

# PAY POLICY STATEMENT

2014/2015 Amended 31<sup>st</sup> March 2014



## 1.0 CONTEXT

- 1.1 As a co-operative council, 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 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 This statement refers to the Council's position in March 2014 relating to the financial year 2014/15.
- 1.5 The Senior Management Structure of the Council is under review and in a transition phase.
- 1.6 As a broad principle, the Council adopts the terms and conditions of employment for Chief Officers that apply to NJC staff (Green Book) and the local variations as set out in the Plymouth Book. Key Chief Officer terms and conditions were harmonised with NJC officers during 2011 resulting in a decrease in Chief Officer terms and conditions including annual leave entitlement.
- 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 employees, 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.
- 1.9 The Head of Paid Service (Chief Executive) is accountable to the City Council for the discharge of her duties.

## 2.0 INFORMATION

- 2.1 The Council's Chief Officer Structure is set out within the Constitution of the Council and the Constitution is updated with any changes to statutory posts.
- 2.2 All statutory roles are designated within the Chief Officer structure.

2.3 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 - There are also situations where it is more effective for the Council to engage temporary capacity where there is no established post. For example, where temporary specialist skills are needed to undertake a time limited complex project.

2.4 For the purposes of this Pay Policy Statement, the Council is required to define and set out the reasons for the definition of the lowest paid employee. The Council's pay and grading structure is set out in Appendix One.

2.5 The lowest paid worker is defined as those on the lowest spine point of Grade A, the Council's lowest pay grade (excluding apprentices). The remuneration of a Grade A at the authority (the lowest paid employee) is £12,435 (£14,847 inclusive of current superannuation on-costs). To address the low pay, the council has introduced the principles of a living wage, by adding a discretionary, non-contractual market supplement topping up to £7.45 per hour. This means that the FTE pay for the lowest paid worker is £14,373 (£17,161 inclusive of current superannuation on-costs). This rate will be reviewed in 2014/15.

2.6 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.

2.7 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.

### **3.0 FAIR PAY**

3.1 The Council has adopted a Living Wage by adding a discretionary, non-contractual market supplement.

3.2 This has achieved the ambition of the Council to reduce the pay differential between the highest and lowest paid staff to a ratio of 1:10 from 1:14 in 2012/13.

### **4.0 CHIEF OFFICER PAY POLICY**

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 level of responsibilities.

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 terms and conditions of employment as set out in the Plymouth Book for NJC (Green Book) employees.

4.2.4 Market supplements and additional payments for Chief Officers will be time limited to a maximum of two years from their commencement. Extensions beyond two years will require the approval of the Head of the Paid Service and will be reported as an exception to the Council's published Pay Policy Statement.

### **4.3 Recruitment and remuneration on engagement of Chief Officers**

4.3.1 As required by law, the appointment and remuneration of Chief Officers is determined by the Council members through the Chief Officer Appointment Panel.

Chief Officers will be remunerated at the evaluated grade for the role on commencement of service. Additional payments (not including relocation expenses) will be time-limited for a maximum of 2-years with terms of additional payments to be agreed by the Appointments Panel.

### **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 will occur through any national pay award to JNC for Chief Officers.

4.4.3 Chief Officers are appointed on spot salaries. There is no spine point progression for Chief Officers.

### **4.5 The use of performance-related pay (PRP) for Chief Officers**

4.5.1 There is no performance-related pay scheme for Chief Officers. Chief Officers are subject to an annual appraisal of performance.

### **4.6 The use of bonuses for Chief Officers**

4.6.1 There is no performance-related pay scheme for Chief Officers.

### **4.7 Chief Officer pay on termination of contract or end of office**

4.7.1 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 by the Assistant Director for Human Resources and Organisational Development.

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

4.7.3 Chief Officers may only be dismissed by a panel of Members (Councillors) within the Council's usual policies and procedures for disciplinary and dismissal.

