

# VALE OF GLAMORGAN COUNCIL EMPLOYEE PAY POLICY 2019/20



## 1. INTRODUCTION AND PURPOSE

- 1.1 The Vale of Glamorgan Council recognises the importance of managing pay fairly and consistently in a way that motivates staff to make a positive contribution. The decisions that are taken regarding pay are crucial to maintaining equality of pay across the Council and in delivering cost effective public services. The production of a Pay Policy supports this approach.

## 2. SCOPE

- 2.1 This Employee Pay Policy has been produced in accordance with the requirements of section 38 (1) of the Localism Act 2011 which requires authorities to develop and make public their pay policy on all aspects of Chief Officer remuneration (including severance payments to those who cease to hold office) and that relating to the 'lowest paid' in the authority and explain their policy on the relationship between remuneration for Chief Officer and other groups.
- 2.2 However, in the interests of transparency and accountability, the Council has taken a broader approach and has produced a policy covering all employee groups with the exception of school teachers (as the pay for this group is set by the Secretary of State and therefore not in local authority control).

## 3. LEGISLATION

- 3.1 In determining the pay and remuneration of all its employees, the Council will comply with all relevant legislation. This includes the: -
- Equalities Act 2010
  - Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000
  - Agency Workers Regulations 2010 and where relevant the
  - Transfer of Undertakings (Protection of Earnings) Regulations.
- 3.2 With regard to the equal pay requirements contained within the Equalities Act, 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 equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of job roles.

## 4. DEFINITIONS

- 4.1 For the purposes of this statement Chief Officers are defined within section 43 of the Localism Act. Such posts include the Managing Director (as Head of Paid Service), all Service Directors, the Monitoring Officer/Head of Legal and Democratic Services, the Head of Finance and other officers who report directly to the Managing Director (within the meaning of the Act).

- 4.2 The definition also includes those defined as Deputy Chief Officers within the meaning of the Localism Act including Heads of Service and Operational Managers who report directly to the Managing Director or a Service Director.
- 4.3 The lowest paid persons under a contract of employment are, for the purposes of this statement defined as those employed on spinal column point 2 of the National Joint Council (NJC) 'Green Book' pay spine which is currently £17,711 per annum which takes effect from 1 April 2019.
- 4.4 Those employed on apprenticeship contracts are not included within the definition of lowest paid persons.

## **5. KEY PRINCIPLES**

- 5.1 The main aim of the Council's Pay Policy is to ensure that all staff are rewarded fairly for the work that they do, that the Council is able to attract and retain suitably skilled staff and that the approach to pay and reward is affordable and supports the provision of cost effective public services.
- 5.2 The approach aims to reflect fairness and equality of opportunity, the need to encourage and enable staff to perform to the best of their ability and the desire to operate a transparent pay and grading structure. The Council reflects this in relation to annual data included in its Annual Equality Monitoring Report.
- 5.3 The Council recognises that pay is not the only means of rewarding and supporting staff and offers a wider range of benefits including flexible working, access to training and development, occupational health services, long service awards, an occupational pension scheme and an employee assistance programme. The Council is committed to the identification and fostering of talent to support succession planning and meeting the future business needs.
- 5.4 In order to embed the above principles the Council will make provision for clear and rational processes for setting/reviewing salaries and for ensuring sufficient flexibility to take into account pay market and recruitment and retention factors.

## **6. PAY DETAILS**

### ***Pay Structure – National Joint Council Green Book/Single Status Staff***

- 6.1 The Council's pay structure for NJC 'Green Book' staff was implemented on the 1 March 2012 following the signing of a Collective Agreement with UNISON, GMB and UNITE. The pay structure was devised following the evaluation of all posts using the Greater London Provincial Council (GLPC) Job Evaluation Scheme.

Following the 2018/20 pay award implementation, a revised pay structure for NJC 'Green Book' staff was implemented on 1 April 2019 following the signing of a local Collective Agreement with UNISON, GMB and UNITE.

- 6.2 As part of the above the Council has linked the scores from the job evaluation results directly to the current NJC pay structure. The national pay structure ranges from spinal column point (SCP) 1 to 43, which will equate to £17,364 to £45,591 per annum. The Council has determined to disregard SCP 1 and to apply SCP 2

as the starting point to the Council's local pay and grade structure for staff within scope of the NJC 'Green book' provisions.

