

## **Wiltshire Council Human Resources**

### **Pay Policy Statement**

This policy can be made available in other languages and formats such as large print and audio on [request](#).

#### **What is it?**

The pay policy statement sets out the council's approach to pay and reward for senior managers and the lowest paid employees for the financial year 2013-2014.

Its purpose is to provide a clear and transparent policy, which demonstrates accountability and value for money. The policy also meets the council's obligations under the Localism Act 2011 and the Code of Recommended Practice for Local Authorities on Data Transparency.

The pay policy statement sets out the authority's policies for the financial year relating to:

- the remuneration of chief officers
- the remuneration of the lowest-paid employees
- the relationship between the remuneration of chief officers and employees who are not chief officers.

Remuneration for the purposes of this statement includes three elements:

- basic salary
- pension
- any other allowances arising from employment

The term "chief officer" in this instance applies to more posts than the usual council definition, and includes the following senior manager roles:

Corporate Director  
Service Director  
Head of Service  
Some lead professional jobs

The term "lowest paid employees" refers to those employees on the lowest spinal column point (scp) of our grading system. This is scp 5 of grade A, which is currently £12,312 per annum.

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**Introduction**

Wiltshire Council is a large and complex organisation providing a wide range of services to the community, with an annual budget of £340.518m (2013/14).

In order to deliver these services around 13,250 people work for the council, 8000 of which work in schools, in a variety of diverse roles from corporate director to social worker, to teaching assistant to general cleaner.

It is important to establish this pay policy statement in the context of the organisation, and with regard to the financial difficulties the council is currently facing.

In 2010/11, in order to make the required employee related savings of £12m over the next 4 years the council negotiated some changes to employee terms and conditions with the recognised unions. As a consequence of these negotiations a new redundancy pay policy was introduced, and different terms were agreed for voluntary and compulsory redundancies. Pay protection arrangements were reduced from three years to one year and it was agreed that increments would be frozen until 2014. Essential, casual and excess travel allowances were also removed, resulting in the HMRC mileage rate being applied for all mileage claims.

Staffing reviews have since been conducted whereby 614 management and staff posts have been deleted, saving the council a total of £17.7m. These

reviews are still ongoing with the aim of making further savings, resulting in a more efficient organisation.

In November 2011 the council decided to delete the post of chief executive and one of the four corporate directors. A new leadership model comprising the remaining three corporate directors working in conjunction with cabinet has been implemented which has saved the council £400,000 per annum. There have been no increases to senior managers' pay as a result of this change.

The council has now adopted a leadership model which has moved away from grouping professional services in a department structure. Services now work together, as one team, across relevant areas to ensure a genuine customer and community focus.

The extended leadership team, the three corporate directors and all service directors, work together with cabinet members to ensure communities' needs are met and the business plan is delivered.

### **Who does it apply to?**

This pay policy statement applies to all non- schools employees of Wiltshire Council.

### **When does it apply?**

This pay policy statement was originally published in February 2012 and has been updated for the financial year 2013/14. It will be reviewed and updated on an annual basis.

### **What are the main points?**

1. This pay policy statement sets out the pay policies which apply to both the lowest paid and highest paid employees within the council.
2. In many cases the pay policies are the same for all employees. Where there are differences, these have been clearly outlined below.

### **The level and elements of remuneration for employees**

3. In line with good employment practice the majority of jobs within the council have been evaluated using a job evaluation scheme. This is to ensure that jobs are graded fairly and equitably, and that the council complies with the Equal Pay Act.
4. A small number of jobs i.e. Youth and Community workers and Soulbury staff are covered by national salary scales, and therefore the evaluation schemes do not apply.

