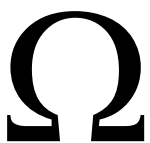


Pay Policy Statement

2016/2017



Version Control

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Purpose	The Pay Policy Statement sets out Council policy on pay and conditions for senior managers and employees, assisting the Council to attract and retain skilled employees and ensuring compliance with legislative requirements under the Localism Act 2011.		

This procedure links to:

- Job Evaluation & Grading Procedure
- Relocation and Temporary Accommodation Expenses Procedure
- Redeployment Procedure
- Honorary Payments Guidance
- Market Supplements Procedure
- Acting Up and Secondments Guidance

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- A – Senior management pay and grading structure
- B – Other employees pay and grading structure & car user allowance rates
- C – Pension Policy Statements

1. Introduction

- 1.1 The Pay Policy statement sets out Council policy on pay and conditions for senior managers and employees for the year ending 31st March 2017.
- 1.2 The Council aims to attract and retain skilled employees motivated to deliver the priorities of the Council. In determining pay policy for Chief Officers and other employees, the Council is committed to ensuring a fair, equitable and transparent approach to pay. Within this, it is recognised that different approaches may be required between groups of employees reflecting factors such as difficulties in attracting and retaining key skills.

2. Key principles

- 2.1 The Pay Policy Statement outlines the remuneration arrangements within the Council and aims to ensure:
- That employees pay levels are set and reviewed using a clear, rational and transparent process that meets equal pay legislation.
 - That pay rates are both competitive in the market place, reflect the need to retain key skills and appropriately reward employees for their contribution to the Council's achievements.
 - That pay and reward decisions support the provision of valued public services and are affordable.
 - That any decisions relating to pay and salary progression are consistent, fair and non discriminatory.
- 2.2 The Council will not promote employees through the grading system nor use other pay mechanisms in order to assist in securing an employee's improved pension entitlement on retirement.

3. Scope of the statement

- 3.1 This statement relates to all Council employees (except those on teachers' conditions, educational support staff and casual workers) including the Chief Executive, Chief Officers and Deputy Chief Officers.
- 3.2 Employees on teachers' conditions and educational support staff are included separately within the Schools Pay Policy.

4. Senior management pay structure

- 4.1 Senior management are defined for this purpose as the Chief Executive and Chief Officers (as defined under the Localism Act 2011 Part One Chapter 8, section 43(2), Government and Housing Act 1989 2(8)). Senior management grades are locally agreed salary scales which are reviewed annually having regard to the JNC pay award for Local Authority Chief Executives and Chief Officers and market conditions. The senior management pay structure is attached at Appendix A.
- 4.2 The aim is to ensure that the Council retains key employees by maintaining pay rates which are competitive in the market and reflect the need to retain valuable skills.
- 4.3 The salary levels of the Chief Executive and Chief Officers on appointment are set by elected members at the relevant committee of the Council. The Council's Appointments Board (or appointed sub committees) approves remuneration levels for the Chief Executive, Executive Directors and Deputy Chief Officers on appointment, subject to negotiation. The Appointments Board also has delegated authority from Council in respect of the actual appointment and dismissal of Executive Directors and Deputy Chief Officers in accordance with the Employment Procedure Rules.
- 4.4 Pay levels are reviewed to take account of any cost of living increase negotiated nationally by the JNC for Chief Officers of Local Authorities Conditions of Services. The last national pay award increase for Chief Officers was 1 January 2015. At the time of writing, the national 2016/17 pay award negotiations have not been concluded.
- 4.5 The salary details for Chief Officers are published on the Council's website and can be located on the open data pages;
<http://opendata.walsall.org.uk/opendata>
- 4.6 The process for recruitment and remuneration of Chief Officers is set out in Part 4.6 of the Council's Constitution.
- 4.7 The Chief Executive's total remuneration package includes fees payable for local election duties. Where appropriate fees for European, National and Regional elections and referenda are set out and paid by central government.
- 4.8 The Council's Section 151 officer and Monitoring Officer receive an additional allowance of £4,422 for the undertaking of this statutory function.
- 4.9 In relation to the termination of employment of Chief Officers, the Council will consider making appropriate payments where it is in the Council's best interests. Any such payments will be in accordance with contractual entitlements or statutory requirements and take into account the potential risks and liabilities to the Council, including any legal costs, disruption to services, impact on employee relations and management time. Any such arrangements are reported to a committee of the Council where required by the Council's Constitution. Furthermore external auditors are consulted about severance packages where appropriate.

