

PAY POLICY STATEMENT

Human Resources and Organisational Development
2020 - 2021



1.0 CONTEXT

- 1.1 Plymouth City Council wishes to provide a transparent and fair approach to rewarding our employees through our pay, terms and conditions and benefits offered to our staff.
- 1.2 The Council is required to set out a Pay Policy Statement under sections 38 and 39 of the Localism Act 2011. The Act prescribes the information and format required for the Pay Policy Statement.
- 1.3 The statement must be approved by a resolution of the City Council before it comes into force for the relevant financial year. Amendments may be made by resolution of the Council during the financial year.
- 1.4 When approved by the Council, this policy statement will come into immediate effect for the 2020/21 financial year and will be subject to review again for 2021/22 in accordance with the relevant legislation prevailing at that time.
- 1.5 The council is now embarking on a Workforce Modernisation Programme, with a vision “To be a modern workforce where our people are empowered to be progressive, responsible and offer great services to customers”
- 1.6 The Chief Executive and Chief Officers are employed under the JNCs for Chief Executives, Chief Officers and NHS terms and conditions respectively. In addition, as a broad principle, the Council adopts the terms and conditions of employment that apply to NJC staff (Green Book) and the local variations as set out in the Plymouth Book for Chief Officers.
- 1.7 Under the Council’s Standing Orders and Constitution, we have set out a requirement for all posts to be fairly evaluated to determine their salary levels within our agreed structures. All staff must be appointed on merit, through fair, transparent and objective processes.
- 1.8 The Council’s Chief Executive, as the Head of Paid Service, is responsible for ensuring the Council meets its duties for appointment on merit, the terms and conditions of employment, compliance with the Council’s Standing Orders for the appointment and remuneration of staff and with the requirements set out in the Local Government and Housing Act 1989. The Head of Paid Service (Chief Executive) is accountable to the Council for the discharge of her duties.
- 1.9 For the purposes of this Pay Policy Statement, all references to Chief Officer includes Deputy Chief Officers, as defined in the Localism Act. These are roles that report directly to a Chief Officer, apart from clerical and

administrative posts. This definition includes posts on JNC for Chief Officers, NJC for Local Government Services' and NHS terms and conditions.

2.0 INFORMATION

- 2.1 The Council's Management Structure is set out within the Articles of the Constitution of the Council and this is updated with any changes to statutory posts.
- 2.2 All statutory roles are designated within the Chief Officer structure.
- 2.3 Chief Officer bandings for the Senior Leadership Team are determined using the Hay Evaluation criteria.
- 2.4 The Council's NJC pay and grading structure is set out at Appendix One.

3.0 PAY RELATIVITIES WITHIN THE AUTHORITY

- 3.1 The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton Report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Authority's workforce.
- 3.2 As well as comparing the lowest paid we also make comparison with the make comparison with the median (recommended in the Government's transparency guidelines). The multiple between the median full time equivalent earnings (excluding schools) and the chief executive is 1:6.42 (as at 1 December 2019).
- 3.3 Plymouth City Council continues to adopt the principles of the Foundation Living Wage, with the lowest paid worker (excluding apprentices) will be earning at least £17,939 per FTE (£9.30 per hour)

The lowest paid worker is defined as those on the lowest spinal column point of Grade A, which is the Council's lowest pay grade (excluding apprentices). From 1 April 2019, the remuneration of a Grade A (the lowest paid employee) was £17,364 per FTE (excluding apprentices). From 1 April 2020, the minimum rate of pay will be at least £9.30 per hour in line with the Foundation Living Wage, which is a 3.3% increase for our lowest paid workers.

The pay awards for the JNC for Chief Executives and the NJC for Local Government Services are unknown at the time of writing as national pay negotiations are ongoing.

- 3.4 The ratio between the lowest paid and highest paid employee is 1:9.17 from 1 April 2019, which is a significant reduction from 2012 when the ratio was 1:14.

- 3.5 The Council evaluates Chief Officer roles through a defined evaluation method (HAY) to ensure parity and consistency of evaluation within the Council's pay and grading structures.
- 3.6 Senior officer posts outside the Chief Officer Structure, but earning in excess of £50,000 are published as part of the Council's access to public information within the annual accounts. The latest information is contained within the 2018/19 accounts.

