

TORBAY COUNCIL ANNUAL PAY POLICY STATEMENT APRIL 2013

Human Resources

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Provide contents and quick links for larger documents:

Hyperlinks...

| | |
|---------------------|-------------------------------|
| Policy Statement | |
| Scope of the Policy | |
| Equality Statement | |
| Part 1 | |
| Part 2a | Go to Part 2a |
| Part 2b | Go to Part 2b |

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 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.
- 1.3 Arrangements for staff pay must comply with Equal Pay legislation.
- 1.4 This Pay Policy Statement applies to the Chief Operating Officer, 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 Operating Officer
 - 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.

1.5 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).
- 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

1.6 Draft guidance from the Secretary of State makes reference to the Hutton Review of Fair Pay.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 pay-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 at appendix 2

2. Arrangements for Officer Pay

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

- Chief Operating Officer - JNC for Chief Executives of Local Authorities,
- Directors - JNC for Chief Officers of Local Authorities,
- 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

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

- Chief Operating Officer
- Directors
- Executive Heads
- Other Senior Officer Roles (non-executive heads), where the annual salary is in excess of £50,000 per annum are evaluated under both the Hay and the GLPC scheme. This is due these roles normally being graded at N under the GLPC and the cross over point of the two schemes.
- All other posts within the Council are evaluated under the Torbay Council GLPC evaluation scheme in accordance with the agreed policies.

2.3 The Hay scheme produces a point's score for each post evaluated, this is called the Know-How score. Know- How is the sum of every kind of knowledge, skill and experience required for the standard acceptable job performance.

2.4 The Officers evaluated under Hay within Torbay Council are paid on spot salaries based on median salary levels as set in 2008 for Local Government. Torbay Council publishes this in bands of £5,000. This is set out in appendix 1.

2.5 In determining the salary for the Chief Operating Officer the Council will take advice from Human Resources Hay Trained assessors and the Executive Head Business Services, formally as the Head of Human Resources. Further independent advice will be sought from South West Councils (HR & Employment Services) and other professional organisations to ensure the correct level of remuneration is awarded. Full Council will agree the overall budget for the remuneration level of the Chief Operating Officer. The Council's Employment Committee will make the final decision on the actual salary level and any other terms and conditions provided that it is line with the Council's Annual Pay Policy Statement.

2.5 In determining the salary for Executive Heads and other senior officers as defined by 1.4 above. The Directors will take advice from Human Resources Hay trained assessors. The Directors following consultation with the Chief Operating Officer will then agree the salary level.

2.6 Following significant changes in duties, posts can be re-evaluated. The evaluation will be based on a Job Evaluation Questionnaire which will be assessed by an independent panel of Hay Trained assessors within Human Resources. External advice and benchmarking can also be undertaken. These assessments will then be considered by the Mayor, Employment Committee, Chief Operating Officer and or Directors depending on the job role. Where appropriate the Employment Committee will be involved for Chief Operating Officer and Directors salary. Changes to Executive Heads roles and other senior officers will be agreed by Directors following consultation and agreement of the Chief Operating Officer. Successful re-evaluations can result in a change to the salary.

- 2.7 Salary increases in relation to cost of living will be applied according to the awards made by the appropriate National Joint Council as described in paragraph 2.1.
- 2.8 No additional payments are made to in respect of:
- Bonus payments or Performance payments to the Senior Officers are defined by 1.4.
 - Additional payments are made to NJC Employees who are employed on SCP 29 or below of the Torbay Council Salary Scale. These are paid in accordance with NJC Terms and Conditions of Employment (Green Book) part 3, pay and grading.
- 2.9 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.
- 2.10 In comparing Chief Officer 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 there 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 2012/2013 contribution rates.

| Band | Salary Range | Contribution Rate |
|-------------|----------------------------------|--------------------------|
| 1 | £0 To £13,500.00. | 5.50% |
| 2 | £13,501.00 To £15,800.00. | 5.80% |
| 3 | £15,801.00 To £20,400.00. | 5.90% |
| | | |

| | | |
|---|---------------------------|-------|
| 4 | £20,401.00 To £34,000.00. | 6.50% |
| 5 | £34,401.00 To £45,500.00. | 6.80% |
| 6 | £45,501.00 To £85,300.00. | 7.20% |
| 7 | More than £85,300.00. | 7.50% |

3.2 The Employer Contribution pension rate is: 17%

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

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 (available upon request) 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 information.

5. Compromise Agreements

5.1 Torbay Council will only enter into Compromise Agreements in exceptional circumstances where it is in the Council's overall commercial and financial interests to do so. Any Compromise Agreement for the Chief Operating Officer and Directors will need to be approved by the Council's Employment Committee. Compromise Agreements for any other member of staff will need to be authorised for the Director of the service following consultation of the Chief Operating Officer.

