

**SUBJECT: PUBLICATION OF PAY POLICY STATEMENT AS REQUIRED BY THE LOCALISM ACT**  
**MEETING: FULL COUNCIL**  
**DATE: 27<sup>TH</sup> FEBRUARY 2014**  
**DIVISION/WARDS AFFECTED: ALL**

**1. PURPOSE:**

To approve the publication of Monmouthshire County Council's Pay Policy, in compliance with the Localism Act.

**2. RECOMMENDATIONS:**

That Council approve the Pay Policy for the year 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015.

**3. KEY ISSUES:**

Monmouthshire County Council recognises the need to have a clear written policy on pay and reward for employees, and that having a policy provides a framework to ensure that employees are rewarded fairly, objectively and without discrimination.

The policy is underpinned by the Single Status Agreement signed as a collective agreement with the Trades Unions on 2nd December, 2010 and other nationally agreed terms and conditions for employees of the Council.

Guidance has been issued to show the type of information that 'must' be included and 'should' be included and this recommended policy has been drafted to include both the 'must' and the 'should'.

This recommendation will not impact on staff across the Council as it merely outlines the existing and agreed (single status) arrangements for pay and reward of employees in a single policy. The Trades Unions have been consulted on the proposed policy and understand the need for such arrangements to be in place.

This is the third publication of the policy.

**4. REASONS:**

The Council has a statutory requirement under the Localism Act 2011 to prepare a pay policy statement on an annual basis. Each statement needs to be in place by 31st March each year. The Pay Policy will ensure compliance with this legislation.

**5. RESOURCE IMPLICATIONS:**

There are no financial implications arising from this report. The Council's budget includes for the cost of its employees while the pay details for Chief Officer posts is published on an annual basis as part of the Statement of Accounts.

**6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:**

None arising from this report.

**7. CONSULTEES:**

Chief Executive  
Head of Finance/Section 151 Officer  
Monitoring Officer  
Unison  
GMB

**8. BACKGROUND PAPERS:**

None.

**9. AUTHOR:**

Sian Hayward, Employee Services Lead.

**10. CONTACT DETAILS:**

**Tel:** 01633 644309 or 07971893998

**E-mail:** [sianhayward@monmouthshire.gov.uk](mailto:sianhayward@monmouthshire.gov.uk)

# **MONMOUTHSHIRE COUNTY COUNCIL PAY POLICY 2013/2014**

## **1. INTRODUCTION**

Monmouthshire County Council recognises that in the context of managing scarce public resources remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or excessive.

The production of a Pay Policy supports the Council's values of openness and fairness. This policy aims to ensure that all staff are rewarded fairly and without discrimination for the work that they do. It will reflect fairness and equality of opportunity, the need to encourage and enable staff to perform to the best of their ability and the desire to operate a transparent pay and grading structure.

The council recognises that pay is not the only means of rewarding and supporting staff and offers a wider range of benefits, e.g. flexible working, access to learning and a wide range of family friendly policies and procedures.

It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market.

In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where often national and local pressures conflict.

The council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during these times of financial challenge is crucial.

## **2. LEGISLATION**

Under Section 112 of the Local government Act 1972 the council has the 'power to appoint officers on such reasonable terms and conditions as the authority thinks fit'. This Pay policy statement sets out the councils approach to pay policy in accordance with the requirements of section 38 of the Localism Act 2011.

The Act requires authorities to develop and make public their pay policy on all aspects of Chief Officer remuneration (including when they cease to hold office), and that of the 'lowest paid' in the authority. It also explains the relationship between the remuneration for Chief Officer and other groups. The Act and supporting guidance provides details of matters that must be included in this statutory pay policy, but also emphasises that each local authority has the autonomy to take its own decisions on pay.

The Pay Policy must be approved formally by the council by the end of March each year, can be amended in year, must be published on the Council's website

and must be complied with when setting the terms and conditions of Chief Officer and employees.

In determining the pay and remuneration of all its employees, the Council will comply with all relevant legislation. This includes the Equalities Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Agency Workers Regulations 2010 and where relevant the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the council ensures that all arrangements can be objectively justified through the use of job evaluation methods.

