

# TORBAY COUNCIL ANNUAL PAY POLICY STATEMENT APRIL 2017/18

Human Resources

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## **1. Purpose and Scope of the Policy Statement**

- 1.1 Section 38 (1) of the Localism Act 2011 requires the Council to prepare an Annual Pay Policy Statement.
- 1.2 Supplementary guidance was published in February 2013 – “Openness and Accountability in Local Pay: Supplementary Guidance”. Due regard has been given to that guidance in preparation of this policy.
- 1.3 This Annual Pay Policy Statement acknowledges the impact of pay legislation, The National Living Wage, with effect from 1<sup>st</sup> April 2016, see Appendix 1.
- 1.4 In dealing with staff pay it is the Council’s strategy to ensure that our Pay Policy facilitates the recruitment and retention of staff with the skills and capabilities the Council needs.
- 1.5 Arrangements for staff pay must comply with Equal Pay legislation.
- 1.6 This Pay Policy Statement applies to the Chief Executive/Head of Paid Service, Directors, Assistant Directors, Executive Heads and Senior Officers within Torbay Council. It addresses the legal requirement to set out how pay is determined for this group. This includes the following posts within Torbay Council:
  - Chief Executive/Head of Paid Service
  - Directors
  - Assistant Directors

- Executive Heads ( and those posts with specific responsibility such as Section 151 Officer)
- Senior Officers (non-executive heads) – These are posts where the salary is above £50,000.

1.7 This Pay Policy Statement is a supplement to Torbay Council's overarching Pay and associated policies which form part of the terms and conditions of employees. These include but are not limited to:-

- Torbay Council Pay Policy
- Job Evaluation Scheme Policies (Greater London Provincial Councils Job Evaluation Scheme).
- NJC Terms and Conditions of Employment (Green Book)
- JNC Terms and Conditions for Chief Executives
- JNC Terms and Conditions for Chief Officers (Directors within Torbay Council are appointed to these Terms and Conditions).
- NHS Terms and Conditions
- Torbay Council Local Government Pension Scheme Policy Discretions
- Employment of Apprentices Policy
- Re-Evaluation Policy
- Temporary Acting Up Policy
- Expenses Policy
- Market Supplement Policy
- Market Forces Policy
- Staff Travel Plan
- Key Skills Retention policy
- Flexible retirement
- Re-organisation and Redundancy Policy
- Retirement Award

1.8 Draft guidance from the Secretary of State makes reference to the Hutton Review of Fair Pay. This indicated that the most appropriate metric for pay dispersion is the multiple of chief executive pay to median salary. Tracking this multiple will allow the Council to ensure that public services are accountable for the relationship between top pay and that paid to the wider workforce. This annual pay policy statement will publish this multiple along with the following information:

- The level of salary for each of the Officers as defined in (1.4) above;
- The salary of the lowest paid employee

This information can be found in Appendix 1 of this policy.

## **2. Arrangements for Officer Pay**

2.1 The general terms and conditions of employment are governed by the following national agreements:

- Chief Executive/Head of Paid Service - JNC for Chief Executives of Local Authorities,
- Directors - JNC for Chief Officers of Local Authorities,
- Assistant Directors - NJC for Local Government Services
- Executive Heads - NJC for Local Government Services
- Educational Advisors and Inspectors/ Educational Psychologists – Soulbury Pay and Conditions
- All other Employee Groups – NJC for Local Government Services
- Public Health – NHS Terms and Conditions of Service (for employees who have transferred under TUPE)

2.2 The council uses two forms of Job Evaluation to identify officer pay. This is either through the Council's GLPC Job Evaluation Scheme or the Hay Evaluation Scheme. The Hay Evaluation scheme produces both a Know How Score and a total points score for each post evaluated. Torbay Council pays salary (with a pay band of 4 spinal points) on the basis of the Know How Score only (not the final points score). Know-How is the sum of every kind of knowledge, skill and experience required for standard acceptable job performance.

2.3 The Hay Job Evaluation scheme is used to evaluate the following roles within the Council.

- Chief Executive/Head of Paid Service
- Directors
- Assistant Directors
- Executive Heads
- All Grade O roles are evaluated under GLPC and Hay (this is due to the cross over point of the two schemes).
  
- Public Health posts are evaluated on the Council's GLPC Job Evaluation Scheme. Public Health posts can also be evaluated using the "Agenda for Change" job evaluation scheme in order to provide Market Forces information.
  
- All other posts within the Council are evaluated under the Torbay Council GLPC evaluation scheme in accordance with the agreed policies.