### **4.8 Publication of and access to information relating to the remuneration of Chief Officers**

4.8.1 Chief Officer remuneration (actual payments) will be reported in the Council's Annual Statement of Accounts and made available on the Council's website through this statement as set out in Appendix Two.

## **4.9 Benefits in Kind**

- 4.9.1 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.

## **4.10 Charges, fee and professional registrations**

- 4.10.1 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 practise with the relevant body. No other charges, fees or registrations are paid by the Council outside of the Plymouth Book local terms for all NJC employees.

## **4.11 Increases and enhancement to pension entitlement**

- 4.11.1 The Council's Chief Officers are entitled to become members of the Local Government Pension Scheme (LGPS). Payments and entitlements are subject to LGPS Regulations.
- 4.11.2 The Council does not enhance pensions or provide added-years to Chief Officers beyond their basic entitlements.
- 4.11.3 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. Any situation likely to exceed this amount will be resolved by the Council's Appointments Panel at the point of dismissal.

## **4.12 Other amounts payable**

- 4.12.1 There are currently no other entitlements for additional payments for Chief Officers. The award of other payments with the Council's pay policies will be agreed with the Head of Paid Service.

## **4.13 Chief Officer Policies**

- 4.13.1 Policies adopted for application to the NJC staff (Green Book) will apply to Chief Officers 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.

## **4.14 Terms and conditions**

- 4.14.1 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.

## **4.15 Superannuation**

- 4.15.1 Superannuation is determined by the Local Government Pension Scheme Regulations.
- 4.15.2 Superannuation (pension) payments are made by the employer into the Local Government Pension Scheme (LGPS). The rate of contribution is defined by the LGPS and is applicable to all employees (including chief officers). The Local Government Pension Scheme

Regulations 2014 will be introduced from 1 April 2014. There will be 9 employee contribution bandings between 5.5% and 12.5%. The indicative employer contribution rate from 1 April 2014 will be increased to 20.1%, from 19.4%.

#### **4.16 Returning Officer Fees**

- 4.16.1 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 City Council will designate the officer for these purposes.

### **5. ENGAGEMENT & PAYMENT FOR TEMPORARY AND INTERIM SERVICES**

#### **5.1 Policy regarding remuneration of interims and temporary staff**

- 5.1.1 Where interim resources are determined to be required for a specific role within the Council, a procurement process is followed. Typically sourcing is carried out through the Managed Supplier arrangements provided by the Council's procured supplier, through UK Government Framework contracts tendered through OJEU processes, through other OJEU compliant frameworks, and through Council standard low value procurement processes. Procurement officers are fully involved in these processes.
- 5.1.2 When interims are required for a role, the costs of these are subject to competitive marketplace processes. HR/Procurement staff are fully involved, and aware, of all interim appointments in order to assure quality.

#### **5.2 Where a Chief Officer Appointments Panel appoints**

- 5.2.1 The Chief Officer's Appointments Panel has responsibility for the appointment, and remuneration, of Chief Officers and Deputy 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.
- 5.2.2 Where the Chief Officer's Appointments Panel make 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.

#### **5.3 For other posts**

Where the Council requires an interim resource, which is not a Chief Officer or Deputy Chief Officer, which may or may not be on the establishment. 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. However the appointing person will have discretion to settle salary or fees in line with current market factors. Any such arrangements require authorisation from Head of Paid Service and Assistant Director for Human Resources, Organisational Development and ICT.

## **6.0 Data**

Prior to the proposed amendment within this report the Council's pay policy statement for 2013/2014 did not contain the full data required. We have therefore produced updated data for 2013/14 which is detailed in Appendix 3 to the Pay Policy Statement.