5. The council uses two job evaluation schemes in order to rank jobs.

**Hay job evaluation scheme:**

6. The Hay job evaluation scheme is used to evaluate senior manager jobs within the council (currently 102 employees), which include the following roles:
  - Corporate Director
  - Service Director
  - Head of Service
  - Some lead professional jobs
7. Each job is assessed by a panel of three Hay trained evaluators. The evaluators consider the job against each Hay element and sub-element and apply the description and points that best fit the job being evaluated. The values awarded are subsequently added together to give a total job score.
8. The Hay Group periodically carry out quality control checks to ensure the consistency of job scores in line with the conventions of the scheme.
9. The job score determines the grade the job. There are 8 Hay grades each containing a salary range over 4 spinal column points.
10. See the [Hay job evaluation scheme](#), the [points to grades](#) and [salary bands](#) for further details.
11. The council aims to ensure that the pay scales for hay posts are sensitive to labour market pressures. Pay scales for Hay graded posts were first implemented in 2002 and are assessed periodically to ensure that they remain competitive. This assessment is conducted using the Hay Group Ltd databank of pay rates for organisations in the public and not for profit sector.

**Greater London Provincial Council job evaluation (GLPC) scheme:**

12. The GLPC job evaluation scheme is used to evaluate the majority of jobs within the council (currently 5272 employees).
13. Each job is assessed by a panel of three trained GLPC evaluators. The evaluators consider each job against a set of factors and award a level per factor. The values of the levels are added together to give a total job score.

14. The job score determines the grade for the job. There are 15 grades, each grade containing between 2 and 4 increments. The GLPC pay grades were first implemented and agreed with the unions as part of the Pay Reform agreement in 2007.
15. See the [GLPC evaluation scheme](#), [the points to grades](#) and [salary bands](#) for further details.
16. The council aims to ensure that the GLPC scheme is appropriately applied and that there is continuity and consistency in the results. The evaluation process and a sample of the scores are checked externally by job evaluation specialists in the South West Councils organisation.

### **Remuneration on recruitment**

17. The same recruitment policies apply to all employees who take up a new appointment with the council, regardless of grade.
18. The council advertises all posts through the careers website, and may also employ a recruitment agency to provide a shortlist of candidates for senior manager jobs.
19. The council has a market supplement policy which stipulates that if there are recruitment difficulties and it is shown that the council are paying below the market rate for the job, a market supplement may be paid.
20. Market supplements are only payable to a small number of jobs which are evaluated using the GLPC scheme. No market supplements are paid to Hay graded employees. See the list of [market supplements](#) for current details.
21. Candidates are normally appointed on the minimum spinal column point of the grade for the post.
22. If a candidate is already being paid above the minimum point of the post they are applying for, the appointment may in some circumstances be on the next increment above their current salary, subject to the maximum of the grade.
23. The recruitment procedure for Corporate and Service Director posts is undertaken by the Officer Appointments Committee. Once an appointment is proposed, cabinet is required to ratify the decision and salary level within the band before the appointment is confirmed.
24. In line with the requirements of the Localism Act 2011, all chief and senior officer jobs, including those paid over £100,000 per year, are assessed by applying the Hay job evaluation scheme. The job is then allocated the appropriate existing Hay grade and pay band, and a salary

offer will only be made within that pay band.

25. Where it is necessary for any newly appointed employee to relocate more than 15 miles in order to take up an appointment the council may make a contribution towards relocation expenses.

### **Increases and additions to remuneration**

26. The council's policy is to apply the nationally negotiated JNC pay award for Hay graded employees, and NJC pay award for GLPC graded employees which takes effect from 1<sup>st</sup> April each year.
27. The council also employs a small number of specialist employees covered by Youth and Community and Soulbury salary scales which are also negotiated nationally.
28. The last annual pay awards were agreed for JNC employees in April 2008 and NJC employees in 2009. Since then, no national pay awards have been agreed and applied.
29. Any nationally negotiated pay awards agreed for April 2012 will be implemented as usual.
30. For Hay graded employees incremental progression through the grade is based on satisfactory performance measured over a 12 month period. Increments are paid on 1<sup>st</sup> April each year subject to satisfactory performance, and a minimum of 6 months in post at that time. There is no provision for the payment of an increment at any other time.
31. For GLPC graded employees, increments are awarded automatically up to the maximum of the grade unless formal proceedings are taking place under the Improving Work Performance Policy. Increments are paid on the 1<sup>st</sup> April each year, or six months after the start date (if the starting date is between October and April) and there is no provision for the payment of an increment at any other time.
32. As one of a number of cost saving measures a two year increment freeze has been agreed jointly between Wiltshire Council and the recognised unions. This means that no annual increments will be paid in either April 2012 or April 2013 for any employees of Wiltshire Council.