4.0 **CHIEF OFFICER PAY**

- 4.1 This section sets out the Council's policy in relation to Chief Officer remuneration and benefits as set out in the Localism Act 2011.
- 4.2 Levels and elements of remuneration for each Chief Officer:
 - 4.2.1 Each Chief Officer will receive a basic salary as defined by the Council's pay and grading structures commensurate with their levels of responsibility.
 - 4.2.2 Each Chief Officer role will be graded using the Hay Job Evaluation methodology based on the published role profiles and organisational structures.
 - 4.2.3 Each Chief Officer will receive the same local terms and conditions of employment as set out in the Plymouth Book for NJC (Green Book) employees, unless there are different provisions in the JNC for Chief Officers.
- 4.3 Recruitment and remuneration on engagement of Chief Officers
 - 4.3.1 Chief Officers will be remunerated within an evaluated banding for the role on commencement of service.
 - 4.3.2 As required by law, the appointment and remuneration of Strategic Directors, Assistant Chief Executive and Service Directors is determined by Members through the Chief Officer Appointments Panel, except where there is specific delegation otherwise through Council.
- 4.4 Increases and additions to remuneration for each Chief Officer
 - 4.4.1 The Council will review each role profile and remuneration of Chief Officers prior to any recruitment or at the creation or substantive change to the existing role.
 - 4.4.2 Increases to pay for Chief Officers on JNC for Chief Officers will occur through the national pay award.
 - 4.4.3 Chief Officers are appointed to a salary within a grade range.
- 4.5 Performance-related pay (PRP) for Chief Officers
 - 4.5.1 There is no performance-related pay or bonus scheme for Chief Officers. Chief Officers are subject to an annual performance review.
- 4.6 Chief Officer pay on termination of contract or end of office

4.6.1 Chief Officers will receive their contractual entitlement for termination payments. These entitlements are the same for NJC staff (Green Book). Where the Council is terminating the contract of employment, pay in lieu of notice (PILON) or paid leave may be granted dependent on the circumstances by the Service Director for Human Resources and Organisational Development.

4.6.2 Redundancy pay for Chief Officers is calculated at the statutory minimum.

4.6.3 Chief Officers may only be dismissed for reasons of ill health, redundancy or by the Chief Officer Dismissals Panel.

4.7 Benefits in Kind

4.7.1 Chief Officers do not receive any benefits in kind. Any benefits, gifts or hospitality must be properly authorised and recorded in accordance with the Officer's Code of Conduct.

4.8 Charges, fee and professional registrations

4.8.1 Professional fees and charges will be made on behalf of statutory officers and deputy statutory officers in respect of their requirement to be registered to practice with the relevant body.

4.9 Increases and enhancement to pension entitlement

4.9.1 The Council's Chief Officers are entitled to become members of the Local Government Pension Scheme (LGPS) or NHS Pension Scheme. Payments and entitlements are subject to LGPS Regulations or NHS Pension Scheme.

4.9.2 The Council does not enhance pensions or provide added years to Chief Officers beyond their basic entitlements.

4.9.3 Pension strain costs are borne by the Authority on the redundancy of a Chief Officer in line with all other employees. The Council policy limits the maximum cost of redundancy and pension strain to a maximum of three times the annual salary for payback or complies with legislation at the time. Any situation likely to exceed this amount will be resolved by the Council's Chief Officer Appointments Panel at the point of dismissal.

4.10 Other amounts payable

The award of other payments within the Council's pay policies will be agreed with the Chief Officer Appointments Panel and reported in the Statement of Accounts.

4.11 Chief Officer Policies

4.11.1 Policies adopted for application to the NJC staff (Green Book) will apply to Chief Officer with the exception of matters related to non-executive functions of the Council in relation to Chief Officers such as appointment, investigations and disciplinary action, employment appeals and dismissal.

4.12 Terms and conditions

4.12.1 Chief Officer terms and conditions will mirror those for NJC staff (Green Book). No more or less favourable terms or treatment shall be afforded to Chief Officers in respect of terms and conditions of employment.

4.13 Superannuation (Employer's pension contribution)

4.13.1 The rate of superannuation contributions is determined by the Local Government Pension Scheme Regulations or NHS Pension Scheme.

4.13.2 Superannuation payments are made by the employer into the Local Government Pension Scheme (LGPS)/NHS Pension Scheme. The rate of contribution is defined by the LGPS and is applicable to all employees (including chief officers). The latest Local Government Pension Scheme Regulations 2014 were introduced from 1 April 2014. There will be 9 employee contribution bandings between 5.5% and 12.5%. The LGPS employer contribution is 14.7% until 31 March 2020. The employer contribution for the NHS Pension Scheme is 20.6%.

4.14 Returning Officer Fees

4.14.1 The designation and duties of the Returning Officer and Electoral Registration Officer are independent of the Council. Officers undertaking these duties may claim for the appropriate allowance. The Council will designate the officer for these purposes.

5 **STAFFING RESOURCES**

5.1 The Council uses the following different staffing resources:

- a) Permanent staff on the establishment
- b) Temporary fixed term contracts to fill posts on the establishment
- c) Interims employed through service contracts to fill posts on the establishment
- d) Interims where there is no established post. For example, where temporary specialist skills are needed to undertake a time limited complex project.