- 6.3 The Council's local pay structure has 11 grades that span spinal column points 2 (£17,711) to 43 (£45,591). Each grade has a varying number of incremental points ranging from one to six. Incremental progression through the pay grades is based on service and satisfactory performance. New appointments will normally be made at the minimum of the relevant grade, although this can be varied, where necessary to secure the best candidate for the post in question.
- 6.4 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 arrangements and including those as set out within the 'single status' collective agreement as implemented from 1<sup>st</sup> March 2012.
- 6.5 It is recognised that there will be exceptional occasions where the market rate for certain key jobs is higher than that provided for by the current pay and grading structure. In these circumstances, the grading of the post can be reviewed in accordance with the market forces policy, which has been developed for employees on 'Green Book' terms and conditions.
- 6.6 There may be occasions when an employee is asked to carry out additional duties to those of their substantive post for a period of time. In such circumstances an additional payment may be made in line with the Council's Acting up or Honoraria Scheme depending on the duties and responsibilities undertaken by the employee.

#### ***Pay Structure – Chief Officers***

- 6.7 The Managing Director is employed by the Council on Joint National Council (JNC) Chief Executive terms and conditions and the Directors and Heads of Service on JNC Chief Officer terms and conditions handbooks. Pay levels for all such officers are as evaluated using the Hay Group Job Evaluation Scheme.
- 6.8 The Council also has a category of employees employed as Operational Managers. Such officers are also employed on JNC Chief Officer terms and conditions of employment although not all defined as Chief Officers within the meaning of section 43 of the Localism Act.
- 6.9 The salaries of officers as set out in 6.7 and 6.8 above are locally determined taking into account population size, the type of authority and related advice/support from the Hay Group. The current rates are set out at 6.13 below.
- 6.10 As indicated, the Council employs Chief Officers under JNC terms and conditions which are incorporated in their contracts. The JNC negotiates on national (UK) annual cost of living pay increases for this group and any award of same is determined on this basis.
- 6.11 Chief Officers employed under JNC terms and conditions are contractually entitled to any JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with current contractual requirements.

6.12 The number and gender profile of such officers is as set out below (information as at December 2018) :-

Level	Male	Female	All
Managing Director	1	0	1
Director	2	1	3
Heads of Service	6	6	12
Operational Manager 1	12	14	26
Operational Manager 2	3	2	5

6.13 The pay ranges for officers as in 6.7 to 6.12 are as set out below: -

Level	Salary Range	
<b>Managing Director</b>	1	£ 134,930
<b>Director</b>	1	£ 92,559
	2	£ 95,131
	3	£ 97,701
	4	£ 100,273**
	5	£ 102,842**
<b>Head of Service</b>	1	£ 70,180
	2	£ 72,129
	3	£ 74,081
	4	£ 76,028**
	5	£ 77,978**
<b>Operational Manager 1</b>	1	£ 51,737
	2	£ 53,030
	3	£ 54,322
	4	£ 55,618
	5	£ 56,907
<b>Operational Manager 2</b>	1	£ 49,148
	2	£ 50,376
	3	£ 51,608
	4	£ 52,834
	5	£ 54,063

\*\* Non-consolidated increments based on performance and paid on a monthly basis

- 6.14 The salary references in the table at 6.13 above include the second year provisions of the 2018/20 JNC cost of living pay award effective from 1<sup>st</sup> April 2019.
- 6.15 When a Hay Group Job Evaluation is carried out on Chief Officer posts, the company are asked to provide information about grade/salary levels based on their assessment of relative job sizes and benchmarking against market comparisons for posts of similar size and complexity.
- 6.16 Any decision to determine or vary the remuneration of Chief Officers (as defined in paragraph 4.1) or those to be appointed as Chief Officers for reasons other than as negotiated as part of JNC pay awards will be subject to separate approval by Council.
- 6.17 In addition the Council will consult the Independent Remuneration Panel for Wales (IRP) in circumstances where it is proposed to make a change to the salary of any Chief Officer (as set out in paragraphs 4.1 and 4.2) except one which is commensurate with a change to the salaries of other employees. The Council will have regard to any recommendation received from the IRP when deciding whether or not to proceed with making the change.
- 6.18 There is no bonus applicable to Chief Officers' pay. Incremental progression is based on an assessment of performance following the annual appraisal process. The top two increments in the pay grades for Directors and Heads of Service are non-consolidated and only paid following an assessment of good/excellent performance.
- 6.19 In addition to basic salary, set out below are details of elements of remuneration which apply to Chief Officers and also to other employees within the Council as appropriate:-
- Casual car user allowance paid in accordance with HMRC rates and where the use of a Council pool car is not available/appropriate
  - Professional subscriptions where determined necessary by the Council for the post.
  - Election payments as set out in paragraphs 6.25 to 6.32.
  - Pension and redundancy/severance pay as set out in paragraphs 8.1 to 8.5.
- 6.20 Other duties are undertaken and recompensed by way of additional annual payments. The Section 151 Officer and Monitoring Officer, each receive a fixed annual allowance of £10,252 to reflect Senior Head of Service responsibilities within the Council's Resources Directorate and statutory responsibilities as appropriate. The Deputy Section 151 Officer and Deputy Monitoring Officer each receive a fixed annual allowance of £2,167.
- 6.21 All other pay related allowances for NJC 'Green Book' employees are the subject of either nationally or locally negotiated rates. The latter rates are set out in the Single Status Collective Agreement as referred to in paragraph 6.4.