### **3. SCOPE AND DEFINITIONS**

This Pay Policy includes-

- The level of remuneration for Chief Officers
- The remuneration of the lowest paid employees
- The relationship between the remuneration of Chief Officers and other officers
- Other specific aspects of Chief Officer remuneration, fees and charges, and other discretionary payments.

The Localism Act 2011 defines '**Chief Officers**' as being -

**The Head of Paid Service.** This is the Chief Executive

**The Monitoring Officer**

**Statutory Chief Officers.** In MCC these are the-

- Chief Officer, Children and Young People
- Chief Officer, Social Care and Health
- Head of Finance / S151 Officer.
- Head of Democracy and Regulatory Services

**Non-statutory Chief Officers** – These are non-statutory posts that report directly to the Head of Paid Service. In MCC these are the-

- Chief Officer – Enterprise
- Head of Policy and Engagement
- Head of Operations

**Deputy Chief Officers** – These are officers that report directly to statutory or non-statutory Chief Officers. In MCC, posts on Chief Officer terms and conditions are the-

- 21<sup>st</sup> Century Schools Programme Manager
- Head of Development Planning
- Head of Commercial and People Development
- Head of Public Health and Culture
- Head of Partnerships and Engagement

- Head of Attainment and Learning Infrastructure
- Head of Attainment and Extended Services
- Head of Adult Services and Health
- Head of Children's Services

Within Monmouthshire County Council, there are also officers that fall within the definition of Deputy Chief Officer in as much as they report directly to statutory or non-statutory Chief Officers. However, they are on NJC terms and conditions and not Chief Officer terms and conditions. These are included within the category of "Operational Managers" and Posts in this category are the:-

- Head of Legal Services
- Employee Services Lead
- Employee Development Manager
- Grounds and FM Senior Manager
- Head of Highways and Waste
- Property and FM Business Services Manager
- Libraries, Museums and Arts Manager
- Strategic Housing Manager
- Countryside Manager
- Estates Manager
- Leisure Activities Manager
- Assistant Head of Finance (Deputy Section 151 Officer)
- Assistant Head of Finance for Revenues, Exchequer and Systems

The Localism Act 2011 requires the Council to define its 'lowest paid employee' within our pay policy statement. Within MCC our lowest paid employees are those appointed on SCP 5 of the NJC nationally agreed pay spine.

The Localism Act 2011 defines remuneration as 'salary, bonuses, charges, fees or allowances payable, any benefits in kind, increase or enhancement of pension entitlement. This definition is adopted for the term "pay" used in this policy.

#### **4. PAY INFORMATION – PAY RANGES/NJC GREEN BOOK STAFF**

All NJC 'Green Book' positions within the Council have gone through a job evaluation (JE) process using the Greater London Provincial Council (GLPC) scheme back dated to 1st April 2009 following the signing of a collective agreement with UNISON and GMB on 2nd December, 2010.

The Council has linked the scores from the job evaluation results directly to the NJC pay structure. Within Monmouthshire County Council we have expanded the range from Spinal Column Point 49 up to SCP 57.

MCC's grading structure has 13 grades with 5 increments in each grade that span across SCP's 5 - 57 with associated salaries from £12,433 (SCP 5) to £49,525 (SCP 57). More information about the GLPC and the grades can be found in the Council's Single Status Collective Agreement.

When negotiating the Single Status Collective Agreement it was agreed that within Monmouthshire we would not use the lowest point of SCP4 and so we have deleted that from our pay range. This has had a positive impact on the lowest paid staff of the Council.

The council introduces the Living Wage in April 2014, and will pay a supplement to employees whose grade falls below the Living Wage rate. This currently affects all employees paid on Spinal Column Points 5-10, as SPC 10 is the nearest pay scale to the Living Wage. The council isn't accredited for the Living Wage, and it is optional for it to apply any Living Wage pay increases when they arise.

## 5. PAY INFORMATION – CHIEF EXECUTIVE

The salary for the Chief Executive has been established as a fixed salary point of £110K. This is a local grade established following an analysis of the degree of responsibility in the role and market rates at the time the post was last advertised (2009).