2.4 The Officers evaluated as having a Know How Score within the Hay evaluation scheme are paid on a salary range based on the low to median salary levels as set in 2016 for all sectors within the South West. Torbay Council publishes this in bands of £5,000. Please refer to Appendix 1 within this policy for further information. This salary information, together with corresponding job descriptions, is also available from the Council's internet page, link as follows:-

<http://www.torbay.gov.uk/index/yourcouncil/financialservices/expenditure/salarydisclosure.htm>

- 2.5 In determining the salary for the Chief Executive/Head of Paid Service within the Council, advice will be taken by the Employment Committee from Head of Human Resources and the Assistant Director, Corporate and Business Services. Further independent advice will be sought from South West Councils (HR and Employment Services) and other professional organisations to ensure the correct level of remuneration is awarded by the Council.
- 2.6 The Chief Executive under the general scheme of delegation within the Council will determine the terms and conditions of employment of all officers. Advice will be sought Human Resources and Assistant Director, Corporate and Business services as required.
- 2.7 Following significant changes in duties, any post can be re-evaluated. The evaluation will be based on a Job Evaluation Questionnaire which will be assessed by an independent panel of Job Evaluation trained assessors. External advice and benchmarking will also be undertaken if necessary to ensure that market conditions are taken into account for pay and grading.
- 2.8 Salary increases in relation to cost of living will be applied to all posts according to the awards made by the appropriate National Joint Council as described in paragraph 2.1.

2.9 No additional payments are made to in respect of:

- Bonus payments or Performance payments to the Senior Officers defined in 1.4, unless where given as a result of protections under TUPE e.g. Director of Public Health whose protected medical terms and conditions include access to additional NHS allowances in regard to Clinical Excellence and on-call duties, details can be found on the NHS Employers webpage as follows: - <http://www.nhsemployers.org/Aboutus/Publications/PayCirculars/Pages/PayCircular-MD1-2013.aspx>
- Additional enhancements are paid to NJC Employees who are employed on SCP 29 or below of the Torbay Council Salary Scale. Until 31<sup>st</sup> May 2017, these will be paid in accordance with NJC Terms and Conditions of Employment (Green Book) part 3, pay and grading. From 1<sup>st</sup> June 2017, these enhancements will be varied in accordance with a Collective Agreement with our Trades Unions, dated 13<sup>th</sup> December 2016.

2.10 Additional payments are made to any Council Officers who act as Returning Officers and carry out duties at elections. These payments are calculated according to the approved scale or set by a government department depending on the nature of the election. This is treated as a separate employment as and when required.

2.11 In comparing the Chief Executive/Head of Paid Service pay with the wider workforce the Council will use the following definitions:

- The lowest-paid employee: the employee or group of employees with the lowest salary (full-time equivalent) employed by the Council at the date of assessment.
- The median: the mid -point salary when full-time equivalent salaries are arranged in order of size (highest to lowest). Based on salary levels of staff on the date of assessment.

This excludes those employed on casual contracts of employment, but includes part time employees where their salaries are normalised to the full-time equivalent. It also excludes Apprentices who are employed on the Torbay Council apprentice pay grade.

### **3. Contributions and other terms and conditions**

3.1 All staff who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table. These figures represent the 2016/2017 contribution rates and have not yet been increased for 2017/18. This is anticipated early in 2017.

<b>Band</b>	<b>Salary Range</b>	<b>Contribution Rate</b>
<b>1</b>	<b>£0 To £13,600.00.</b>	<b>5.50%</b>
<b>2</b>	<b>£13,601.00 To £21,200.00.</b>	<b>5.80%</b>
<b>3</b>	<b>£21,201.00 To £34,400.00.</b>	<b>6.50%</b>
<b>4</b>	<b>£34,401.00 To £43,500.00.</b>	<b>6.80%</b>
<b>5</b>	<b>£43,501.00 To £60,700.00.</b>	<b>8.50%</b>
<b>6</b>	<b>£60,701.00 To £86,000.00.</b>	<b>9.90%</b>
<b>7</b>	<b>£86,001.00 To £101,200.00</b>	<b>10.50%</b>
<b>8</b>	<b>£101,201.00 To £151,800</b>	<b>11.40%</b>
<b>9</b>	<b>More than £151,801.00</b>	<b>12.50%</b>

- 3.2 The employer pension contribution rate is: 14.8% from 1<sup>st</sup> April 2017.
- 3.3 All employees are currently able to apply for a Car Parking permit, which enables the employee to park on council property for a reduced daily rate.

#### **4. *Payments on Termination – Chief Officers***

The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, at retirement age or prior to this, is set out within its Redundancy policy and is in accordance with Regulation 5 of the Local Government (Early termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 8 and 10 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. Final payment details are submitted to Full Council for approval.

#### **5. *Salary Packages upon Appointment***

- 5.1 Any salary package offered in respect of a new appointment for a Chief Executive /Head of Paid Service will be approved by Full Council. This will include **any new salary package** equating to £100,000 or more.

In the case of salary packages for Directors and Assistant Directors, this will need to be approved by the Council's Employment Committee, acting on behalf of Full Council. This will include **any salary package** equating to £100,000 or more.

#### **6. *Settlement Agreements***

- 6.1 Torbay Council will only enter into Settlement Agreements in exceptional circumstances where it is in the Council's overall commercial and financial interests to do so. Any Settlement Agreement for the Chief Executive/Head of Paid Service will be approved by the Full Council. This will include **any severance package** including associated pension costs equating to £100,000 or more.