6.22 The Council has a number of joint appointments at Chief Officer level to support the integration of services with other agencies. The joint appointments which are hosted by the Vale of Glamorgan Council include:-

A	Head of Adult Services and Locality Manager (a joint post with Cardiff and Vale University Health Board.
B	Head of Shared Regulatory Services (a joint post with Bridgend and Cardiff Councils.
C	Head of Audit (a shared post with Bridgend, RCT and Merthyr Councils)
D	Three Operational Managers (Shared Regulatory Services) joint posts with Bridgend and Cardiff Councils.

6.23 Post A is paid in accordance with the Council's Head of Service Salary Grade (plus a fixed annual allowance of £10,252). Posts B and C are paid in accordance with the Council's Head of Service Grade and Posts D are paid in accordance with the Council's Operational Manager 1 Salary Grade.

6.24 The salary costs of all such appointments are shared proportionately under the terms of the formal agreements between the participating organisations.

### ***Election Payments***

6.25 The Council's Monitoring Officer/ Head of Legal and Democratic Services was formally designated as the Proper Officer for Electoral Registration and Returning Officers functions on an ongoing basis from 20<sup>th</sup> July 2016. In this role the officer receives separate remuneration for duties undertaken in respect of elections/referenda.

6.26 The Returning Officer has a role in all Local Government, European, Parliamentary (if applicable), Welsh Assembly, Police and Crime Commissioner elections, Referendums and any local by-elections.

6.27 Returning Officer fees for Local Government Elections and Local By-elections (as and when) will vary according to the nature of the elections and the numbers of contested and uncontested wards. The fees are based on the application of the following formula:-

	<b>Contested Election</b>	<b>Uncontested Election</b>
<b>Fees for Election</b>	£185 per ward	£45 per ward
	<b>Single Election</b>	<b>Combined Election *</b>
<b>Postal Votes issued</b>	£62.40 per 100	£62.40 per 75
<b>Postal Votes received</b>	£62.40 per 100	£62.40 per 75

\* Vale of Glamorgan election together with community/town election

6.28 Returning Officer fees for non-local elections are set by legislation prior to the election within Fees and Charges Orders.

6.29 In addition to the above payments are made to staff administering and providing advice on election/referenda/ballot duties including payments for Presiding

Officers, Poll Clerks, Counting Assistants and those undertaking the sending out and receipt of postal votes and other administration duties. Payment for such duties will depend on the type of election/referenda/ballot.

- 6.30 The Returning Officer has the authority to approve and amend the payments to staff for all elections/referenda/ballots. For non-local elections such determination is made in accordance with the Fees and Charges Order appropriate to that election (if any). Payment and fees for non-local elections are recoverable through funding from either the Westminster Cabinet Office, the Home Office or the Welsh Government.
- 6.31 For local elections/referenda/ballots and by-elections the payments are based on the scale and type of election/referenda/ballots and reviewed to take into account inflation and other pressures as appropriate. The fees are set and approved by the Returning Officer prior to the election.
- 6.32 The payments and fees for local elections (as set out above) may be subject to review as part of the Welsh Government's Electoral Reform Review and in accordance with the Wales Act 2017.

### ***Pay Ranges – Staff other than ‘Green Book’ and Chief Officers***

- 6.32 The Council also has a small number of staff on other national terms and conditions including JNC Youth and Community Workers, Soulbury and Teacher terms and conditions. Pay for these employees are based on the relevant nationally agreed rates of pay.