5. Other employees pay structure (including the lowest paid employees)

- 5.1 Remuneration for other employees is normally determined by the Council's Job Evaluation (JE) scheme which covers all employees on NJC Local Government Services (Green Book) terms and conditions of service. These employees have their pay based upon the NJC pay and grading structure which is extended locally to incorporate 68 spinal column points (SCP) and is attached at Appendix B.
- 5.2 The Council's pay and grading structure ranges from G1 to G16 and covers SCP 006– 068. Each grade range contains a number of SCPs and this allows for annual incremental progression up to the top of the grade.
- 5.3 The Council has paid the Living Wage (LW), since April 2015, in the form of an additional allowance to basic hourly rate where this falls below the LW which will also apply to non-standard hours such as overtime. This is reviewed annually.
- 5.4 The Council's Job Evaluation scheme is based on the NJC prescribed Job Evaluation scheme for posts graded G1 to G13 and the Hay Group Job Evaluation scheme for posts graded G14-G16. Both schemes comply with equal pay requirements.
- 5.5 For Apprentices (on training contracts), pay starts at £6,366.64, in line with the national minimum apprenticeship rate of pay.
- 5.6 Pay levels are reviewed to take account of any cost of living increase negotiated nationally by the NJC for Local Government Services. At the time of writing, the 2016/17 pay award negotiations have not been concluded.

6. Non standard terms and conditions

- 6.1 Employees transferring into the Council under TUPE arrangements have the right to retain their existing terms and conditions and as such retain the pay scales applicable to their employment prior to transfer.
- 6.2 Some specialist employees, mainly in education related services, such as Educational Psychologists, and the Youth Service are paid on the national pay scales relevant to their specialist employment.

7. Starting pay

- 7.1 Employees are usually paid on an incremental scale and will normally be appointed at the minimum point of the pay grade for that post. However, in certain circumstances it may be appropriate to appoint external candidates to a higher point within the pay grade to support the appointment of high calibre candidates, for example, where existing salary payments exceed or are

equivalent to those being offered by the Council. Such practice must be objectively justified and within current budgetary constraints.

- 7.2 Internal appointments are made at the minimum point of the pay grade where being appointed into a promotional post or at the minimum point of advantage where grade boundaries overlap with the new higher grade. If appointments are made to equivalent graded posts then the employee will move across on their existing SCP with no further increase until the normal incremental progression is due.
- 7.3 Internal appointments moving into an additional/second post of equivalent grade and nature will move across on their existing SCP with no further increase until the normal incremental progression is due.
- 7.4 Where employees are appointed into posts where there is a grade reduction, they will be appointed at the top of the grade unless their current SCP is already below this level in which case they will transfer across on their existing SCP with no further increase until the normal incremental progression is due.

8. Pay progression

- 8.1 Where employees are on annual incremental scales progression within grade boundaries is automatic.
- 8.2 Annual incremental pay progression takes place until the maximum SCP within the grade for the post is achieved. Thereafter the employee is only eligible to receive the annual cost of living award as negotiated by the appropriate bodies.
- 8.3 Increments are due on the 1st April each year, or 6 months after appointment where the employee has been in the post for less than 6 months by 1st April, i.e. if the employee is appointed between 1st October and 31st March the increment will be paid after 6 months in post and then annually on the 1st April thereafter up to the maximum SCP within the grade.
- 8.4 Employees are able to request re-evaluations of the grade of their post where they believe that work duties have substantially altered. All re-evaluation requests will be graded using the Council's JE scheme in line with the Job Evaluation & Grading Procedure that provides the right of appeal against any grade outcomes.

9. Performance related pay (PRP)

- 9.1 The Council does not operate a performance related pay scheme or any type of bonus pay scheme.

10. Pay protection

- 10.1 In cases where the Council is enforcing a reduction in an employee's pay, pay protection will be granted where applicable for a maximum period of 12

months. Pay protection is only applicable to the salary grade of the post and not the hours an employee works. Any loss in annual leave due to grade reductions will also be protected for a 12 month period.

