

POWYS COUNTY COUNCIL

Pay Policy Statement 2014/15

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POWYS COUNTY COUNCIL

Pay Policy Statement 2014/15

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. 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

At the moment 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 increase was 1% effective from the 1st April 2013, prior to that there had been no increase to this pay spine since April 2009. The current pay spine is attached at Appendix A.

6.2 Job Evaluation

The Council has recently undertaken a job evaluation exercise as a means of applying a systematic approach to determining the value and worth of posts that are currently subject to the NJC nationally agreed pay spine. The result of this has been the implementation of a new pay and grading structure effective from the 1st April 2013. This new pay structure has been subject to an equal pay audit. Payment protection paid to staff suffering a detriment was agreed for a 12 month period and is due to end 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 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.

6.5 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. National pay awards have been awarded to other public sector senior/chief officers up to and including financial year 2013/2014. The last national pay award received by local authority Chief Officers was the 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).

During the spring of 2013 the Council undertook a Senior Management restructure to support the new operating model and realise efficiency savings. During this period bespoke voluntary redundancy arrangements involving an additional maximum of 10 weeks (pro rata) were approved by the Council's Cabinet, for these proposed structural changes and for future phases of staffing reorganisations to support the new operating model and deliver efficiency savings. This arrangement is still in place for management of change processes currently being undertaken by service areas and for the voluntary severance scheme operated through January and February 2014.

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, £12, 435 per annum.
- 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 1:10.7
 2. The multiple between the lowest paid employee and average chief officer is 1:6.15
 3. The multiple between the median (average) full time equivalent earnings (excluding schools) and the chief executive is 1:6.79
 4. The multiple between the median (average) full time equivalent earnings (excluding schools) and average chief officer is 1:3.91

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

Grade	SCP	Per Ann £
Grade 1	5	12435
	6	12614
Grade 2	7	12915
	8	13321
	9	13725
Grade 3	10	14013
	11	14880
	12	15189
	13	15598
Grade 4	14	15882
	15	16215
	16	16604
	17	16998
Grade 5	18	17333
	19	17980
	20	18638
Grade 6	21	19317
	22	19817
	23	20400
Grade 7	24	21067
	25	21734
	26	22443
Grade 8	26	22443
	27	23188
	28	23945
Grade 9	29	24892
	30	25727
	31	26539
Grade 10	33	28127
	34	28922
	35	29528
Grade 11	36	30311
	37	31160
	38	32072
Grade 12	39	33128
	40	33998
	41	34894
Grade 13	43	36676
	44	37578
	45	38422
Grade 14	47	40254
	48	41148
	49	42032

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

Type	Description	Grade	SCP	Salary
Senior Manager	Senior Manager 2	SM2	003	£46,615.00
			004	£48,387.00
			005	£48,919.00
			006	£50,160.00
	Senior Manager 1	SM1	009	£53,173.00
			010	£54,591.00
			011	£56,010.00
			012	£57,428.00
Heads of Service	Heads of Service 3	HS 3	013	£57,960.00
			014	£59,378.00
			015	£60,786.00
			016	£62,204.00
	Heads of Service 2	HS2	017	£62,991.00
			018	£65,092.00
			019	£67,191.00
			020	£69,291.00
	Heads of Service 1	HS1	021	£71,390.00
			022	£73,490.00
			023	£75,590.00
			024	£77,690.00
Director	Director 2	D2	025	£78,980.00
			026	£81,150.00
			007	£83,320.00
			028	£85,490.00
	Director 1	D1	029	£89,592.00
			030	£91,761.00
			031	£93,930.00
			032	£96,100.00
Strategic Directors		SD1	033	£96,415.00
			034	£98,584.00
			035	£100,753.00
			036	£102,923.00
Chief Executive		CE1	037	£124,407.00
			038	£127,206.00
			039	£130,005.00
			040	£132,804.00

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 2013

Soulbury Educational Improvement Professionals	
Spinal point	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	34273
2	36013
3	37752
4	39491
5	41230
6	42969
7	44607
8	46244
9	47778
10	49313
11	50745

**EDUCATIONAL PSYCHOLOGISTS
SCALE B**

Spine Point	01-Sep-13
1	42969
2	44607
3	46244
4	47778
5	49313
6	50745
7	51333
8	52431
9	53519
10	54626
11	55711
12	56818
13	57944
14	59031
15	60171
16	61300
17	62436
18	63571

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