This salary was approved by full Council. There are no additional bonus, performance, honoraria or ex gratia payments. The chief executive has not sought or requested a pay rise since appointment, and as such all officers who are paid according to a percentage of the Chief Executives Salary have also not received an increase.

Other Conditions of Service are as prescribed by the Joint National Council (JNC) for Local Authority Chief Executives national conditions.

## 6. PAY INFORMATION – CHIEF OFFICERS & HEADS OF SERVICE ON CHIEF OFFICER TERMS AND CONDITIONS

All salaries within this range are based on a percentage of the Chief Executive's salary and are as follows:

POST	RANGE	ASSOCIATED SALARY
Chief Officers & 21 <sup>st</sup> Century Programme Manager	69% - 72%	£75,900 (69%) £77,000 (70%) £78,100 (71%) £79,200(72%)
The Monitoring Officer (0.6% FTE)	60 - 63%	£39,600 (60%) £40,260 (61%) £40,920 (62%) £41,580 (63%)
Head of Finance / S151 Officer &	60% - 63%	£66,000 (60%) £67,100 (61%) £68,200 (62%)

Head of Operations		£69,300 (63%)
Heads of Service (Those on Chief Officer T & C)	51.5% - 57.5%	£56,650 (51.5%) £58,850 (53.5%) £61,050 (55.5%) £63,250 (57.5%)
Head of Commercial and People Development & Head of Partnerships and Engagement	53.5% Spot Salary	Spot salary of £58,850

There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments etc., paid to these senior staff, as they are expected to undertake duties outside their contractual hours and working patterns without additional payments. There is no performance related pay and no bonuses.

Posts at Chief Officer and Heads of Service level are employed on JNC Chief Officer terms and conditions. Chief Officers whose grades offer incremental progression must achieve at least a 'satisfactory' judgement in their annual appraisal process to advance to the next incremental point within grade. As the posts are linked to the Chief Executive, each time the Chief Executive's salary increases, these posts also increase in pay.

The Council publishes pay details for Chief Officer posts on the website. The information can be found in the 'Statement of Accounts.'

## **7. PAY INFORMATION – STAFF ON 'GREEN BOOK' TERMS AND CONDITIONS REFERRED TO AS "OPERATIONAL MANAGERS"**

Operational Managers are those who fall within the definition of Deputy Chief Officer but who are paid on NJC terms and conditions and not Chief Officer T & C. Their salaries span from Grades I – M, with the lowest being SCP 37 (£30,851) and the highest being SCP 57 (£49,525).

## **8. PAY INFORMATION – STAFF OTHER THAN 'GREEN BOOK' AND CHIEF OFFICERS**

The Council also has staff on other national terms and conditions, i.e. JNC Youth and Community, Soulbury and Teacher terms and conditions. Pay for these is based on the relevant nationally agreed rates of pay.

## **9. INCREMENTAL PROGRESSION – ALL STAFF**

For 'green book' staff and Heads of Service incremental progression is automatic. Increments are normally awarded on 1st April each year. Where Chief Officers

have incremental pay grades, progression is dependent upon satisfactory performance appraisal.

## **10. SALARY ON APPOINTMENT – ALL STAFF**

Posts are advertised on the agreed grade/range for that particular post. Information regarding the minimum and maximum pay is provided in the advert. In practice most appointments are made at the bottom of the range. However, there is discretion to appoint at a higher point on the range. This would normally only apply if there is a need to match a candidate's current level of pay.

## **11. PAY REVIEW – ALL STAFF**

All pay is reviewed in line with the national pay awards negotiated for the cost of living increases when these occur. There was a cost of living award in April 2013 of 1%

## **12. MARKET SUPPLEMENTS – ALL STAFF**

It is recognised that there will be exceptional occasions where the market rate for certain key jobs is higher than that provided for by the new pay and grading structure. In these circumstances, the grading of the post will be reviewed in accordance with the Market Forces Policy.

