



**WIRRAL COUNCIL**

**PAY POLICY STATEMENT**

**2012 – 2013**

DRAFT

## **1. Introduction and Purpose**

- 1.1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This Pay Policy Statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.
- 1.2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying:
  - The methods by which salaries of all employees are determined;
  - The detail and level of remuneration of its most senior staff i.e. ‘Chief Officers’, as defined by the relevant legislation;
  - The Employment and Appointments Committee responsibility for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the Full Council.
- 1.3. The Council will consult with the relevant Trade Unions in relation to this Pay Policy, before the Policy is considered by Full Council.
- 1.4. Once approved by the Full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31 March each year.
- 1.5. The Council may, by resolution, amend this Pay Policy, including after the beginning of the financial year to which it relates.

## **2. Other legislation relevant to pay and remuneration**

- 2.1. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.2. The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

## **3. Pay Structure**

- 3.1. The Council uses the nationally negotiated pay spine(s) (i.e. a defined list of salary points) as the basis for its local pay structure, which determines the

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salaries of the large majority of its (non teaching) workforce. The Council's grading structure is attached at Appendix One.

- 3.2. The grading structure for Bands A to H (up to spinal column point (scp) 34) was implemented as part of the Council's Job Evaluation process in August 2008, using the National Joint Council for Local Government Services (NJC) Job Evaluation Scheme.
- 3.3. The current salary rates came into effect on 1 April 2009. There has been no national annual pay award to any group of staff since April 2009.
- 3.4. Where a nationally negotiated pay spine does not apply, the Council will determine the salary rate through local negotiation.
- 3.5. The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with joint trade unions.
- 3.6. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.
- 3.7. In determining its grading structure and setting remuneration levels for any posts which fall outside the scope of the national pay bargaining arrangements, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required within a fair, transparent and equality proofed framework.

### **3.8. Variations to pay grade**

- 3.8.1. From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate.
- 3.8.2. Any temporary supplement to the salary scale for the grade is approved in accordance with The Council's Honoraria Policy, or any applicable market rate supplement policies.

### **3.9. Job Evaluation**

- 3.9.1. The Council has completed stage one of Job Evaluation, which includes up to scp 34: £28,636.
- 3.9.2. The Council has completed stage two of Job Evaluation, which includes Schools based employees, up to scp 34.

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- 3.9.3. Stage one and two have been undertaken using the NJC Job Evaluation Scheme.
- 3.9.4. Stage three and four of Job Evaluation, which includes all salary rates over scp 34, are being undertaken using The Hay Group Scheme, with a view for completion by June 2012.

### **3.10. The Living Wage**

- 3.10.1. Living Wage rates are based on Minimum Income Standards methodology and seek to take account of real living costs for essential goods and services. The current Living Wage rate for outside London is £7.20 per hour.
- 3.10.2. Following a Council resolution, The Cabinet, on 21 July 2011, agreed that arrangements should be made to ensure all Council employees are paid at a rate equal to or higher than the Living Wage. The provision for the Living Wage will be kept under review.
- 3.10.3. The NJC for Local Government Services (NJC) salary rates for 2011 include spinal column points 4, 5, 6 in Band A and scp 8 in Band B, below the Living Wage hourly rate. From 1 April 2012, the Council has set Band A at scp 9, at a locally agreed rate of £7.20, and Band B to scp 10 and 11, as shown at Appendix One.
- 3.10.4. By introducing the Living Wage, scp 4, 5, 6 and 8 are deleted, and the entry level grade is scp 9 at £7.20 per hour, equivalent to £13,516 per annum.
- 3.10.5. Employees paid at Band B scp 8 as at 1 April 2012 will move to scp 10.

### **3.11. New Appointments**

- 3.11.1. New appointments will normally be made at the minimum scp of the relevant pay scale for the grade. Where the candidate is already on or above the minimum scp of the relevant pay scale, the appointment will normally be made at the same scp.
- 3.11.2. The appointment salary can be varied in exceptional circumstances with the approval of The Head of Human Resources and Organisational Development.

### **3.12. Progression through pay grades**

- 3.12.1. An employee's progression through the increments of a particular pay grade are linked to length of service. Increments are awarded on 1 April each year, or for new appointments between 1 October and 31 March, six months from start date.

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- 3.12.2. The arrangements and factors considered in determining an individual's progression through different pay grade are determined by experience, skills and qualifications as set out in the relevant Job Description.

### 4. Senior Management Remuneration

- 4.1. For the purposes of this statement, senior management means 'Chief Officers' as defined within the Localism Act. The posts falling within the statutory definition are set out in '*The Code of Recommended Practice for Local Authorities on Data Transparency (the data transparency code)*'.
- 4.2. The Council's grading structure for Chief Officers is attached at Appendix Two, and includes:

#### **Chief Executive**

The salary falls within a range of 5 incremental points between £121,807, rising to a maximum of £135,341.

