

TORBAY COUNCIL ANNUAL PAY POLICY STATEMENT APRIL 2014/15

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 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 Executive Director Operations and Finance, 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:
 - Executive Director Operations and Finance
 - 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
- Flexible retirement
- Voluntary Reduced Hours Scheme
- Re-organisation and Redundancy Policy
- Retirement Award

1.6 Draft guidance from the Secretary of State makes reference to the Hutton Review of Fair Pay.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 of this policy.

2. Arrangements for Officer Pay

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

- Executive Director Operations and Finance - 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
- Public Health – NHS Terms and Conditions of Service

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

- Executive Director Operations and Finance

- 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.
 - Public Health posts are evaluated in accordance with “Agenda for Change”.
 - 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. 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 Executive Director Operations and Finance, 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 and 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 Executive Director Operations and Finance. 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.
- 2.6 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 Executive Director will then agree the salary level.
- 2.7 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, Executive Director and/or Directors depending on the job role. Where appropriate the Employment Committee will be involved for Executive Director Operations and Finance and Directors salary. Changes to Executive Heads roles and other senior officers will be agreed by Directors following consultation and agreement of the Executive Director Operations and Finance. Successful re-evaluations can result in a change to the salary.

2.8 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.

2.9 No additional payments are made to in respect of:

- Bonus payments or Performance payments to the Senior Officers defined in 1.4, with the exception of the Director of Public Health post.
- Director of Public Health post attracts 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 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.

2.10 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 Executive Director Operations and Finance 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 2013/2014 contribution rates.

| Band | Salary Range | Contribution Rate |
|-------------|---------------------|--------------------------|
|-------------|---------------------|--------------------------|

| | | |
|---|---------------------------|-------|
| 1 | £0 To £13,700.00. | 5.50% |
| 2 | £13,701.00 To £16,100.00. | 5.80% |
| 3 | £16,101.00 To £20,800.00. | 5.90% |
| 4 | £20,801.00 To £34,700.00. | 6.50% |
| 5 | £34,701.00 To £46,500.00. | 6.80% |
| 6 | £46,501.00 To £87,100.00. | 7.20% |
| 7 | More than £87,101.00. | 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 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. Settlement Agreements

5.1 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 Executive Director Operations and Finance or Directors will need to be approved by the Council's Employment Committee and 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 of the service following consultation of the Executive Director Operations and Finance.

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.
- 6.3 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>

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 |
|---|---|--------------------------------------|
| Executive Director Know How Score 700 This post was first appointed to in August 2013 | £125,000 - £129,999 | 0.8 |
| Director of Children's Services Know-How Score 608 | £110,000 - £114,999 | 1 |
| Director of Adults Know-How Score 608 | £110,000 - £114,999 | 0.8 |
| Director of Place Know-How Score 608 | £110,000 - £114,999 | 0.8 |
| Director of Public Health Salary evaluated under NHS Agenda for Change | Salary information to be published pending consent of post-holder | |
| 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 | £60,000- £64,999 | 1 |
| Executive Head Spatial Planning Know-How Score 400 | £60,000- £64,999 | 0.8 |
| 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 | £65,000- £69,999 | 1 |
| Head of Schools | £60,000- £64,999 | 1 |
| Headteacher of the Virtual School/Head of Behaviour Support | £55,000 - £59,999 | 1 |
| Group Manager – Childrens' Commissioning and Performance | £50,000- £54,999 | 1 |

| | | |
|---|-------------------|---|
| Principal Improvement and Performance Manager | £50,000 - £54,999 | 1 |
| 14-19 Strategy Manager | £50,000 - £54,999 | 1 |

*FTE = Full Time Equivalent

The above salary information is correct as of 21st November 2013. Changes to the information may occur during the year, therefore for the most up-to-date information please refer to the published Salary Levels list, available from Torbay Council's web-site:-

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

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 6.34:1, i.e. the highest salary earns 6.34 times more than the Council's median salary. When measured against the lowest salary the ratio is 10.11:1.

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 £12,435, which is Point 5 of Grade A. Date of assessment: 01/11/2013

| | Annual Salary | Ratio to Highest |
|--------------------------|----------------------|-------------------------|
| Highest Salary | £125,787 | |
| Median (Mid-point) value | £19,817.04 | 6.34:1 |
| Lowest full time salary | £12,435.00 | 10.11:1 |

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 Joint Consultative Committee 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 Approved by Full Council |
| 6 th December 2012 | 4-5 | Update to pension ranges re: LGPS contribution rates Addition of Payments upon Termination Section | Approved by Full Council |
| 6 th December 2012 | 7 | Update to Ratio + Multiplier information (Appendix 2) | Approved by Full Council |
| 6 th December 2012 | 6 | Update to current salary levels + addition of newly appointed posts (Appendix 1) | Approved by Full Council |
| 5 th 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 |

Policy to be reviewed January 2015