

POWYS COUNTY COUNCIL

Pay Policy Statement 2016/17

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POWYS COUNTY COUNCIL

Pay Policy Statement 2016/17

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 prior to 31 March 2016, this pay policy statement will come into effect from 1 April 2016, 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 Finance. 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%. Please also see 6.4 regarding the Living Wage Foundation rate. 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

With effect from 1 April 2015, the Cabinet agreed to adopt the principles of the non-statutory Living Wage Foundation. The Living Wage Foundation rate is announced in November of each year, and the Council took the decision not to be fully accredited, and therefore reserves the right not to automatically apply any changes to the annually announced rate.

Employees have subsequently been remunerated at the Living Wage Foundation rate of pay where the substantive grade for their post currently falls below that level. This is paid as a Living Wage Supplement, through uplift to the salary points, as outlined in Appendix A.

Following the Cabinet meeting on 18 February 2016, the decision agreed was to apply the current Living Wage Foundation rate effective from 1 April 2016. The rate is an increase of 40p per hour, from £7.85 per hour (£15,144 FTE per annum) to £8.25 per hour (£15,917 FTE per annum).

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

From April 2015, a new Individual Performance Review (IPR) process was introduced, replacing all previous methods. The Authority expects high levels of performance from all its' employees. Individual performance is managed and supported by line managers, and the relationship between line manager and staff member is key to having engaged, motivated staff, who are enabled in their work and can utilise their ideas to improve service. There are no bonus related pay incentives in place.

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 or Youth & Community terms and conditions. The Soulbury grades are attached at Appendix D, with Youth & Community attached at Appendix E.

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. Re-employment of Staff

- 9.1 The Council has a Re-employment of Former Employees Policy which came in to effect from 1 September 2014.
- 9.2 The purpose of the policy is to set out the Council's approach to the re-employment of certain categories of ex-employees.
- 9.3 Ex-employees who have left the Council's employment on the grounds of redundancy or efficiency and received redundancy / severance payments and/or early retirement benefits, the Council will not engage such ex-employees on a contract of employment, or through an employment agency, nor engage them in a contract for services, for a period of 12 months from the date of termination of their employment.
- 9.4 Ex-employees who have been dismissed on the grounds of misconduct or lack of capability, or have resigned in circumstances where sufficient evidence existed to convene a formal hearing to consider dismissal on those grounds, will not be re-employed by the Council. The Council will not engage with their services through an employment agency nor under a contract for services, and there is no qualifying period applicable.
- 9.5 The Council recognises that there may be a compelling case for re-employment or re-engagement in some exceptional circumstances, which may be driven by the needs of the Council. Appointments are not made without express permission of the Head of Professional Services and relevant Director, with advice sought from the Section 151 Officer and the Monitoring Officer in respect of financial or legal implications.

10. Remuneration at the Lowest Grades

- 10.1 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 6, £13,614 per annum, however as outlined in 6.4, the Living Wage rate is applied increasing this minimum grade to £15,144 per annum from 1 April 2015, and £15,917 per annum from 1 April 2016.
- 10.2 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.
- 10.3 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

11. Pay Relativities within the Authority

- 11.1 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.
- 11.2 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 1:8.77 (*Previous year 1:9.84*)
 2. The multiple between the lowest paid employee and mean average chief officer is 1:5.70 (*Previous year 1:7.39*)
 3. The multiple between the median (average) full time equivalent earnings (excluding schools) and the chief executive is 1:6.97 (*Previous year 1:6.47*)
 4. The multiple between the median (average) full time equivalent earnings (excluding schools) and mean average chief officer is 1:4.53 (*Previous year 1:4.86*)

(information based on Payroll data February 2016)

12. Publication

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

13. Partnership with Trade Unions

- 13.1 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.

14. Reviewing the Policy

- 14.1 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 (£)	1/12th Monthly Value (£)	Hourly Rate (365*7/37) (£)	
Grade 1 (0-234 points)	4	-	-	-	
	5	-	-	-	
	6	13,614	1,134.50	7.0565	**
Grade 2 (235-279)	7	13,715	1,142.92	7.1088	**
	8	13,871	1,155.92	7.1897	**
	9	14,075	1,172.92	7.2954	**
Grade 3 (280-324)	10	14,338	1,194.83	7.4318	**
	11	15,207	1,267.25	7.8822	**
	12	15,523	1,293.58	8.0460	**
	13	15,941	1,328.42	8.2626	
Grade 4 (325-369)	14	16,231	1,352.58	8.4130	
	15	16,572	1,381.00	8.5897	
	16	16,969	1,414.08	8.7955	
	17	17,372	1,447.67	9.0044	
Grade 5 (370-414)	18	17,714	1,476.17	9.1816	
	19	18,376	1,531.33	9.5248	
	20	19,048	1,587.33	9.8731	
Grade 6 (415-459)	21	19,742	1,645.17	10.2328	
	22	20,253	1,687.75	10.4977	
	23	20,849	1,737.42	10.8066	
Grade 7 (460-499)	24	21,530	1,794.17	11.1596	
	25	22,212	1,851.00	11.5131	
	26	22,937	1,911.42	11.8889	
Grade 8 (500-539)	26	22,937	1,911.42	11.8889	
	27	23,698	1,974.83	12.2833	
	28	24,472	2,039.33	12.6845	
Grade 9 (540-579)	29	25,440	2,120.00	13.1862	
	30	26,293	2,191.08	13.6284	
	31	27,123	2,260.25	14.0586	
Grade 10 (580-619)	33	28,746	2,395.50	14.8998	
	34	29,558	2,463.17	15.3207	
	35	30,178	2,514.83	15.6421	
Grade 11 (620-649)	36	30,978	2,581.50	16.0567	
	37	31,846	2,653.83	16.5066	
	38	32,778	2,731.50	16.9897	
Grade 12 (650-679)	39	33,857	2,821.42	17.5490	
	40	34,746	2,895.50	18.0098	
	41	35,662	2,971.83	18.4846	
Grade 13 (680-719)	43	37,483	3,123.58	19.4284	
	44	38,405	3,200.42	19.9063	
	45	39,267	3,272.25	20.3531	
Grade 14 (720+)	47	41,140	3,428.33	21.3240	
	48	42,053	3,504.42	21.7972	
	49	42,957	3,579.75	22.2658	

