Trade Unions and will continue to work closely with them on pay related matters. Collective bargaining will be followed as appropriate for any proposed changes to pay and /or allowances.

13. Reviewing the Policy

- 13.1 This Policy outlines the current position in respect of pay and reward within the Council and it will be reviewed over the next year to ensure that it meets the principles of fairness, equality, accountability and value for money for the citizens of Powys. The Policy will be reviewed annually and reported to Council.

Pay Scales for NJC Employees
– effective from 1st January 2015

Grade	Scale Point (SCP)	FTE Salary (£)
Grade 1	5	13,500
	6	13,614
Grade 2	7	13,715
	8	13,871
	9	14,075
Grade 3	10	14,338
	11	15,207
	12	15,523
	13	15,941
Grade 4	14	16,231
	15	16,572
	16	16,969
	17	17,372
Grade 5	18	17,714
	19	18,376
	20	19,048
Grade 6	21	19,742
	22	20,253
	23	20,849
Grade 7	24	21,530
	25	22,212
	26	22,937
Grade 8	26	22,937
	27	23,698
	28	24,472
Grade 9	29	25,440
	30	26,293
	31	27,123
Grade 10	33	28,746
	34	29,558
	35	30,178
Grade 11	36	30,978
	37	31,846
	38	32,778
Grade 12	39	33,857
	40	34,746
	41	35,662
Grade 13	43	37,483
	44	38,405
	45	39,267
Grade 14	47	41,140
	48	42,053
	49	42,957

**

** SCP 5 obsolete with effect from 01/10/2015

Acting Up / Honoraria and Relief Arrangements

Cover for Managers /Supervisors

Acting up allowances will be paid in the event of a temporary and unforeseen absence of a manager or supervisor where an employee is required to cover the duties of the post for more than one calendar month. Cover provided for absences less than this will not be paid.

Where an absence is likely to be lengthy, e.g Maternity Leave, managers must consider making an appointment to the temporary vacancy through advertisement to a wider field of potential applicants.

Once cover extends beyond one month then employees will be paid the difference between their own rate and the job evaluated rate for the job being covered, backdated to the beginning of the period of cover. A minimum of one spinal column point higher will be paid. A percentage of the difference in rate may be made to reflect a lesser range of responsibilities being covered. Percentage acting up allowances may be paid to more than one member of a team if responsibilities are being shared. Where full duties are shared the acting allowances should be equal to the full difference in salary.

Honoraria

On occasion when employees undertake additional responsibilities for a limited period of time the Head of Service will have the discretion to award an honorarium. This will not be a full job evaluated rate given the time limits on the responsibilities however the job evaluation scheme can be used to help establish a reasonable honoraria rate. If the additional duties are outside the usual knowledge and skill requirements it maybe necessary to use market information (in accordance with the market supplement policy) to establish a payment level. Honoraria should cease after 12 months. If the additional duties continue then an evaluated rate must be established, if necessary with a market premium, in accordance with the market Supplement Policy.

Relief / Casual Arrangements

Where there is a business requirement for a relief duty officer e.g as part of a duty roster a single fixed job evaluated rate for the relief role should be established and paid as a change of rate for the period during which the employee covers the duty requirements.

Casual workers are entitled to the evaluated rate for the job unless they are not required to cover the full duties of the job. If this is the case then a casual worker job evaluated rate must be established. The casual worker is entitled to any allowances arising from non standard working in the same circumstances as an established employee

**Chief Officer & Senior Manager Pay Scales
– effective from 1st January 2015**

Type	Description	Grade	SCP	New Salary
Senior Manager	Senior Manager 2	SM2	003	48,023
			004	49,848
			005	50,396
			006	51,675
	Senior Manager 1	SM1	009	54,779
			010	56,240
			011	57,701
Heads of Service	Heads of Service 3	HS3	012	59,162
			013	59,119
			014	60,566
			015	62,002
	Heads of Service 2	HS2	016	63,448
			017	64,251
			018	66,394
			019	68,535
	Heads of Service 1	HS1	020	70,677
			021	72,818
			022	74,960
023			77,102	
024			79,244	
Director	Director 2	D2	025	80,560
			026	82,773
			007	84,986
			028	87,200
	Director 1	D1	029	91,384
			030	93,596
			031	95,809
Strategic Directors		SD1	032	98,022
			033	98,343
			034	100,556
			035	100,753
Chief Executive		CE1	036	102,923
			037	124,407
			038	127,206
			039	130,005
			040	132,804

The Chief Executive is also the Returning Officer and payment for these duties for each electoral division or community ward is made as follows:

Contested Election	£110
Uncontested Election	£ 55

Returning Officer fees for national elections and referenda are paid by central government.

**Soulbury Pay Agreement
– effective from 1st September 2013**

Soulbury Educational Improvement Professionals	
Spinal point	Rates Applicable from
	1-Sep-13
001	32,677
002	33,847
003	34,952
004	36,071
005	37,185
006	38,299
007	39,470
008	40,594
009	41,906
010	43,075
011	44,230
012	45,348
013	46,614
014	47,742
015	48,988
016	50,116
017	51,246
018	52,355
019	53,499
020	54,090
021	55,226
022	56,215
023	57,305
024	58,282
025	59,328
026	60,346
027	61,389
028	62,445
029	63,505
030	64,563
031	65,611
032	66,676
033	67,742
034	68,833
035	69,920
036	71,040
037	72,141
038	73,254
039	74,352
040	75,449
041	76,553
042	77,654
043	78,755
044	79,862
045	80,966
046	82,070
047	83,180
048	84,280
049	85,384
050	86,488

EDUCATIONAL PSYCHOLOGISTS

SCALE A

Spine Point	01-Sep-13
1	34,273
2	36,013
3	37,752
4	39,491
5	41,230
6	42,969
7	44,607
8	46,244
9	47,778
10	49,313
11	50,745

SCALE B

Spine Point	01-Sep-13
1	42,969
2	44,607
3	46,244
4	47,778
5	49,313
6	50,745
7	51,333
8	52,431
9	53,519
10	54,626
11	55,711
12	56,818
13	57,944
14	59,031
15	60,171
16	61,300
17	62,436
18	63,571

Young People's/Community Service Managers Spine (formerly Youth & Community)	
SCP	1-Sep-13
501	33,891
502	35,000
503	36,109
504	37,240
505	38,389
506	39,511
507	40,659
508	41,962
509	42,681
510	43,791
511	44,895
512	46,001
513	47,099
514	48,208
515	49,319
516	50,432
517	51,552
518	52,663
519	53,769
520	54,899
521	56,051
522	57,228
523	58,430
524	59,657