6 **REMUNERATION OF INTERIM AND TEMPORARY STAFF**

6.1 When interim staff are required, the costs of these are subject to competitive marketplace processes and compliant with IR35. HR&OD officers are fully involved in all such employment arrangements and are aware of all interim appointments in order to assure quality.

7 CHIEF OFFICER APPOINTMENTS PANEL

- 7.1 The Chief Officer Appointments Panel has responsibility for the appointment and remuneration of Chief Officers except where there is specific delegation otherwise through Council. The Council will aim to pay for these services at a rate as close as possible to total employment costs of directly employed staff performing a comparable role, given prevailing market conditions.
- 7.2 Where the Chief Officer Appointments Panel makes a temporary or interim appointment to an established post, then the appointing person or body will have discretion to settle remuneration in line with current market factors.
- 7.3 For other posts where the Council requires an interim resource, which is not a Chief Officer, which may or may not be on the establishment, the Council will aim to pay for these services at a rate of pay as close as possible to total employment costs of directly employed staff performing a comparable role, given prevailing market conditions. However, the appointing person will have discretion to settle salary or fees in line with current market factors. Any such arrangements require authorisation from the Head of Paid Service, Service Director for HR&OD and Service Director for Finance.

8 CONTRACT FOR SERVICES

- 8.1 Where interim resources are determined to be required for a specific role within the Council that cannot be met through the existing establishment, a procurement process is followed to secure the relevant services. Typically sourcing is carried out through compliant frameworks or tendered in accordance with Contract Standing Orders. Procurement Officers are fully involved in these processes.
- 8.2 Unlike staff employed under contracts of employment, the relevant guidance from the Department for Communities and Local Government does not require such appointments to be approved by Council. However, where such posts are classified as Chief Officers for pay policy purposes, those posts should appear in the Statement of Accounts. To ensure that the Council is open and transparent it is proposed to provide details of any such contract where the daily rate equivalent paid by the Council to the contractor (and excluding procurement costs) exceeds £500 per day for duration of more than three months.

9 PUBLICATION

- 9.1 Upon approval by the Council, this statement will be published on the Council's Website and will also be available in additional formats by request.
- 9.2 Chief Officer remuneration (actual payments) will be reported in the Council's Annual Statement of Accounts.
- 9.3 Payments in respect of the use of interim management services are also available on the council website, where the daily rate equivalent paid by the Council exceeds

£500 per day for more than a period of three months. These payments include all agency fees, and exclude VAT.

9.4 In addition, for employees where the full time equivalent salary is £50,000 or more, excluding employer superannuation contributions, the Council's Annual Statement of Accounts will include the number of employees in bands of £5,000.

9.5 The Annual Statement of Accounts can be found here:

https://www.plymouth.gov.uk/sites/default/files/2018_19_Statement_of_Accounts_Audit_Committee.pdf

APPENDIX A

NJC Pay and grading scale 2019-20 (awaiting 2020/21 pay award)

GRADE	SCP	Salary	Hourly rate
A	1	£17,364	£9.00
	2	£17,711	£9.18
B	3	£18,065	£9.36
	4	£18,426	£9.55
C	5	£18,795	£9.74
	6	£19,171	£9.94
	7	£19,554	£10.14
D	8	£19,945	£10.34
	9	£20,344	£10.54
	11	£21,166	£10.97
	12	£21,589	£11.19
	14	£22,462	£11.64
E	15	£22,911	£11.88
	17	£23,836	£12.35
	19	£24,799	£12.85
	20	£25,295	£13.11
F	22	£26,317	£13.64
	23	£26,999	£13.99
	24	£27,905	£14.46
	25	£28,785	£14.92
G	26	£29,636	£15.36
	27	£30,507	£15.81
	28	£31,371	£16.26
	29	£32,029	£16.60
H	30	£32,878	£17.04
	31	£33,799	£17.52
	32	£34,788	£18.03
	33	£35,934	£18.63
	34	£36,876	£19.11
I	35	£37,849	£19.62
	36	£38,813	£20.12
	37	£39,782	£20.62
	38	£40,760	£21.13
	39	£41,675	£21.60
	40	£42,683	£22.12

GRADE	SCP	Salary	Hourly rate
J	41	£43,662	£22.63
	42	£44,632	£23.13
	43	£45,591	£23.63
	44	£46,549	£24.13
	45	£47,521	£24.63
	46	£48,497	£25.14
K	47	£49,491	£25.65
	48	£50,472	£26.16
	49	£51,435	£26.66
	50	£52,507	£27.22
	51	£53,472	£27.72
L	52	£54,448	£28.22
	53	£55,414	£28.72
	54	£56,382	£29.22
	55	£57,344	£29.72
	56	£58,317	£30.23

NB: SCP 10,13,16,18 and 21 are not used by Plymouth City Council as part of the 2019 assimilation process