

Swindon Borough Council

Pay Policy Statement 2013-14

Introduction

This statement sets out the Council's policies in relation to the pay of its workforce (excluding schools), particularly its Chief Officers, in line with Section 38 of the Localism Act 2011. The statement is approved by Full Council each year and published on the Council's website demonstrating an open and transparent approach to pay policy.

This statement draws together the Council's policies relating to the payment of the workforce particularly

- Chief Officers;
- Its lowest paid employees; and
- The relationship between the pay of Chief Officers and the pay of other employees.

Objectives of the statement

This Statement sets out the Council's key policy principles in relation to pay evidencing a transparent and open process. It does not supersede the responsibilities and duties placed on the Council in its role as an employer and under employment law. These responsibilities and duties have been considered when formulating the Statement.

This Statement aims to ensure the Council's approach to pay attracts and retains a high performing workforce whilst ensuring value for money. The Council's aims are to ensure that remuneration policies are fair to staff, across all posts, and that they comply with all legal obligations, such as the Equal Pay Act. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency. Further details on this information can be found on the Council's website under [Open Data and Transparency](#).

Transparency and autonomy

The Council recognises and welcomes the aim behind this pay policy statement to ensure that its approach to pay is accessible for all and to enable local people to take an informed view of whether local decisions on all aspects of remuneration are fair and make the best use of public funds.

It also welcomes the government's recognition that each local authority remains an individual employer in its own right and, as such, has the autonomy to make decisions on pay that are appropriate to local circumstances and deliver value for money for local taxpayers.

The Council is under statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation e.g. Equalities Act. The Council will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post. The Council will therefore consider all applications for candidates to try to ensure the best available candidate is appointed.

If a candidate is a former employee in receipt of a Local Government Pension Scheme pension or a redundancy payment this will not rule them out from being re-employed by the Council. Clearly where a former employee left the Council on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist. The Council will apply the provisions of the Redundancy Payments Modification order regarding the recovery of redundancy payment if this is relevant. Pensions Regulations also have provisions to reduce pension payment in certain circumstances to those who return to work within the local government service.

Chief Officers

Chief Officers have been defined as the posts of:

- Chief Executive – Head of Paid Service
- Statutory and non-statutory Chief Officers (a person for whom the head of the authority's paid service is directly responsible), ie:
 - Board Director – Commissioning (DCS/DASS)
 - Board Director – Localities
 - Board Director – Service Delivery
 - Board Director – Resources and Section 151 Officer
 - Director of Law and Democratic Services – Monitoring Officer
 - Change Leader & Programme Director Stronger Together
 - Head of Internal Audit
 - Director of Public Health
- All Deputy Chief Officers (a person who reports directly to or is directly accountable to one or more of the statutory or non-statutory Chief Officers), ie:
 - All Tier 2 posts at Head of Service Level

Identified Chief Officer roles and salaries can be found on the Council's website under [Open Data and Transparency](#).

New Appointments

In addition to publication of the pay policy statement, Full Council, or a meeting of Members, should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee to which the officer is entitled as a result of their employment.

The Secretary of State considers that £100,000 is the right level for that threshold to be set. In Swindon, this approach will be applied for all roles graded at Director 5 and above. Please see Appendix 1 for the Council's grading structure and pay scales. This will apply to the Chief Executive and all Board Directors, and will be applied for new appointments made after 1 April 2012.

The Special Committee has delegated powers to make decisions for the Full Council on the advice of the Chief Executive on any policy or particular matters that are urgent and considered necessary in the best interests of the Council.

Process for setting pay of Chief Officers including Pay Progression and Performance Bonus

Pay for Chief Officers is set in line with the [Executive Pay Strategy](#) as agreed by Full Council in June 2005. In addition, any new appointments to Director 5 and above from 1 April 2012, will have their salaries agreed by Members. The Council's grading structure and pay scales can be found at Appendix 1.

The Executive Pay Strategy also provides details on the Performance Bonus Scheme for those on Executive contracts. It should be noted that no Performance Bonus Payments have been taken since 2009 and it is not anticipated that any payments will be taken for the year 2013 / 2014.

Pay relationships

Pay of the council's lowest paid employees

The definition of the "lowest-paid employees" adopted by the Council for the purposes of this statement is as follows:

The lowest paid employees within the Council are those substantive employees who are paid on the minimum salary point of the Council's substantive pay structure, i.e. point 1 of Grade J.

The current annual full-time equivalent value of this pay level, based on a 37 hour standard working week, for the financial year 2013/14 is £12,145 pa (£6.30 per hour). This figure has not increased since April 2010 when the Council implemented a new pay structure as part of its Pay and Grading Review. If any national pay award is agreed for 2013/14, this figure will be adjusted accordingly.

The Council considers this to be the most appropriate definition as this is the lowest pay point/pay level on its substantive pay structure and which normally applies to

new entrants to the lowest graded jobs within the organisation. The exception is staff who are employed on a government sponsored apprenticeship programme that allows for staff to be paid at nationally agreed apprenticeship rates.