## **13. ADDITIONAL PAYMENTS – NJC GREEN BOOK STAFF**

Additional payments are made to this staff group as detailed in the Council's single status package. The types of additional payments made include-

- Weekend Working payments are made for Saturday (Time and a Quarter) and Sunday (Time and a half).
- Bank Holiday – Paid at double time or plain time plus a day off in lieu.
- Night Workers – Employees who work night shifts between the hours of 10.00 pm and 6.00 am are paid time and a third.
- Overtime can be paid for employees who are requested to work in excess of 37 hours and who are paid in Bands A to E.

Other payments that could be made are first aid allowance, relocation payment and payment for professional subscriptions.

## **14. ADDITIONAL PAYMENTS – CHIEF OFFICERS & HEADS OF SERVICE**

- Business mileage incurred by the employee is refunded at the HMRC rate.
- Professional subscriptions – these will be paid by the Council where it is an essential part of the post e.g. for the Statutory Chief Officer posts.
- Relocation – the Council may provide financial assistance to new recruits as part of the employment package under the terms of our Relocation Scheme.

- Returning Officer Fees – the appointment of Electoral Registration Officer is required by S8 of the Representation of the People Act 1983 and the appointment of Returning officer by S35 of the Representation of the People Act 1983.

In Monmouthshire, the role of the Electoral Registration Officer and Returning Officer is held by the Chief Executive.

The fee for parliamentary, European Union, Welsh Government, Police and Crime Commissioner Elections and all referenda are set by legislation. Local authorities have the discretion to set the fee for local elections. In the Council the fee for local elections is set in line with the fee agreed for the Welsh Government elections.

- Honorarium is paid to officers when carrying out duties in another authority.

## **15. HONORARIA AND ACTING UP SCHEME**

The Council has a scheme for an additional payment to be made where an employee acts up into a post at a higher level of pay or where they undertake additional duties at a higher level of responsibility. This scheme is applicable for all Council employees.

## **16. MULTIPLIERS**

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.

The multiples of pay for Monmouthshire County Council are as follows-

- Multiple between lowest paid FTE employee and CEO is 9:1
- Multiple between lowest paid FTE employee and average Chief Officer is 6:1
- Multiple between the median FTE and CEO is 6:1
- Multiple between the median FTE and average chief officer is 4:1

## **17. PAYMENTS/CHARGES AND CONTRIBUTIONS**

All Council employees are entitled to join the local government pension scheme (LGPS) which is offered by the Local Government Employers. If staff are eligible they will automatically become a member of the scheme under the auto enrolment provisions (to join they must have a contract for at least 3 months duration and be under the age of 75).

Employees can decide to opt out of the scheme within one month of auto enrolment. The benefits and contributions payable under the pension fund are set out in the LGPS regulations which will change in April 2014.

All employees who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table:

<b>Employee Pay</b>	<b>% Contribution</b>
Up to £13,500	5.5
£13,501 to £21,000	5.8
£21,101 to £34,000	6.5
£34,001 to £43,000	6.8
£43,001 to £60,000	8.5
£60,001 to £85,000	9.9
£85,001 to £100,000	10.5
£100,001 to £150,000	11.4
Over £150,000	12.5

*(The contribution bands with effect from 1 April 2014)*

## **18. DISCRETIONARY PAYMENTS**

The policy for the award of any discretionary payments is the same for all staff regardless of their pay level. The following arrangement applies for redundancy payments under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

- Payment of an overall lump sum of 1.7 times the statutory redundancy payment multiplier based on actual weeks' pay up to a limit of Spinal Column Point 49. This is payable to employees made redundant with 2 or more years local government service regardless of their age, subject to them being eligible to join the pension scheme.

## **19. DECISION MAKING**

In accordance with the Constitution of the Council the Executive are responsible for decision making in terms of pay, terms and conditions and severance arrangements in relation to employees of the Council.

## **20. REVIEW OF THE POLICY**

This Policy will be kept under review and developments considered in the light of external best practice and legislation. The Council will ensure the policy is updated on an annual basis in line with the requirement of the Localism Act 2011.

Sian Hayward  
March 2014