### **The use of performance-related pay**

33. It is the council's policy that Hay graded employees are subject to a performance appraisal each year. If the performance is measured as satisfactory, an increment may be awarded (subject to point 30. above). If the performance does not meet the required standard an increment may be withheld.

34. For GLPC graded employees, increments are awarded automatically to the maximum of the grade (subject to point 31. above) unless formal proceedings are taking place under the Improving Work Performance Policy.

### **The use of bonuses**

35. The council does not offer a bonus or honorarium scheme to any employee.

### **The approach to the payment of employees on their ceasing to be employed by the authority**

36. Employees who leave the council's employment are entitled to payment of their contractual notice, along with any outstanding holiday pay.
37. The council does not make any additional payments to employees whose employment ceases, except in the case of redundancy.

38. All employees are subject to the same redundancy payments policy.

39. If employees choose to volunteer and are accepted for redundancy they are entitled to a payment calculated as follows:

Statutory weeks x normal weekly pay x 2.5, capped at 40 weeks, with a minimum payment of £3000 (pro rata for part time staff).

40. If employees choose not to volunteer for redundancy, and cannot be redeployed, they will leave on compulsory grounds. The payment is calculated as follows:

Statutory weeks x weekly salary (capped at £430), with a cap of 30 weeks pay or 20 years service. There is a minimum payment of £1500 (pro rata for part time staff).

41. If employees are aged 55 or over, and have been a member of the pension scheme for at least 3 months, they are able to receive their pension and lump sum early if their employment is terminated on grounds of redundancy.

42. No augmentation to pension will apply for any employee.

43. If employees are dismissed on redundancy grounds, and receive a voluntary (enhanced) redundancy payment, they may be considered for re-employment to posts within Wiltshire Council after the minimum statutory period of four weeks has elapsed subject to the following conditions:

- The post did not exist or was not foreseeable at the time of the dismissal.
  - The vacancy has been advertised in accordance with Wiltshire Council policy and procedures.
  - The appointment was made on the basis of the best person for the job with regard to the usual selection procedures.
  - The appointment has corporate director approval.
44. These conditions apply for 12 months from the date of the dismissal, after which the employee may be considered for re-employment to any post within Wiltshire Council.

### **The pension scheme**

45. All employees are entitled to join the Local Government Pension Scheme.
46. Employee contribution levels vary between 5.5 – 7.5% according to the employee's salary.
47. The benefits of the scheme for all members include:
- A tiered ill health retirement package if employees have to leave work at any age due to permanent ill health. This could give employees benefits, paid straight away, and which could be increased if they are unlikely to be capable of gainful employment within 3 years of leaving.
  - Early payment of benefits if employees are made redundant or retired on business efficiency grounds at age 55 or over.
  - The right to voluntarily retire from age 60, even though the Scheme's normal pension age is 65. Employees can retire from as early as age 55, provided the employer agrees.
  - Flexible retirement from age 55 if employees reduce their hours, or move to a less senior position. Provided the employer agrees, employees can draw all of their benefits – helping them ease into their retirement.
48. Further information about the pension scheme can be found on the [pensions website](#).

### **Any other allowances arising from employment**

#### **Payment for acting up or additional duties**

49. This policy applies only to GLPC graded employees who, on a temporary basis:

- act up – carrying out the full responsibilities and duties of a higher graded post either for some or all of their working hours; or
- carry out some, but not all, duties or responsibilities of a higher graded post for some or all of their working hours; or
- take on additional duties within their role.

50. The policy allows for employees to receive the salary difference between the lower and higher graded job, calculated on a percentage basis if the additional duties are taken on for only part of the working week.

