



## **MONMOUTHSHIRE COUNTY COUNCIL PAY POLICY 2018**

### **1. INTRODUCTION**

The purpose of a Pay Policy Statement is to increase accountability in relation to payments made to senior employees in the public sector by enabling public scrutiny.

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 publication of a Pay Policy supports Monmouthshire County 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.

Monmouthshire County 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.

Monmouthshire County 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 Council's approach to pay policy in accordance with the requirements of section 38 of the Localism Act 2011.

The Localism Act requires local authorities to develop and make public their pay policy on all aspects of Chief Officers remuneration (including when they cease to hold office), and that of the 'lowest paid' in the local authority. It also explains the relationship between the remuneration for Chief Officer and other groups of staff. 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 Council by the end of March each year, but can be amended in year, and must be published on the Monmouthshire County Council's website and must be complied with when setting the terms and conditions for Chief Officers and employees.

In determining the pay and remuneration of all its employees, Monmouthshire County Council will comply with all relevant legislation. This includes the Equality 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 (TUPE). 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 techniques.

In its application, this policy seeks to ensure that there is no discrimination against employees either directly or indirectly on grounds prohibited by the Equality Act 2010 which covers age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation This policy is inclusive of partners of the opposite or same sex.

### **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 Officers' 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 Officer.

**Statutory Chief Officers.** In Monmouthshire County Council these are the-

- Deputy Chief Executive Officer (incorporating statutory Head of Democracy role)
- Chief Officer, Children and Young People
- Chief Officer, Social Care and Health
- Head of Finance (incorporating statutory Section 151 Officer role)
- Monitoring Officer

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

- Chief Officer, Resources
- Head of Operations

**Deputy Chief Officers** – These are officers that report directly to statutory or non-statutory Chief Officers.

In Monmouthshire County Council, posts on Chief Officers' terms and conditions are -

- Future Schools Programme Manager
- Head of Achievement & Learning Infrastructure
- Head of Achievement & Extended Services
- Head of Tourism, Leisure & Culture
- Head of Planning, Housing & Place Shaping
- Head of Enterprise & Community Delivery
- Head of Commercial & Integrated Landlord Services
- Head of Policy & Governance
- Head of People & Information Governance
- Head of Public Protection
- Head of Integrated Services
- Head of Children's Services
- Head of Business Transformation
- Head of Waste & Street Services

#### **Senior Leadership Team.**

In Monmouthshire County Council, our Senior Leadership Team consists of:

Chief Executive Officer

Deputy Chief Executive Officer

Chief Officer, Children & Young People

Chief Officer, Social Care & Health

Chief Officer, Resources

Gender make-up: 3 male; 2 female

The Localism Act 2011 requires the Council to define its 'lowest paid employee' within our pay policy statement. Within Monmouthshire County Council our lowest paid employees are those paid in accordance with the Living Wage.

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 for NJC (National Joint Council) 'GREEN BOOK' STAFF**

All National Joint Council (NJC) 'Green Book' positions within Monmouthshire County Council have been subject to 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.

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

Monmouthshire County Council's grading structure has 13 grades with 5 increments in each grade that span across SCP's 6 - 57 with associated salaries from £15,014 (SCP 6) to £51,632 (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 County Council 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.

Monmouthshire County Council introduced the real Living Wage in April 2014. The Living Wage payment is higher than the National Living Wage (£7.83 April 2018), and is set independently by the Living Wage Foundation and is calculated according to the basic cost of living in the UK. Employers choose to pay on a voluntary basis. Monmouthshire County Council isn't accredited for the Living Wage, and it is optional for Monmouthshire to apply any Living Wage pay increases when they arise. We will be increasing the Living Wage in April 2018 to the new national level (£8.75).

If there is no agreement for the implementation of the pay award prior to 1<sup>st</sup> April 2018, the Council will need to ensure that the increase to the National Living Wage increase is met by an adjustment to SCP 6 (£7.78) as this is a statutory requirement regardless of any outcome of the pay negotiations.

## **5. PAY INFORMATION – CHIEF EXECUTIVE OFFICER ON CHIEF EXECUTIVE TERMS AND CONDITIONS**

The salary for the Chief Executive Officer 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) and approved by Council. The salary for the Chief Executive Officer is £112,211.

There are no additional bonus, performance, honoraria or ex gratia payments. The salary is subject to nationally agreed pay rises for JNC for local authority Chief Executive Officers.

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

Monmouthshire County Council employs Chief Officers under Joint National Council (JNC) for chief officers' terms and conditions, which are incorporated in their contracts. The JNC

for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with contractual requirements. All salaries within this range are as follows:

<b>POST</b>	<b>RANGE</b>	<b>SALARY</b>
Chief Executive Officer	N/A	£112,211
Deputy Chief Officer,	Band A+ Points 1-3	£85,842 £86,986 £88,131
Chief Officer, Children & Young People (CYP) Chief Officer, Resources Chief Officer, Social Care & Health (SCH) Future Schools Programme Manager	Band A: Points 1 – 4	£78,974 £80,119 £81,263 £82,408
Monitoring Officer Head of Finance/Section 151 Head of Operations Head of Integrated Services Head of Children’s Services Head of People & Information Governance	Band B: Points 1 – 4	£68,673 £69,818 £70,962 £72,107
Head of Public Protection Head of Achievement and Resources Head of Achievement & Extended Services Head of Tourism, Leisure & Culture Head of Enterprise & Community Delivery Head of Planning, Housing & Place Shaping Head of Policy & Governance Head of Commercial & Integrated Landlord Services	Band C: Points 1 – 4	£58,944 £61,234 £63,523 £65,812

Head of Business Transformation Head of Waste & Street Services		
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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. As an equal opportunity employer all posts are advertised.

