

SUBJECT: PUBLICATION OF PAY POLICY STATEMENT AS REQUIRED BY THE LOCALISM ACT
MEETING: FULL COUNCIL
DATE: February 2017
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:

1. That Council approves the Pay Policy for the year 1st April 2016 to 31st March 2017.
2. That Council approves to pay the nationally negotiated and agreed pay award of the Joint National Council (JNC) for Local Authority Chief Executive Officers. Chief Executive Officer terms and conditions of employment and pay are prescribed by the JNC for Local Authority Chief Executive Officers. The Pay Agreement reached in 2016 for Chief Executive Officers was for a 1% pay increase effective from 1 April 2016 and a 1% pay increase, effective 1 April 2017.
3. That Council approves to pay the nationally negotiated and agreed pay award for those employees who come under the Joint National Council (JNC) for Chief Officers. Chief Officers' terms and conditions of employment and pay are prescribed by the JNC for Local Authority Chief Officers. The Pay Agreement reached in 2016 for Chief Officers was for a 1% pay increase effective from 1 April 2016 and a 1% increase effective from 1 April 2017. The Council employs Chief Officers under JNC terms and conditions which are incorporated into their contracts of employment. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award 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.

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 from the Welsh Government has been issued which details the type of information that 'must' be included and suggested information that 'should' be included. This policy has been drafted to include both forms of information.

The policy will not directly impact on staff across the Council as it includes 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 sixth publication of the policy.

Should the Council at any time decide that it does not wish to implement the nationally negotiated JNC and NJC (National Joint Council) pay increases, the Pay Policy Statement would need to be amended again to reflect the decisions which are taken by Council.

4. REASONS:

The Council has a statutory requirement under s.38 of the Localism Act 2011 to prepare a pay policy statement on an annual basis. The statement needs to be in place by 31st March each year. The proposed Pay Policy will ensure compliance with this legislation.

5. RESOURCE IMPLICATIONS:

The Council's budget includes 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.

Those officers employed under Chief Officer's terms and conditions of employment receive national pay awards, irrespective of any pay awards to the Chief Executive Officer.

The pay awards for the CEO and Chief Officers are a 1% increase with effect from 1 April 2016 and a 1% increase with effect from 1 April 2017.

The pay award for local government employees is a 1% increase effective 1 April 2016 and a 1% increase with effect from 1 April 2017.

Monmouthshire County Council introduced the Living Wage in April 2014 and has taken the decision to increase the Living Wage in April 2017 to the national level.

These costs are accounted for within the budget that has been set.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

None arising from this report.

7. CONSULTEES:

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

8. BACKGROUND PAPERS:

None.

9. AUTHOR:

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MONMOUTHSHIRE COUNTY COUNCIL

PAY POLICY 2016/2017

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-

- Chief Officer, Children and Young People
- Chief Officer, Social Care and Health
- Head of Finance / S151 Officer.
- 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, Enterprise & Deputy CEO
- Chief Officer, Resources
- Head of Governance, Engagement & Improvement
- 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, Place & Enterprise
- Head of Community Delivery
- Head of People & Information Governance
- Head of Commercial & Environment Projects
- Head of Integrated Services
- Head of Children's Services
- Head of Property & Facilities Management
- Head of Waste & Street Services

Senior Leadership Team.

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

Chief Executive Officer

Chief Officer, Children & Young People

Chief Officer, Social Care & Health

Chief Officer, Enterprise & Deputy CEO

Chief Officer, Resources

Head of Governance, Engagement & Improvement

Gender make-up: 4 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 £14,514 (SCP 6) to £51,121 (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 (£7.50) 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 2017 to the new national level (£8.45)

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 £111,100.00.

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 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:

POST	RANGE	SALARY
Chief Executive Officer	N/A	£111,100
Chief Officer, Enterprise & Deputy CEO	Band A+ Points 1-3	£84,992 £86,125 £87,258
Chief Officer, CYP Chief Officer, Resources Chief Officer, SCH Future Schools Programme Manager	Band A: Points 1 – 4	£78,192 £79,325 £80,459 £81,592
Monitoring Officer Head of Finance/Section 151 Head of Operations Head of Integrated Services Head of Children’s Services Head of People & Information Governance Head of Governance, Engagement & Information	Band B: Points 1 – 4	£67,993 £69,126 £70,260 £71,393
Head of Commercial & Environmental Projects Head of Achievement and Resources Head of Achievement & Extended Services	Band C: Points 1 – 4	£58,391 £60,627 £62,894 £65,160
Head of Tourism, Leisure & Culture Head of Community Delivery Head of Planning, Place & Enterprise	Band D: Points 1 - 2	£56,661 £60,627
Head of Property & Facilities Management Head of Waste & Street Services	Band E Spot salary	£56, 661

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 Programme Director for City Deal. This appointment is on a fixed term basis on a salary of £99,000 per annum, 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.

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 (£32,164) and the highest being SCP 57 (£51,121).

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.

9. INCREMENTAL PROGRESSION – ALL STAFF

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 – 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.

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 (National Joint Council) ‘GREEN BOOK’ STAFF

Additional payments are made to this staff group as detailed in Monmouthshire County 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 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:

Employee Pay	% Contribution
Up to £13,600	5.5
£13,601 to £21,200	5.8
£21,201 to £34,400	6.5

£34,401 to £43,500	6.8
£43,501 to £60,700	8.5
£60,701 to £86,000	9.9
£86,001 to £101,200	10.5
£101,201 to £151,800	11.4
Over £151,800	12.5

(The contribution bands with effect from 1 April 2016. Final confirmation of % contribution rates for 2017-18 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 2017 to the national level (£8.45 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 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 CEO 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 will be kept under review and developments considered in the light of external best practice and legislation. Monmouthshire County Council will ensure the policy is updated on an annual basis in line with the requirement of the Localism Act 2011. The Public Services Staff Commission in Wales has recently (December 2016) published observations and advice to Welsh Government in respect of the 'Transparency of Senior Pay in the Devolved Public Sector'. Although much of the guidance is reflected in this policy, we await to see the Welsh Government response to this work.