The tables below show the relationship between the highest and lowest paid employees. The highest rate of pay in the first table is based on the Chief Executive's substantive rate of pay:

Highest Pay	£178,457.00
Mean Pay	£23,435.30
Median Pay	£19,003.00
Lowest Pay	£12,145.00
Ratio of Mean to Highest	1 : 7.6
Ratio of Median to Highest	1 : 9.4
Ratio of Lowest to Highest	1: 14.7 (to be checked)

The Chief Executive has taken a voluntary reduction in pay and the table below reflects this reduced rate implemented from 1st April 2012, however in a redundancy situation, the highest payment indicated in the table above would come into effect.

Highest Pay	£161,003.00
Mean Pay	£23,435.30
Median Pay	£19,003.00
Lowest Pay	£12,145.00
Ratio of Mean to Highest	1 : 6.9
Ratio of Median to Highest	1 : 8.5
Ratio of Lowest to Highest	1 : 13.2 (to be checked)

Definitions

Mean = average pay of Swindon Borough Council (ie total pay for substantive employees divided by the number of substantive employees)

Median = middle amount pay of Swindon Borough Council (between the highest and lowest amounts)

The rates of pay above do not include any pension contributions. Information about the pension schemes and contribution rates can be found on pages 6 and 7.

The ratio between the two salaries above, the 'pay multiple' is **(X)**.*(to be inserted once the final pay figures, as at 1 April 2013, confirmed)* This Council does not have a policy on maintaining or reaching a specific 'pay multiple', however the council is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the Council as expressed in this policy statement.

The Council's approach to payment of other staff is to pay that which the Council needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at that time, and to ensure that the Council meets any contractual requirements for staff including the application of any local or national collective agreements, or Council decisions regarding pay.

Pay increases

The Council will apply any annual pay increases that are agreed by relevant national negotiating bodies and / or any pay increases that are agreed through local negotiations. Where a change in the duties of the post is significant a revised job description will be submitted for re-evaluation in accordance with the Council's approved job evaluation scheme.

Further information about the Council's approved job evaluation scheme can be found on page 5.

Terms and Conditions

The Council reviewed its employees' pay, grading and terms and conditions when it implemented a new pay structure in 2010. The Council wanted to ensure that the new [pay structure](#) and [terms and conditions](#) were modern, fair and compliant with equal pay legislation. It was applied to all groups of employees, with the exception of:

- Chief Executive, Board Directors and Directors
- Staff employed on Soulbury terms and conditions
- Youth workers on JNC for Youth and Community Workers terms and conditions
- Teachers

All other groups of employees are covered by separate national terms and conditions of employment.

Job Evaluation

Jobs have been linked to a job evaluation carried out using either the National Joint Council (NJC) job evaluation scheme or the Hay Evaluation Scheme.

Hay

The Hay Job Evaluation Scheme is widely used in both public and private sectors, primarily for managerial, administrative and clerical roles, but in some cases for all jobs within user organisations.

Jobs have been evaluated by trained assessors. A trained evaluation panel evaluates jobs against each of the elements within the scheme using detailed job descriptions. The outcome of the evaluation assigns a profile and points score that shows the total size of the job.

All jobs from grade Q and above, including Chief Officers, are graded using the Hay Job Evaluation scheme.

NJC Evaluation Scheme

The NJC scheme comprises 13 factors of various weightings. The scheme was jointly developed and agreed between the local authority employers and the unions. A trained evaluation panel evaluates jobs against each of the elements of the scheme using detailed job descriptions. The outcome of the evaluation assigns a points score that shows the total size of the job. The points score enables jobs to be placed in a rank order with other jobs in the organisation.

All jobs from grade N and below are graded using the NJC Evaluation scheme.

Pay Progression

From April 2010, staff have not been entitled to automatic incremental pay progression. Since this time, there has been an option for the Council to apply pay progression, however, due to financial reasons no pay progression has been applied.

Staff have also not received a national cost of living pay award since 2009.

Pay progression for those on Executive Contracts is outlined in [The Executive Pay Strategy](#).

Honorariums and Higher Duty Pay

Staff on any grade may be awarded an honorarium payment or a higher duty Allowance if they meet the criteria for either payment. The Council has a policy covering Honorariums and Higher Duty Pay. This could apply to Chief Officers.

Election Payments

Payments made to staff (including the Returning Officer and the Deputy Returning Officer) working during local, parliamentary or European elections or referenda are made in line with either the statutory fees or a local scale of fees agreed in consultation with Wiltshire Council. This could apply to Chief Officers.

Market Factor Supplements

All employees are appointed to posts, which have been evaluated and graded through either the NJC or Hay job evaluation scheme. Salaries are linked to the grading structure.

External labour market conditions can produce a situation in which staff with scarce skills and expertise can command higher salaries than the maximum provided under the current grading mechanism for that post. In these circumstances, based on evidence from the relevant labour market, it may be deemed appropriate to pay an additional Market Factor Supplement in addition to basic pay.

The relevant labour market may include another local authority or elsewhere in the public or private sectors. Market factor supplements are not linked to an individual's actual or anticipated performance within the role. They are linked to the difficulty in

recruiting to certain posts requiring specific skills or qualifications. The Council has produced guidance for employees on Market Factor Supplements.