## APPENDIX ONE

### Pay & Grading Structure

<u>Grade</u>	<u>SCP</u>	<u>April 2013</u>	<u>From January 2014 with discretionary non contractual living wage top up</u>
Grade A	5	£12,435	£14,373
	6	£12,614	£14,373
	7	£12,915	£14,373
	8	£13,321	£14,373
Grade B	9	£13,725	£14,373
	10	£14,013	£14,373
	11	£14,880	
	12	£15,189	
	13	£15,598	
Grade C	14	£15,882	
	15	£16,215	
	16	£16,604	
	17	£16,998	
	18	£17,333	
Grade D	19	£17,980	
	20	£18,638	
	21	£19,317	
	22	£19,817	
	23	£20,400	
Grade E	24	£21,067	
	25	£21,734	
	26	£22,443	
	27	£23,188	
Grade F	28	£23,945	
	29	£24,892	
	30	£25,727	
	31	£26,539	
Grade G	32	£27,323	
	33	£28,127	
	34	£28,922	
	35	£29,528	
Grade H	36	£30,311	
	37	£31,160	
	38	£32,072	
	39	£33,128	
	40	£33,998	

<b><u>Grade</u></b>	<b><u>SCP</u></b>	<b><u>April 2012</u></b>
<b>Grade I</b>	<b>41</b>	£34,894
	<b>42</b>	£35,784
	<b>43</b>	£36,676
	<b>44</b>	£37,578
	<b>45</b>	£38,422
	<b>46</b>	£39,351
<b>Grade J</b>	<b>47</b>	£40,254
	<b>48</b>	£41,148
	<b>49</b>	£42,032
	<b>50</b>	£42,915
	<b>51</b>	£43,811
	<b>52</b>	£44,711
<b>Grade K</b>	<b>53</b>	£45,629
	<b>54</b>	£46,532
	<b>55</b>	£47,420
	<b>56</b>	£48,408
	<b>57</b>	£49,298
<b>Grade L</b>	<b>58</b>	£50,198
	<b>59</b>	£51,089
	<b>60</b>	£51,980
	<b>61</b>	£52,869
	<b>62</b>	£53,766
<b>Chief Officer/Senior Grades</b>	<b>350</b>	£57,764
	<b>400</b>	£69,696
	<b>460</b>	£84,606
	<b>528</b>	£103,000
	<b>608</b>	£114,637
	<b>700</b>	£129,699
	<b>800</b>	£150,000

(SCP 1 – 4 are not used)



## APPENDIX TWO

### Chief Officer Pay and Remuneration

This table sets out the roles, pay and additional payments to statutory officers and officers in the senior management structure of the Council, as at 31 December 2013.

#### PRIOR TO SENIOR MANAGEMENT RESTRUCTURE

Role	Grade	Basic Pay	Additional Payments	Employer Pension Contribution*	Total Remuneration
Chief Executive	800	150,000	-	29,100	179,100
Director for People	700	129,699	-	25,161	154,861
Director for Place	608	114,637	-	22,240	136,877
Director for Corporate Services	608	114,637	-	22,240	136,877
Director of Public Health	528	103,000	-	19,982	122,982
<b>ASSISTANT DIRECTORS</b>					
Democracy and Governance	460	84,606	-	16,414	101,020
Human Resources and Organisational Development	460	84,606	-	16,414	101,020
Finance, Efficiencies, Technology and Assets	460	84,606	-	16,414	101,020
Customer Services	400	69,696	-	13,521	83,217
Joint Commissioning and Adult Social Care	460	84,606	-	16,414	101,020
Children's Social Care	460	84,606	5,397	17,461	107,464
Education, Learners and Families	460	84,606	13,394	19,012	117,012
Homes and Communities	400	69,696	-	13,521	83,217
Economic Development	460	84,606	-	16,413	101,020
Planning	400	69,696	-	13,521	83,217
Transport and Infrastructure	400	69,696	-	13,521	83,217
Environmental Services	460	84,606	-	16,414	101,020
Policy, Performance and Partnerships	400	69,696	-	13,521	83,217
<b>Deputy Statutory Officers</b>					
Head of Legal Services	350	57,764	-	11,206	68,970
Head of Finance	350	57,764	-	11,206	68,970

\* based on 2013/14 contribution rate of 19.4%. Indicative rate for 2014/15 is 20.1%

■ These posts were partially covered in 2013/14 through engaging interim support

## NEW SENIOR MANAGEMENT STRUCTURE FOR 2014/15

### Chief Officer Pay and Remuneration

This table sets out the roles, pay and additional payments to statutory officers and officers in the senior management structure of the Council, as at 1 April 2014.