6. Publication

6.1 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.

6.2 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 Operating Officer and statutory posts where the salary is above £50,000 per annum.

Appendix 1

Current Salary Levels for Chief Operating Officer, Directors and other Senior Officers

| Post Title and Know-How Score | Salary Spot Rate or Salary Band (as FTE) | FTE as hours, where 1.0 = FTE |
|--|--|-------------------------------|
| Chief Operating Officer Know How Score 700 This post was first appointed to in September 2012. | £120,000 - £124,999 | 0.2 |
| Director of Children's Services Know-How Score 608 | £105,000 - £109,999 | 1 |
| Director of Adults and Resources Know-How Score 608 | £105,000 - £109,999 | 0.3 |
| Director of Place and Resources Know-How Score 608 | £105,000 - £109,999 | 0.8 |
| Executive Head Business Services Know-How Score 400 | £60,000 - £64,999 | 1 |
| Executive Head Commercial Services Know-How Score 400 | £60,000- £64,999 | 1 |
| Executive Head Resident and Visitor Services Know-How Score 400 | £60,000 - £64,999 | 1 |
| Executive Head Information Services (CIO) Know-How Score 400 | £70,000- £74,999 | 1 |
| Executive Head Spatial Planning Know-How Score 400 | £55,000 -£59,999 | 1 |
| Executive Head Community Safety Know-How Score 400 | £60,000- £64,999 | 1 |
| Executive Head Finance (Section 151 officer) Know-How Score 460 | £75,000- £79,999 | 1 |
| Executive Head Safeguarding and Wellbeing Know-How Score 528 | £90,000- £94,999 | 1 |
| Executive Head Torbay Harbour Authority Know-How Score 350 | £50,000- £54,999 | 1 |
| Non- Executive Head Roles | | |
| Coroner | £70,000 - £74,999 | 1 |
| PSHEE Education Advisor | £50,000 - £54,999 | 1 |
| Group Manager Schools Commissioning Know-How Score 350 GLPC Grade O | £50,000- £54,999 | 1 |
| Head of Learning Access | £55,000 - £59,999 | 1 |
| Head of Schools Support and Challenge | £55,000 - £59,999 | 1 |
| Group Manager Commissioning | £50,000-£54,999 | 1 |

| | | |
|---------------------------------------|--|---|
| and Performance Know-How Score 350 | | |
| 14-19 Strategy Manager | £50,000 - £54,999 | 1 |
| Principal Education Psychologist | £50,000 - £54,999 | 1 |
| Director of Public Health | Not directly employed by Torbay Council | |
| Head of Schools | £65,000- £69,999 | 1 |
| Head of Family Services | £60,000 - £64,999 | 1 |

*FTE = Full Time Equivalent

Appendix 2 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 5.88:1, i.e. the highest salary (Chief Operating Officer) earns 5.88 times more than the Council's median salary. When measured against the lowest salary the ratio is 9.43:1.

In comparing Chief Operating Officer 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 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 £12,145, which is Point 4 of Grade A. Date of assessment: 06/11/2012

| | Annual Salary | Ratio to Highest |
|--------------------------|----------------------|-------------------------|
| Highest Salary | £114,570.00 | |
| Median (Mid-point) value | £19,473.60 | 5.88:1 |
| Lowest full time salary | £12,145.00 | 9.43:1 |

Please note, the ratio information above has changed from what was stated within the 2012/13 Pay Policy Statement, please see below. This is due to a change in post structure at the Head of Paid Service level. The Chief Executive role has been replaced by the Chief Operating Officer post, this post is undertaken on a part-time basis (0.2 of a full-time equivalent), which has therefore had a positive effect on the overall ratio of difference between the highest and lowest salaries.

Ratio Information from 2012/13 Pay Policy Statement

| | Annual Salary | Ratio to Highest |
|--------------------------|----------------------|-------------------------|
| Highest Salary | £151,316.00 | |
| Median (Mid-point) value | £21,519.00 | 7.02:1 |
| Lowest full time salary | £12,145.00 | 12.46 : 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

History of Policy Changes

This policy was first agreed by members of the Torbay JCC in March 2012

| Date | Page | Details of Change | Agreed by: |
|---------------|-------------|---|-------------------|
| November 2012 | Various | Amendment from Chief Executive to Chief Operating Officer | SSG 8.11.12 |
| | 4-5 | Update to pension ranges re: LGPS contribution rates Addition of Payments upon Termination Section | |
| | 7 | Update to Ratio + Multiplier information (Appendix 2) | |
| | 6 | Update to current salary levels + addition of newly appointed posts (Appendix 1) | |

Policy to be reviewed January 2014