Local Government Pension Scheme (LGPS)

The Council offers all its employees access to the Local Government Pension Scheme, in accordance with the statutory provisions of the scheme.

Any pension payments made on termination of employment either on grounds of redundancy, in the interests of the efficiency of the service or on grounds of ill health will be made within the statutory terms of the LGPS.

The discretions which the Council is able to apply under the scheme upon termination of employment are the same for senior employees as for all other employees who are LGPS members.

Employee contribution levels vary between 5.5% - 7.5%. The following pay ranges will apply to contribution rates (as of April 2012):

Band	Whole time equivalent pay rate	Employee contribution rate	Employer contribution rate
1	£0 to £13,500	5.5%	15.4%
2	£13,501 - £15,800	5.8%	15.4%
3	£15,801 - £20,400	5.9%	15.4%
4	£20,401 - £34,000	6.5%	15.4%
5	£34,001 - £45,500	6.8%	15.4%
6	£45,501 - £85,300	7.2%	15.4%
7	Above £85,300	7.5%	15.4%

The benefits of the LGPS scheme for all members include:

- A tiered ill health retirement package if employees have to leave work at any age due to permanent ill health. This could give employees benefits, paid straight away, and which could be increased if they are unlikely to be capable of gainful employment within 3 years of leaving.
- Early payment of benefits if employees are made redundant or retired on business efficiency grounds at age 55 or over.
- The right to voluntarily retire from age 60, even though the Scheme's normal pension age is 65. Employees can retire from as early as age 55, provided the employer agrees.
- Flexible retirement from age 55 is employees reduce their hours, or move to a less senior position. Provided the employer agree, employees can draw all of their benefits – helping them ease into their retirement.

Further information about the LGPS can be found on the [pensions website](#).

NHS Pension Scheme

The council also have employees who were transferred from the NHS. As part of the transfer agreement (TUPE), these employees were able to keep their NHS pension scheme and continue to contribute into that scheme.

The NHS Pension Scheme has undergone significant changes that became effective on 1 April 2008. [Members Guide - SD Guide \(PDF 919kb\)](#) provides further information on this

Allowances

The implementation of the Pay and Grading Review in 2010 allowed for a review of the Council's allowances. This ensured that:

- Principles of equality have been applied
- Allowances reflect the current market and business needs
- Allowances are consistently applied

An allowance is a payment made to staff by the Council that is not part of the basic contracted salary. Allowances are subject to taxation rules provided by the Inland Revenue and some are pensionable. Guidance about allowances is available for employees.

Reimbursement of Subsistence or Other Expenses

In accordance with the requirements of the National Conditions of Service, the Council makes provision for the reimbursement of approved expenses. The Council has produced guidance for employees on travel and subsistence and this applies equally to all staff, irrespective of grade.

Flexible Retirement, Early Retirement and Redundancy Payments Policy

On termination, redundancy payments and any discretion exercised in relation to retirement or redundancy will be paid in line with the Council's Policy on Flexible Retirement, Early Retirement and Redundancy Payments Policy.

The Council may, in certain circumstances, also apply its discretionary powers in relation to premature retirements and redundancies for Chief Officers. This approach is in line with Part 4 paragraph 85 of the Chief Officers of Local Authorities, Constitution Conditions of Service Salaries which states that "Authorities should bear in mind the possible application of discretionary powers of premature retirement and permissible enhancements of benefits or redundancy payments".

Termination Payments

The Council does not provide any further payment to employees leaving the Council's employment other than in respect of payment for accrued leave, if agreed that it is not possible to take this leave before the date of leaving. Any other

payments that are agreed or negotiated will be done so in line with current employment law practices.

The Council needs to retain the flexibility as regards re-employing former local government employees. Such an occurrence would be considered very much the exception rather than the rule. If the Council were to re-employ a previous local government employee who had received a redundancy or severance package on leaving, or who was in receipt of a pension covered by the Redundancy payments (Continuity of Employment in Local Government Modification order 1999, known as the Modification Order) (with the same or another authority), then the Council's policy is to ensure that the rules of the Modification Order are applied. In addition the council will ensure that an open and fair selection process has taken place before any appointment is confirmed. The same principle would be applied to such a person if there were to be engaged by the Council on a "contract for services" basis.

Removal/Relocation expenses

Where senior employees need to move house in order to take up an appointment with the Council, the Council will reimburse their removal, legal and other associated relocation costs in accordance with its policy, which sets maximum limits on the levels of payment. The Council's policy requires repayment in part or in full if the employee leaves within 5 years of appointment.

Amendments to this pay policy statement

This pay policy statement relates to the financial year 2013/14. Information on our workforce will be published after 1st April 2013 for the financial year.

The statement will be updated annually but may be amended during the year, with agreement by Full Council, if the need arises.

Publication of and access to information

The Council will publish this pay policy statement on its website at www.swindon.gov.uk as soon as is reasonably practicable after it has been approved by the Council. Any subsequent amendments to this pay policy statement made during the financial year to which it relates will also be similarly published.

For further information about this pay policy statement please contact the Council's Head of People and Development at nhouwayek@swindon.gov.uk.