In the case of Settlement Agreements for Directors and Assistant Directors, this will need to be approved by the Council's Employment Committee acting on behalf of full Council. This will include **any severance package** including associated pension costs equating to £100,000 or more.

Settlement Agreements for any other member of staff will need to be authorised by the Director or Assistant Director of the service following consultation with the Chief Executive/Head of Paid Service.

## **7. Publication**

- 7.1 Once approved by Full Council, this Policy and any subsequent amendment will be published on the Council's website. Human Resources Policy will be responsible for the annual review to ensure an accurate pay policy is published ahead of each financial year.
- 7.2 In accordance with the Code of Practice on Local Authority Accounting, the annual Statement of Accounts includes pay details of Senior Officers reporting directly to the Chief Executive/Head of Paid Service and statutory posts where the salary is above £50,000 per annum.
- 7.3 Full Council decisions in relation to staff pay matters are available from the Council's internet page, link as follows:-

<http://www.torbay.gov.uk/DemocraticServices/ieDocHome.aspx>

## *Current Salary Levels for Chief Executive/Head of Paid Service, Directors, Assistant Directors and other Senior Officers*

Torbay Council publishes a Salary Levels list with post details, salary spot rates or bands and full-time equivalent salaries, available from Torbay Council's web-site:-

<http://www.torbay.gov.uk/council/finance/salary-levels/>

### **Appendix 1      Multipliers**

The idea of publishing the ratio of the pay of an organisation's top salary to that of its median salary has been recommended in order to support the principles of Fair Pay and transparency. These multipliers will be monitored each year within the Pay Policy Statement.

The Council's current ratio in this respect is 5.79:1, i.e. the highest salary earns 5.79:1 times more than the Council's median salary. When measured against the lowest salary the ratio is 9.33:1.

In comparing the highest paid salary with the wider workforce the Council will use the following definitions:

- The lowest-paid employee: the employee or group of employees with the lowest rate of pay (full-time equivalent) employed by the Council at the date of assessment. This includes all types of employment within the Council.
- The median: the mid-point salary when full-time equivalent salaries of all core council staff are arranged in order of size (highest to lowest). Based on the salary levels of staff on the date of assessment. This includes all types of employment within the Council.

The lowest full time equivalent salary is £13,891 which is Point 6, Grade A. Date of assessment: 5<sup>th</sup> January 2017.

	<b>Annual Salary</b>	<b>Ratio to Highest</b>
Highest Salary	£129,586	
Median (Mid-point) value	£22,365.23	5.79:1
Lowest full time salary	£13,891	9.33:1

## ***Equality Statement***

These guidelines apply equally to all Council employees regardless of their age, disability, sex, race, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership. Care will be taken to ensure that no traditionally excluded groups are adversely impacted in implementing this policy. Monitoring will take place to ensure compliance and fairness.

## ***Policy Feedback***

Should you have any comments regarding this policy, please address them to the HR Policy Feedback mailbox –

[HRpolicy@torbay.gov.uk](mailto:HRpolicy@torbay.gov.uk)

## ***History of Policy Changes***

This policy was first agreed by members of the Torbay Joint Consultative Committee in March 2012

<b>Date</b>	<b>Page</b>	<b>Details of Change</b>	<b>Agreed by:</b>
November 2012	Various	Amendment from Chief Executive to Chief Operating Officer	SSG 8.11.12 Approved by Full Council
6 <sup>th</sup> December 2012	4-5	Update to pension ranges re: LGPS contribution rates Addition of Payments upon Termination Section	Approved by Full Council
6 <sup>th</sup> December 2012	7	Update to Ratio + Multiplier information (Appendix 2)	Approved by Full Council
6 <sup>th</sup> December 2012	6	Update to current salary levels + addition of newly appointed posts (Appendix 1)	Approved by Full Council
5 <sup>th</sup> December 2013	Various	Update to current salary levels and reference to Chief Executive Officer throughout. Inclusion of Public Health information.	To be approved by Full Council – 5.12.13

5th December 2014	Various	Update to current salary levels and pension rates, reference to Executive Head of Commercial Services.	To be approved by Full Council – 4.12.14
November 2015	Various	-Update to reflect structure changes, e.g. Chief Officer/Head of Paid Service and Assistant Director roles. Reference to National Living Wage from 1.4.16. New section (5) relating to approval process for Chief Officer/Head of Paid Service appointments and changes to Section 6 (Settlement Agreements) to reflect approval process, i.e. delegation to Employment Committee for decisions relating to Directors and Assistant Directors. Reference to “Openness and Accountability in Local Pay: Supplementary Guidance”	Approved by Full Council – 10.12.15
February 2017	Various	Update to reflect change in job title – Chief Officer to Chief Executive. Changes to Appendix 1 – Multipliers, due to salary pay award in 2016 and introduction of National living Wage. Changes to terms and conditions relating to enhancements and other terms and conditions that have been varied through Collective Consultation. Updated to reflect Hay 2016 rates low to medium and spinal scales. General re-wording to take into account constitution, general delegations.	Pending - to be approved by Full Council February 2017

Policy to be reviewed December 2017.