Role	Grade	Basic Pay	Additional Payments	Employer Pension Contribution *	Total Remuneration
Chief Executive	800	150,000	-	29,100	179,100
Strategic Director for People	700	129,699	-	25,161	154,861
Strategic Director for Place	608	114,637	-	22,240	136,877
Strategic Director for Transformation and Change	608	114,637	-	22,240	136,877
Director for Public Health	528	103,000	-	19,982	122,982
Assistant Chief Executive	460	84,606	-	16,414	101,020
Assistant Director HR, OD & ICT	460	84,606	-	16,414	101,020
Assistant Director Finance	460	84,606	-	16,414	101,020
Assistant Director Customer Services	400	69,696	-	13,521	83,217
Head of Legal Services	400	69,696	-	13,521	83,217
Assistant Director Cooperative Commissioning and Adult Social Care	460	84,606	-	16,414	101,020
Assistant Director Children's Social Care	460	84,606	5,397	17,461	107,464
Assistant Director Education, Learning and Families	460	84,606	13,394	19,012	117,012
Assistant Director Homes and Communities	400	69,696	-	13,521	83,217
Assistant Director Economic Development	460	84,606	-	16,414	101,020
Assistant Director Strategic Planning	460	84,606	-	16,414	101,020
Assistant Director Street Services	460	84,606	-	16,414	101,020

\* based on 2013/14 contribution rate of 19.4%. Indicative rate for 2014/15 is 20.1%

■ These posts will be partially covered in 2014/15 through engaging interim support

## APPENDIX THREE

Contractual payments made in respect of interim management services.

### 2013/14 Data

This table sets out the payments made during the period April 2013 to March 2014 in respect of the use of interim management services 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.

#### **Interims for Chief Officer and Deputy Chief Officer roles:**

Contracting organisation	Role(s) contracted for	Payments made April 2013 to March 2014 *
Pertemps	Interim Director, Corporate Services	124,000
Pertemps - SOLACE	Interim Assistant Director for Street Services	39,000
NEW Devon CCG (shared arrangement)	Interim Assistant Director for Human Resources and Organisational Development	14,000
Pertemps	Interim Director of Public Health	82,000
Pertemps	Head of Portfolio Office (Transformation)	75,000
Methods Consulting Ltd	Head of Business & Technology Architecture (Transformation)	24,000

Where specific skills are required for a period of time, the Council may engage senior managers under contracts for services. The Council will aim to pay for these services at a rate as close as possible to the total employment costs of directly employed staff performing a comparable role, given prevailing market conditions.

#### **Interims used for non Chief Officer or Deputy Chief Officer roles:**

Contracting organisation	Role(s) contracted for	Payments made April 2013 to March 2014 *
Pertemps	Business Architect	50,000
Harvey Nash Plc	Business Architect	25,000
Methods Consulting Ltd	Organisational Development Specialist	29,000
Pertemps	Programme Manager (Transformation)	41,000
Methods Consulting Ltd	Programme Manager (Transformation)	41,000
Methods Consulting Ltd	Programme Manager (Transformation)	35,000
Pertemps	Programme Manager Shared Services	28,000
Pertemps	Transformation Programme Manager	25,000

\* April 13 to February '14 actual spend - March '14 figures based on estimated spend (rounded to nearest £000)

Engagement of interims throughout 2014/15, in line with the Pay Policy Statement, will be reported to Council as part of on-going budget monitoring.