Posts at Chief Officer and Heads of Service level are employed on JNC Chief Officer terms and conditions. Chief Officers and Heads of Service 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.

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

Monmouthshire County Council is the 'host' local authority for the employment of the **Cardiff Capital Region City Deal – Programme Director**. This appointment is on a fixed term basis on a salary of £111,447 per annum (effective 1 April 2018), on JNC chief officer terms and conditions of employment. This temporary post is being hosted by Monmouthshire County Council on behalf of the City Deal Partnership and is wholly funded by the City Deal Partnership. Under the Local Authorities (Standing Orders) (Wales) Regulations 2006, as amended in 2014, this post has been reported and approved by Council and has been the subject of a referral to the Independent Remuneration Panel.

## **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 (National Joint Council) terms and conditions rather than Chief Officers' terms and conditions. Their salaries span from Grades I – M, with the lowest being SCP 37 (£32,486) and the highest being SCP 57 (£51,632).

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

Monmouthshire County Council also has staff on other national terms and conditions, i.e. JNC Soul bury and Teacher terms and conditions. Pay for these is based on the relevant nationally agreed rates of pay.

National Pay Grades – Soul bury Committee. The Soul bury Committee has its own pay scales and includes the following groups of staff:

- Educational Inspectors and Advisers
- Educational Psychologists

- Youth & Community Service Officers

In addition to the annual pay increase, the Soul bury Committee determines the national salary framework. The Council will pay future pay rises as and when determined in accordance with contractual requirements

Teachers' Pay Policy – the Teachers pay Policy provides a framework for making decisions on Teachers' pay. It has been developed to comply with the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been the subject of consultation with teaching trade unions. A Policy is provided to all schools each year with a recommendation from the Council that the Governing Body adopt it.

## **9. INCREMENTAL PROGRESSION**

For staff employed under NJC (National Joint Council) terms and conditions of employment, the 'Green Book', incremental progression is automatic. Increments are normally awarded on 1st April each year.

Where Chief Officers and Heads of Service have incremental pay grades, progression is dependent upon satisfactory performance appraisal.

## **10. SALARY ON APPOINTMENT**

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.

## **12. MARKET SUPPLEMENTS**

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 (National Joint Council) 'GREEN BOOK' STAFF**

Additional payments are made to this staff group as detailed in Monmouthshire County Council's single status agreement. 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 on NJC 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.
- Relocation – Monmouthshire County 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 County Council, the role of the Electoral Registration Officer and Returning Officer is held by the Chief Executive Officer. 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 local authority.

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

Monmouthshire County 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 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 Local Authority's workforce.

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

- Multiple between lowest paid FTE employee and CEO is 7:1
- Multiple between lowest paid FTE employee and average chief officer is 4:1
- Multiple between the median FTE employee and CEO is 5:1
- Multiple between the median FTE employee and the average chief officer is 3:1

## 17. PAYMENTS/CHARGES AND CONTRIBUTIONS

All Monmouthshire County Council employees (except teachers) 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.

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

Annual Pensionable pay	% Contribution
Up to £13,700	5.5
£13,701 - £21,400	5.8
£21,401 - £34,700	6.5
£34,701 - £43,900	6.8
£43,901 - £61,300	8.5
£61,301 - £86,800	9.9
£86,801 - £102,200	10.5
£102,201 - £153,300	11.4
Above £153,301+	12.5

*(The contribution bands with effect from 1 April 2017. Final confirmation of % contribution rates for 2018-19 not yet released).*

## 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.
- Monmouthshire County Council introduced the Living Wage in April 2014. Monmouthshire County Council isn't accredited for the Living Wage, and it is optional for it to apply any Living Wage pay increases when they arise. We will be increasing the Living Wage in April 2018 to the national level (£8.75 per hour). Payment for the Living Wage is paid as an additional amount to an employee's grade

## **19. DECISION MAKING**

In accordance with the Constitution of the Council the Executive is responsible for the decision making in terms of pay, terms and conditions and severance arrangements in relation to employees of Monmouthshire County Council, except for the appointment of the Chief Executive Officer and the statutory chief officers which is a function of Council. Details of severance packages are reported and approved by the Chief Executive Officer and the relevant Chief Officer and Cabinet Member and have robust business cases justifying departure & representing value for money.

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

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 it meets the principles of fairness, equality, accountability and value for money for the citizens of Monmouthshire. The Policy will be reviewed annually and reported to Council in line with the requirement of the Localism Act 2011. In December 2016, the Public Services Staff Commission in Wales published observations and advice to Welsh Government in respect of the 'Transparency of Senior Pay in the Devolved Public Sector'. When reviewing the Pay Policy for 2018, much of the guidance is reflected in this policy.