## **7. RECRUITMENT OF CHIEF OFFICERS**

- 7.1 The Council's Policy and Procedures with regard to the recruitment of Chief Officers is contained within the Officer Employment Procedure Rules as set out in Section 11.9 of the Council's Constitution.
- 7.2 In accordance with the above, arrangements will be made for posts to be advertised in such a way that is likely to bring them to the attention of qualified persons. Where the proposed remuneration for a post is £100,000 or above (and the contract is longer than 12 months) arrangements will be made for the post to be specifically subject to public advertisement.
- 7.3 The determination of the pay 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. The Council does not employ any individual in a manner that seeks to avoid any taxation liabilities.

## **8. PENSIONS AND REDUNDANCY/SEVERANCE PAYMENTS**

- 8.1 All Council employees (with the exception of teachers) are entitled to join the local government pension scheme (LGPS). If employees are eligible they will automatically become a member of the scheme (to join they must have a contract for at least 3 months and be under the age of 75). Employees can decide to opt out of the scheme. The benefits and contributions payable as part of the scheme are set out in the LGPS regulations.

- 8.2 The Council's current policy in terms of the use of pension discretions as required by the Local Government Pension Scheme was reviewed by Cabinet on the 30<sup>th</sup> June 2014 and the report is available on the Council's website.
- 8.3 The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers (and all other employees) is set out within its Early Retirement & Redundancy Policy in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. Where appropriate an enhanced redundancy payment of up to 49.5 weeks pay may be granted (up to a maximum of £30,000).
- 8.4 The Council will be required to approve individual severance packages over £100,000. As part of the approval process Council will be provided with the statutory and non-statutory components of the package which may include salary paid in lieu, lump sum redundancy / severance payments, pension strain costs incurred by the Council, holiday pay and any bonuses, fees or allowances paid.
- 8.5 The Welsh Government are currently reviewing the implications of the UK Government's Enterprise Act 2016 and, in particular the application of a cap on public sector exit payments. The implications of this for the Council's severance arrangements will be reviewed accordingly.
- 8.6 Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 do not apply as the Authority does not increase the total membership of active members (Regulation 12) or award additional pension (Regulation 13).

## **9. PUBLICATION**

- 9.1 Upon approval by the Council, this Pay Policy will be published on the Council's Website. The Council's Annual Statement of Accounts will also include additional information as required by the Accounts and Audit (Wales) Regulations 2005 (as amended) and in respect of posts where remuneration is £60,000 or more p.a.
- 9.2 The arrangements made in relation to senior appointments seek to ensure transparency and value for money for the residents of the Vale of Glamorgan and compliance with all legal and financial requirements.

## **10. PAY RELATIVITIES WITHIN THE AUTHORITY**

- 10.1 The lowest paid person employed under a Contract of Employment with the Council is employed on a full time [37 hours] equivalent salary in accordance with the minimum spinal column point currently in use within the Council's grading structure. This is currently £17,711 per annum
- 10.2 Based on current salary levels, the multiple between the lowest paid (full time equivalent) employee and the Managing Director is 1:7.62 and between the lowest paid employee and average Chief Officer is 1:3.63. The multiple between the median (average) full time equivalent pay and that of the Managing Director is 1:5.75 and between the lowest paid employee and the average Chief Officer is 1:2.79. The Council will review this data annually and seek to benchmark this information as appropriate.



## **11. ACCOUNTABILITY AND DECISION MAKING**

- 11.1 In accordance with the Constitution of the Council, responsibility for the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council is a matter for the Council and its relevant committees.
- 11.2 The salary costs for the Council's workforce is a key component of the overall budget of the Council and a contributory factor in assessing the cost effectiveness of our services.
- 11.3 The Council and its Executive continue to ensure the appropriateness of staffing structures and through the robust application of job evaluation, the appropriateness of salary levels.

## **12. RE-EMPLOYMENT**

- 12.1 The Council does not have a policy regarding the re-employment of staff that have been made redundant or granted early retirement or indeed are in receipt of a pension from the Local Government Pension Scheme. The Council advertises vacancies externally as appropriate and will seek to employ the best candidate based on an objective selection process.
- 12.2 The Council's pension discretionary policy does not provide for any abatement of pension in the circumstances where an officer, in receipt of a pension under the Local Government Pension Scheme is re-employed.

## **13. REVIEWING THE POLICY**

- 13.1 The Council will ensure the policy is updated annually, reviewed and considered by Cabinet and Scrutiny Committee (Corporate Performance & Resources) prior to consideration and approval by Council in line with the requirements of the Localism Act 2011.

**February 2019.**