### **Unsocial hours allowances**

51. The council provides an additional allowance, expressed as a percentage of the basic rate, for regularly working late evenings/early mornings/nights/Sundays. These payments are graduated according to the degree of unsocial hours working and range from 10% to 33% in addition to normal hourly rate.

52. Unsocial hours allowances are only payable for GLPC graded jobs, and are not available for senior managers.

### **Local election duties – Acting Returning Officer**

53. The role of Acting Returning Officer is currently being carried out by a nominated corporate director. Fees are paid in line with the guidance stipulated from the Ministry of Justice for the relevant elections.

### **Governance arrangements**

54. The council's policy is to apply the nationally negotiated JNC and NJC pay awards, which take effect from 1<sup>st</sup> April each year.

55. The council also relies on national negotiation for some key provisions of employment such as the sickness and maternity schemes.

56. The council negotiates locally on some other conditions of employment, such as pay and grading, travel expenses, overtime payments and unsocial hours allowances.

57. For these local conditions of employment, the council consults and negotiates with the relevant trade unions in order to reach agreement. These conditions and allowances are then referred to Staffing Policy Committee for agreement.

58. The role of Staffing Policy Committee is to determine, monitor and review staffing policies and practices to secure the best use and development of the council's staff. This includes the power to deal with all matters relating to staff terms and conditions.

59. The full remit of the council's Staffing Policy Committee is contained within the constitution.

**The publication of and access to information relating to remuneration of chief officers**

60. In accordance with the Code of Recommended Practice for Local Authorities on Data Transparency, the council is committing to publishing the following information relating to senior employees via the council's website:

- Senior employees salaries which are £58,200 and above
- Names of the individuals (to be agreed with each individual)
- A job description for each post
- Budget responsibility for each post
- Number of direct reports for each post
- An organisational chart of the staff structure of the local authority

61. This information has been available via the council's website from 1<sup>st</sup> April 2012, and is updated on a monthly basis.

**The relationship between the remuneration of chief officers and employees who are not chief officers.**

62. In terms of overall remuneration packages the council's policy is to set different levels of basic pay to reflect the different sizes of jobs, but not to differentiate on other allowances, benefits and payments it makes.

63. The Hutton Review of Fair Pay in the Public Sector recommends a maximum ratio of the highest remunerated post compared with the lowest remunerated post of 1:20

64. The table below shows the relationship between the highest and lowest paid employees:

	Annual FTE Salary	Ratio
Highest Paid	£130,556	
Lowest paid	£12,312	10.6
Mean Salary	£23,902	5.46
Median Salary	£21,519	6.07

65. The council would therefore not expect the remuneration of its highest paid employee to exceed 20 times that of the lowest group of employees. The current ratio is well within the Hutton review guidelines at 1:10.6

**Definitions**

**NJC** – National Joint Council

**JNC** – Joint Negotiating Committee

**GLPC** – Greater London Provincial Council

**SOULBURY** staff - Educational improvement professionals. These staff are drawn from different sources, including senior members of the teaching profession. Their role is to advise local authorities and educational institutions on a wide range of professional, organisational, management, curriculum and related children's services issues, with the overall aim of enhancing the quality of education and related services.

### **Equal Opportunities**

This policy has been Equality Impact Assessed (link to EIA for policy) to identify opportunities to promote equality and mitigate any negative or adverse impacts on particular groups.

### **Legislation**

*Localism Act 2011*

*Equality Act 2010*

This policy has been reviewed by the legal team to ensure compliance with the above legislation and our statutory duties.

### **Further information**

There are a number of related policies and procedures that you should be aware of including:

Hay job evaluation policy and procedure

GLPC job evaluation policy and procedure

Appointments policy and procedure

Appointments policy and procedure for chief officers

Market supplements policy and procedure

Moving home policy and procedure

Redundancy payments policy

Starting salaries and incremental progression policy and procedure

Acting up and additional duties policy and procedure

The policies not published with this report are available from the HR department at Wiltshire Council on request.

Policy author	HR Policy and Reward Team – AG
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