**** Please see Living Wage Foundation Supplement values on next page**

Living Wage Foundation Rates effective from 1 April 2015 and 1 April 2016:

Powys County Council currently applies a discretionary Living Wage supplement to all employees earning less than £7.85 per hour from 1 April 2015, and less than £8.25 from 1 April 2016. The Living Wage supplement is not guaranteed and is subject to regular review by the Council, is non contractual and can be removed at any time.

The following Grades and Scale points were uplifted to £7.85 per hour from 1 April 2015, and £8.25 from 1 April 2016:

Grade	Scale Point (SCP)	From 01/04/2015			From 01/04/2016		
		FTE Salary (£)	1/12th Monthly Value (£)	Hourly Rate (365*7/37) (£)	FTE Salary (£)	1/12th Monthly Value (£)	Hourly Rate (365*7/37) (£)
Grade 1 (0-234 points)	4	-	-	-	-	-	-
	5	-	-	-	-	-	-
	6	15,144	1,262.00	7.85	15,917	1,326.42	8.25
Grade 2 (235-279)	7	15,144	1,262.00	7.85	15,917	1,326.42	8.25
	8	15,144	1,262.00	7.85	15,917	1,326.42	8.25
	9	15,144	1,262.00	7.85	15,917	1,326.42	8.25
Grade 3 (280-324)	10	15,144	1,262.00	7.85	15,917	1,326.42	8.25
	11	15,207	1,267.25	7.8822	15,917	1,326.42	8.25
	12	15,523	1,293.58	8.0460	15,917	1,326.42	8.25

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
			012	59,162
Heads of Service	Heads of Service 3	HS3	013	59,119
			014	60,566
			015	62,002
			016	63,448
	Heads of Service 2	HS2	017	64,251
			018	66,394
			019	68,535
			020	70,677
	Heads of Service 1	HS1	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
			032	98,022
Strategic Directors		SD1	033	98,343
			034	100,556
			035	100,753
			036	102,923
Chief Executive		CE1	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 March 2015**

Soulbury Educational Improvement Professionals (EIPs)	
Spinal point	Rates From 1-Mar-15
001	33,396
002	34,592
003	35,721
004	36,865
005	38,003
006	39,142
007	40,338
008	41,487
009	42,828
010	44,023
011	45,203
012	46,346
013	47,640
014	48,792
015	50,066
016	51,219
017	52,373
018	53,507
019	54,676
020	55,280
021	56,441
022	57,452
023	58,566
024	59,564
025	60,633
026	61,674
027	62,740
028	63,819
029	64,902
030	65,983
031	67,054
032	68,143
033	69,232
034	70,347
035	71,458
036	72,603
037	73,728
038	74,866
039	75,988
040	77,109
041	78,237
042	79,362
043	80,488
044	81,619
045	82,747
046	83,876
047	85,010
048	86,134
049	87,262
050	88,391

Educational Psychologists

SCALE A

Educational Psychologists - Scale A	
	Salary
SCP	1-Mar-15
1	35,027
2	36,805
3	38,583
4	40,360
5	42,137
6	43,914
7	45,588
8	47,261
9	48,829
10	50,398
11	51,861

SCALE B

Educational Psychologists - Scale B	
	Salary
SCP	1-Mar-15
1	43,914
2	45,588
3	47,261
4	48,829
5	50,398
6	51,861
7	52,462
8	53,584
9	54,696
10	55,828
11	56,937
12	58,068
13	59,219
14	60,330
15	61,495
16	62,649
17	63,810
18	64,970

Young People's/Community Service Managers Spine (formerly Youth & Community)	
SCP	Salary 1-Mar-15
1	34,637
2	35,770
3	36,903
4	38,059
5	39,234
6	40,380
7	41,553
8	42,885
9	43,620
10	44,754
11	45,883
12	47,013
13	48,135
14	49,269
15	50,404
16	51,542
17	52,686
18	53,822
19	54,952
20	56,107
21	57,284
22	58,487
23	59,715
24	60,969

**JNC for Youth & Community Workers
– effective from 1st March 2015**

Support Worker Range

SCP	Annual FTE Salary 01/03/2015	
001	14,597	First Level
002	15,207	
003	15,817	
004	16,431	
005	17,041	
006	17,651	
007	18,267	Second Level
008	18,880	
009	19,659	
010	20,269	
011	21,254	
012	22,219	
013	23,213	
014	24,243	
015	24,945	
016	25,678	
017	26,398	

Professional Range

SCP	Annual FTE Salary 01/03/2015	
013	23,213	
014	24,243	
015	24,945	
016	25,678	
017	26,398	
018	27,125	
019	27,845	
020	28,566	
021	29,378	
022	30,298	
023	31,193	
024	32,092	
025	32,999	
026	33,904	
027	34,811	
028	35,728	
029	36,639	
030	37,549	
031	38,163	*
032	39,173	*

* Discretionary Points