



**WIRRAL COUNCIL**

**PAY POLICY STATEMENT**

**2016 – 2017**

## **1. Introduction and Purpose**

- 1.1. The Localism Act 2011 (sections 38-43) requires local authorities in England and Wales to publish a pay policy statement for each financial year.
- 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 schools based staff) 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 Chief Executive and Head of Paid Service responsibility for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to Full Council.
- 1.3. The Council will consult with the relevant Trade Unions in relation to changes and updates to the Pay Policy, before the Policy is considered by Full Council.
- 1.4. Once approved by 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 being approved by 31 March each year.
- 1.5. 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.
- 2.2. It is Council policy to ensure that 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.
- 2.3. The Council will ensure that it meets the requirements of The Local Government Transparency Code 2014. The Transparency Code requires that all local authorities publish certain information related to the organisation, salaries and fraud including:
  - Organisation chart
  - Senior salaries
  - The pay multiple
  - Trade union facility time
  - Fraud
  - Constitution

### **3. Pay Structure**

- 3.1. The Council uses a local variation of the nationally negotiated pay spines (i.e. a defined list of salary points) as the basis for its pay structure, which determine the salaries of the large majority of its (non schools) workforce.
- 3.2. The Council's NJC pay spine is varied at Band A, B and C through the introduction of the Living Wage (see Living Wage).
- 3.3. 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.
- 3.4. The Council also employs staff on other pay and terms and conditions including Craft, Youth and Community, Soulbury, Teachers, Public Health and other locally agreed pay rates.
- 3.5. Public Health staff are currently on the same pay and terms and conditions as at the time of the Transfer of Undertakings (Protection of Employees: TUPE) transfer (1 April 2013). Public Health staff are TUPE static.
- 3.6. 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, subject to any local agreements in place.
- 3.7. Where a nationally negotiated pay spine does not apply, the Council will determine the salary rate through local negotiation and agreement.
- 3.8. All other pay related issues are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.
- 3.9. 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.
- 3.10. There are circumstances where the terms of Transfer of Undertakings (Protection of Employees: TUPE) may determine the eligibility of pay awards for employees who transfer into the Council.

#### **3.11. Variations to pay grade**

- 3.11.1. 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.

3.11.2. 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 arrangements.

### **3.12. Job Evaluation**

3.12.1 The Council has implemented Job Evaluation for NJC employees paid up to scp 34, using the NJC Job Evaluation Scheme.

3.12.2 The Council is committed to implementing a new grading structure and pay line for NJC posts over scp 34.

3.12.3 The Council will review all other non NJC posts.

### **3.13. The Living Wage**

3.13.1. Living Wage rates are based on Minimum Income Standards methodology and seek to take account of real living costs for essential goods and services.

3.13.2. Through the Council's Pay Policy Statement, the Council is committed to and pays the Living Wage for all employees.

3.13.3. The Living Wage rate is reviewed and announced by The Living Wage Foundation on 1 November each year. The Council will consider any increases to the Living Wage as part of the annual Pay Policy Statement. If agreed, increases to the Living Wage will take effect from 1 April the following year. The provision for the Living Wage will be kept under review.

3.13.4. The current Living Wage rate for outside London increased on 1 November 2015 to £8.25 per hour.

### **3.14. New Appointments**

3.14.1. New appointments will normally be made at the minimum scp of the relevant pay scale for the grade. Where the candidate is already in receipt of a salary above the minimum scp of the relevant pay scale, the appointment will normally be made at the nearest equivalent scp in the grade.

3.14.2. The appointment salary may be varied in exceptional circumstances. Any proposal to vary the appointment salary must be made to the Head of Human Resources and Organisational Development for consideration and approval. Proposals should be made by the recruiting manager, supported by a business case.

### **3.15. Progression through pay grades**

3.15.1. An employee's progression through the increments of a particular pay grade is 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 the start date.

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

#### **4. Senior Management Remuneration**

4.1 For the purposes of this statement, senior management means 'Chief Officers' as defined within the Localism Act. This includes statutory Chief Officers, non-statutory Chief Officers and deputy Chief Officers.

4.2 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)*'.

4.3 The Council's grading structure for Chief Officers is as follows:

- **Chief Executive**
- **Strategic Director**
- **Director 1**
- **Director 2**
- **Head of Service 1**
- **Head of Service 2**

4.4 The terms and conditions, including the payment of any allowances for Chief Officers is set out within the Joint Negotiating Committee for Chief Officers of Local Authorities constitution conditions of service salaries. All details of Chief Officer salaries are published in accordance with the transparency code.

4.5 The Chief Executive handbook sets out the terms and conditions of employment for the Chief Executive and Head of Paid Service. Some provisions within this also apply to Council's Statutory Officers (Section 151 Officer and Monitoring Officer).

#### **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.

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.
- 5.5. The appointments of Chief Executive and Head of Paid Service, Section 151 Officer and Deputy Section 151 Officer, Monitoring Officer and Senior Information Risk Owner (SIRO) will be subject to a vote at Full Council.

## 6. Additions to Salary

- 6.1. In addition to basic salary, the following posts receive additional pay as set out below:

Post / Tier of post	Payment details
Chief Executive and Head of Paid Service	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	Allowances in accordance with The Council's Terms and Conditions.

## 7. Pension Contributions

- 7.1. The employer's pension contribution is required to be published under S7 of the Accounts and Audit Regulations 2011.
- 7.2. The Council will automatically enroll all eligible employees into the Local Government Pension scheme and 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.

## 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 Enhanced Discretionary Severance Scheme.
- 8.2 The Council will keep its Enhanced Discretionary Severance Scheme under review. Any changes, as approved by Full Council are published in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) regulations 2006.

8.3 In line with guidance under The Localism Act, any payments upon termination exceeding £100,000, (apart from contractual payments, where the Council has no discretion) shall be subject to a vote at Full Council, or the relevant Committee or Panel of Elected Members with delegated authority to approve such payments. Payments upon termination are subject to any future legislative change or caps that may be introduced.

## **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 10 (Band A) of council's grading structure (locally agreed). The grading structure takes account of the Living Wage hourly rate (see section 3 above).

9.2. 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.

9.3. The current pay levels within the Council define the multiple between the average full time equivalent (FTE) earnings and the Chief Executive as 1: 6.56.

9.4. 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: 6.13.

9.5. The current pay levels within the Council define the multiple between the average FTE earnings and the average of Chief Officer earnings as 1: 3.59.

9.6. 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 Chief Officer recruitment.

10.2 The Chief Executive and Head of Paid Service has delegated responsibility for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council below Chief Officer level.

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

11.1 The Council will not re-employ any former employees that have left the Council through early retirement or under the Voluntary Severance Scheme where there has been a cost to the Council, except in exceptional circumstances and with the approval of the Head of Human Resources and Organisational Development.

## **12. Publication**

12.1 Upon approval by Full Council, this statement will be published on the Council's Website and Intranet.

12.2 In line with the requirement of The Local Government Transparency Code 2014, the Council will publish an organisation chart covering staff in the top three levels of the organisation, which will include the following information:

- Grade
- Job Title
- Salary in £5,000 brackets
- Salary ceiling (the maximum salary for the grade)

12.3 The following information for senior salaries (employees whose remuneration in that year was at least £50,000) will also be published:

- Job Title
- Salary