#### **Deputy Chief Executive**

The salary range of 5 incremental points between £109,626 to a maximum of £121,807 and is set at 90% of the Chief Executive grade.

#### **Chief Officer / Directors**

The salary package of posts designated as Chief Officers or Directors fall within a range of 5 incremental points between £101,564 rising to a maximum of £112,849.

#### **Deputy Chief Officer/Director**

The salary package of posts designated as Deputy Chief Officers or Deputy Directors fall within a range of 5 incremental points between £76,173 rising to a maximum of £84,637 and is set at 75% of the Chief Officer grade.

#### **Head of Service**

The salary package of posts designated as Head of Service fall within a range of 5 incremental points between £66,017 rising to a maximum of £76,173 and is set at 65% of the Chief Officer grade.

### 5. Recruitment of Chief Officers

- 5.1. The Council's policy and procedures with regard to recruitment of Chief Officers is set out in Part Four of The Council's Constitution. The appointment of Chief Officers and Deputy Chief Officers is delegated to The Employment and Appointments Committee as set out in Part Three of The Council's Constitution.
- 5.2. When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own Equal Opportunities, Recruitment and Selection and Redeployment Policies as approved by Council.

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- 5.3. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.
- 5.4. In line with guidance under The Localism Act, proposed appointments to posts with remuneration exceeding £100, 000 will be subject to a vote at Full Council.

### 6. Additions to Salary

- 6.1. With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, which is assessed on an annual basis, the level of remuneration is not variable dependent upon the achievement of defined targets.
- 6.2. To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's applies the relevant national conditions of service for additional remuneration (e.g. honoraria, ex gratia, 'acting up'), unless this has been locally negotiated, e.g. The Harmonisation Agreement, implemented in August 2008.
- 6.3. In addition to basic salary, the following posts receive additional pay as set out below:

Post / Tier of post	Payment details
Chief Executive or nominated Chief Officer (currently Director of Law, HR and Asset Management)	Returning Officer duties: <ul style="list-style-type: none"><li>• National statutory amount for Parliamentary/National Elections.</li><li>• Locally determined amount in accordance with national guidance for Local Government Elections.</li></ul>
All eligible employees	Lump Sum or Lease Car Allowances
All eligible employees	Mileage Rates
All eligible employees	Salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately.
All eligible employees	Any arrangements for payment of untaken annual leave falling outside the requirements of relevant legislation.
Eligible Social Workers	Golden Hello: one off payment of £2,000

### 7. Pension Contributions

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- 7.1. The employer's pension contribution is required to be published under S7 of the Accounts and Audit Regulations 2011.
- 7.2. Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee.
- 7.3. The rate of contribution is set by Actuaries advising Merseyside Pension Fund and reviewed every three years in order to ensure the scheme is appropriately funded. The current rate, set for 2011/12 is 17.6%.

### **8. Payments on Termination**

- 8.1. The Council's approach to statutory and discretionary payments on termination of employment for all employees, including Chief Officers, prior to reaching normal retirement age, is set out within the Council's Retirement Policy.
- 8.2. The Council adopts a policy of applying an enhanced scheme for redundancy, with a maximum of 66 weeks actual pay (uncapped), depending on age and length of service, in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) regulations 2006. The details are set out in the Council's Retirement Policy

### **9. Lowest Paid Employees**

- 9.1. The lowest paid persons employed by the Council are employed on full time (36 hours) equivalent salaries in accordance with spinal column points 9 (Band A) of the Council's grading structure (locally agreed). The grading structure takes account of the Living Wage hourly rate (see section 3 above). As at 1 April 2012, this is £13,516 per annum, subject to local pay award.
- 9.2. The Council employs Apprentices which are not considered within the definition of 'lowest paid employees' as they are employed under a training contract, starting at minimum wage, with pay progression routes available.
- 9.3. The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
- 9.4. The current pay levels within the Council define the multiple between the average full time equivalent (FTE) earnings and the Chief Executive as 1: 5.84.
- 9.5. The current pay levels within the Council define the multiple between the lowest paid employee full time equivalent (FTE) earnings and average Chief Officer earnings as 1: 6.06.
- 9.6. The current pay levels within the Council define the multiple between the average FTE earnings and the average of Chief Officer earnings as 1: 3.53.

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9.7. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local Authorities.

### **10. Accountability and Decision Making**

10.1. In accordance with The Constitution of the Council, The Employment and Appointments Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

### **11. Re-employment / Re-engagement of Employees**

11.1. The Council will not re-employ any former employees that have left the Council with an enhanced retirement package or under the Voluntary Severance Scheme, except in exceptional circumstances and with the approval of The Head of Human Resources and Organisational Development and The Director of Finance.