

## **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 2015 - 16.

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 is applicable to council staff and does not include schools support staff or teachers.

The pay policy statement sets out the authority's policies for council staff 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  
Associate Director  
Head of Service  
Some specialist roles

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 £13,500 per annum. In October 2015 scp 5 will be removed and scp 6 (£13,614) will be the lowest point of the pay scale.

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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 around £330m (2014/15).

In order to deliver these services around 12,406 people work for the council, 4977 of whom work in the council (non-schools), in a variety of diverse roles such as corporate director, social worker, public protection officer and general cleaner.

The council published the Business Plan 2013 – 2017 in September 2013. At the heart of the business plan is the vision to create stronger and more resilient communities, and the four year plan sets out the key actions that will be taken to deliver this. The key priorities are to continue to protect the vulnerable in our communities, boost the local economy and encourage communities to come together and provide support so they can do more for themselves.

This is set against a background of continuing budget cuts from central government whilst there is an increasing service delivery expectation. In order to help meet this expectation work has been progressing with creating the job

family approach and improving our staffing structures. All associate directors and heads of service attended workshops on organisational design in the autumn of 2014. As restructures now occur, clear guidelines are in place to ensure that decisions are being made at the right level in the organisation, structures are streamlined and efficient and there is consistency of approach.

The job family approach is currently being developed with the expectation that employees will be moved into role profiles that are generic in describing the level of work applicable during 2015. The job family approach will allow greater clarity of career paths for individuals and will provide greater flexibility of staff which is key to effective service delivery when resources are tight.

The coming year will be challenging with the council having to find innovative ways to deliver services within strict cost parameters. It is now more important than ever to ensure the council have the right people in the right place at the right time to deliver services, and the focus will be on developing our future leaders in order to drive efficiencies and excellence. The annual review of market pay will ensure the council is able to compete in the jobs market for senior roles, and retain the right people in these senior roles.

### **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 2015/16. 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 89 employees), which include the following roles:
  - Associate Director
  - Service Director
  - Head of Service
  - Strategic and technical specialists
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 6 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's policy is to pay the median market rate for the job and 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.
12. From 2015, pay scales will be reviewed on an annual basis using the Hay pay databank for the public and not for profit sector and realigned should a pay drift be identified.

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

13. The GLPC job evaluation scheme is used to evaluate the majority of jobs within the council (currently 4547 permanent employees).
14. 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.
15. 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.
16. See the [GLPC evaluation scheme](#), [the points to grades](#) and [salary bands](#) for further details.
17. 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**

18. The same recruitment policies apply to all employees who take up a new appointment with the council, regardless of grade.
19. 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.
20. 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.
21. Market supplements are only payable to a small number of jobs which are evaluated using the GLPC scheme. From 2015 market supplements may also be applicable to a very small number of Hay graded posts where there are proven recruitment and retention difficulties and it is clear that the council is not competitive in the market place. See the list of [market supplements](#) for current details.
22. Candidates are normally appointed on the minimum spinal column point of the grade for the post.
23. 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.

24. The recruitment procedure for Corporate and Associate Director posts is undertaken by the Officer Appointments Committee. This committee represents Council for all Corporate and Associate Director appointments. Once an appointment is proposed by the committee, cabinet is required to ratify the decision and salary level within the band before the appointment is confirmed.
25. 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.
26. 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**

27. The council's policy is to apply the nationally negotiated NJC pay award for GLPC graded employees which takes effect from 1<sup>st</sup> April each year.
28. Most NJC employees received a pay award of 2.2% in January 2015 along with a non- consolidated variable payment, paid in December 2014, whilst those on the lower spinal points received a higher percentage increase. It has been agreed that the 2.2% pay award will apply until March 2016 as part of a pay deal for financial years 2014/15 and 2015/16.
29. 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.
30. From 2015 no Hay graded officers will receive the JNC pay award but instead an annual review of the pay scales will take place to ensure they are aligned with the market median pay.
31. 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.

32. The council also employs a small number of specialist employees covered by Youth and Community and Soulbury salary scales which are also negotiated nationally.
33. The council currently employees a number of public health and police staff who have TUPE'd from other organisations. These staff are subject to protected terms and conditions from their previous employers until a harmonisation exercise takes place.

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

34. 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. If the performance does not meet the required standard an increment may be withheld.
35. For GLPC graded employees, increments are awarded automatically to the maximum of the grade unless formal proceedings are taking place under the Improving Work Performance Policy.

#### **The use of bonuses**

36. 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**

37. Employees who leave the council's employment are entitled to payment of their contractual notice, along with any outstanding holiday pay.
38. The council does not make any additional payments to employees whose employment ceases, except in the case of redundancy.
39. All employees, including chief and senior officers, are subject to the same redundancy payments policy which has been agreed by Staffing Policy Committee.
40. There is no discretion to make redundancy payments which do not comply with the policy.
41. 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).

42. 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 £464), with a cap of 30 weeks pay or 20 years service. There is a minimum payment of £1500 (pro rata for part time staff).

43. 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.
44. No augmentation to pension will apply for any employee.
45. 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.
46. 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**

47. All employees are entitled to join the Local Government Pension Scheme (LGPS).
48. The LGPS changed in 2014 and the benefits structure has moved from a Final Salary basis to a Career Average Revaluation Earnings (CARE) approach for benefits accruing after this date. Employee contribution bandings have also changed and the new regulations have introduced 9 bandings with rates varying between 5.5 – 12.5% according to the employee's salary.
49. 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.

50. 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**

51. This policy applies only to all 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.
52. 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**

53. 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.
54. Unsocial hours allowances are only payable for GLPC graded jobs, and are not available for senior managers.

#### **Overtime allowances**

55. The council has an overtime policy where all employees are entitled to receive additional payment for hours worked in excess of 37 hours. GLPC graded employees are able to claim overtime hours at their normal hourly rate x1.5 for hours worked on a Monday to Saturday, and x 2 for working a Sunday. Hay graded staff are able to claim overtime hours but only in exceptional circumstances and payment is based on the highest spinal point (point 49) of the GLPC pay scale.

#### **Standby and callout allowances**

56. The council has a standby and callout policy where all employees receive an allowance should they be on standby out of normal office hours. If employees are called out whilst on standby additional hours or overtime will be paid in accordance with the overtime policy.

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

57. 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 Elections and Democracy Division for the relevant elections.

#### **Governance arrangements**

58. The council's policy is to apply the nationally negotiated NJC pay award.
59. The council also relies on national negotiation for some key provisions of employment such as the sickness and maternity schemes.
60. The council negotiates locally on some other conditions of employment, such as pay and grading, travel expenses, overtime payments and unsocial hours allowances.
61. 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.
62. 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.
63. 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**

66. In accordance with the Code of Recommended Practice for Local Authorities on Data Transparency, the council is committed 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
67. 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.**

68. 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.
69. 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
70. The table below shows the relationship between the basic pay of the highest and lowest paid employees in the council, excluding pensions and allowances. The figures include all staff in the council (non schools) and are based on annual full time equivalent salaries.

	Annual FTE Salary	Ratio
Highest Paid	£143,679	
Lowest paid	£13,500 (rising to £13,614 on 1.10.2015)	10.6
Mean Salary	£25,092	5.7
Median Salary	£22,937	6.3

71. 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

Market supplements policy and procedure

Moving home policy and procedure

Redundancy payments policy

Overtime policy

Standby and callout 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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