- 10.2 In line with the Council's Redeployment Procedure, where employees are redeployed through a potential redundancy situation or through dismissal on health grounds at a lower grade, pay protection arrangements will apply only if the post is graded no more than two grades below the employee's substantive post.

11. Market supplements

- 11.1 The Council recognises that at times it may be difficult to recruit new employees or retain existing employees in certain key posts. To ensure that the Council attracts and maintains a skilled and experienced workforce, supplements may be paid in addition to the grade of the post in accordance with the Council's Market Supplements Procedure.

12. Relocation and temporary accommodation allowances

- 12.1 Relocation and temporary accommodation expenses may be paid to employees to cover costs associated with relocating in order to take up new employment with the Council. These expenses are paid in accordance with the Council's Relocation and Temporary Accommodation Expenses Procedure.

13. Honorarium payments

- 13.1 Honorarium payments are additional monies paid to employees to reward them for undertaking additional or special work activities that would be graded at a higher level.
- 13.2 All honorarium payments are made in line with the Council's Honorarium payments guidance form and calculated in accordance with the Council's JE scheme where relevant to ensure principles of fairness and equality are maintained.
- 13.3 Honorarium payments are temporary by nature and must be reviewed regularly.

14. Allowances / Expenses

- 14.1 Overtime – Any overtime worked over 37 hours regardless of when the hours are worked will be paid at time plus 1/2. This is usually only applicable to those on grades G6 or below, however in exceptional circumstances and where pre-approved by the Executive Director, can be extended to those above G6. Overtime is not normally paid to those on senior management grades. All overtime must be agreed by the relevant manager and closely monitored.

- 14.2 The council also pays an additional payment in certain circumstances which fall under the overtime and holiday pay ruling (Bear Scotland Ltd March 2015).
- 14.3 Unsocial hours payment – Where employees work unsocial hours (Monday – Saturday between the hours of 22.00 – 06.00 and all day on Sunday) they will receive additional unsocial hours payments based on the percentage of their standard contractual 37 hour working week worked in unsocial hours and this will equate to either a 5%, 10% or 15% enhancement to their basic pay.
- 14.4 Callout/Standby – Payments are made to reflect the unsociability of working in particular circumstances and will be locally agreed.
- 14.5 Professional subscriptions – These will be paid by the Council where it is an essential requirement of the job. Essential would normally relate to a statutory reason, not a selection criteria that could be unfairly restrictive in obtaining good candidates and conflict with equality of opportunity.
- 14.6 Car allowances - Where the Council requires and authorises an employee to use a private car on official business, the employee will receive an allowance for the use of their motor vehicle(s). The Council will decide whether the allowance is paid in line with the casual or essential car user allowances and these are attached at Appendix B.
- 14.7 There are separate travel allowance arrangements in place for Executive Directors and they receive a lump sum payment equivalent to 2.3% of their annual salary.

15. Pensions

- 15.1 Employees of the Council are eligible to join the Local Government Pension Scheme. The benefits and contributions payable under the scheme are set out in the Local Government Pension Scheme Regulations 2013.
- 15.2 Under the Local Government Pension Scheme Regulations, each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations
- 15.3 The Council's current published LGPS discretionary policy is contained in Appendix C of this document and was effective from 1st April 2014. There have been no changes to the discretionary policy and therefore this remains in place. This document also incorporates discretionary provisions that are still in force under the former LGPS regulations that the employer is required to publish within its current policy.

16. Pay multiples (or pay dispersion)

- 16.1 There is no formal mechanism for direct comparison between pay levels of the wider workforce with senior manager pay and there are no Council policies on reaching or maintaining a specific pay multiple.

- 16.2 The pay multiple recommended for adoption by the Hutton Review of Fair Pay in the Public Sector is the ratio between the salary of the highest paid employee and the median full time equivalent (fte) salary of the organisation.
- 16.3 The Council's current (October 2015) pay multiple from the highest pay (£194,271 per annum) to the median pay (£21,530 per annum) is 1:9. This pay multiple is the same ratio as the previous year.
- 16.4 The Council's current (October 2015) pay multiple from Chief Officers within the Corporate Management team (£117,186 per annum) to the median pay (£21,530 per annum) is 1:5. This pay multiple is the same ratio as the previous year.
- 16.5 The Council will monitor these ratios on an annual basis to ensure that there is not undue wage inflation in senior management pay rates.