

Swindon Borough Council Pay Policy Statement 2014

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.

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 Equality Act 2010. 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. The 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 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.

Amendments to the pay policy statement

This pay policy statement relates to the financial year 2013/14. Information on the Council's workforce will be published after 1st April 2014 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 Full 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 & Development at nhouwayek@swindon.gov.uk.

Structure Overview

As of 1st April 2014 the council employs x employees (excluding schools) and provides a wide range of functions. . With effect from 1st November 2013, 556 employees from Swindon Commercial Services Ltd were transferred to the council under Transfer of Undertakings (Protection of Employment) Regulations (TUPE). These employees were integrated into the various service areas, according to their roles and responsibilities. This resulted in various restructures taking place within these areas.

The service areas are gathered together in the following groupings:

Chief Executive

The Chief Executive is the lead policy advisor to the Council and supports Councillors to make decisions on behalf of the community, and to develop plans for the future of Swindon. The service areas that report directly to the Chief Executive include Internal Audit, Communications and Insight and Localities. Further information about the [Chief Executive](#) can be found on the council's website.

Commissioning

Commissioning is the process of identifying the needs and resources within the population and developing policy direction, service models and the market to meet those needs in the most appropriate and effective way. Effective commissioning is a key route to achieving the Council's Priorities.

The service areas that support Commissioning include Public Health, Adults Services, Economy / Attainment, Children & Families, Law & Democratic Services and Strategy & Research. The current Board Director Commissioning also holds statutory roles and risk for Director of Adult Social Services (DASS) and Director of Children Services (DCS).

Service Delivery

Service Delivery is accountable for joined-up delivery across all service areas, partners and providers leading to effective delivery of statutory, support and commercial services to agreed outcomes.

The service areas that support Service Delivery include Commercial Services, Public Protection & Streetsmart, Leisure, Libraries, Traded Services & Culture, Housing Services, Highways & Transport, Planning and Business Services Support. .

Resources

Resources are the enabling function of the council.

The service areas that support Resources include Property Assets, Revenues & Benefits, Design & Architecture, Finance & Strategic Programmes, People & Development and Strategic Projects (Wichelstowe). The current Board Director Resources is also the S151 Officer for the Council.

Localities

The Localities team supports our commitment to Ward Members and to put people first. We want to understand what matters most to residents and communities and to work alongside people to make good things happen for Swindon.

There are seven Localities in Swindon. Each Locality is chaired by a local Ward Member and has an Officer Lead, a Locality Lead and a Locality Facilitator, working out in the community. The Localities team spend time supporting local Ward Members, meeting local people and working to bring the Stronger Together vision to life in local areas.

The Council's [organisation chart](#) can be found on the Council's website.

Senior Officers

This section provides information on the Council's Senior Officers.

- Definition
- New Appointments and Pay
- Terms and Conditions

Definition

Senior 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 Paid Service has direct responsibility), ie:
 - Board Director – Commissioning (DCS/DASS)
 - Board Director – Service Delivery
 - Board Director – Resources and Section 151 Officer
 - Director of Law and Democratic Services – Monitoring Officer
 - Stronger Together Programme Director & Head of Localities
 - 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 and Pay

In relation to Senior Officers, 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.

There are 5 levels in Swindon's Executive pay structure as detailed below (as from 2011 / 2012):

Level	Salary Range	
	Minimum	Maximum
CEO	£147,400	£183,700
Board Director	£115,200	£138,000
Director 5	£95,100	£113,900
Director 4	£78,500	£94,000
Director 3	£64,900	£77,700

This applies to the Chief Executive and all Board Directors for new appointments made after 1st April 2012.

The Special Committee has delegated powers to make decisions for 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

As agreed by Full Council in June 2005, and updated by Special Committee in November 2013, pay for Senior Officers is set in line with the Executive Pay Strategy. A copy of the Executive Pay Strategy can be found on the Council's website.

In addition, any new appointments at Level Director 5 and above, from 1st April 2012, will have their salaries agreed by Members.

Pay relationships

This section provides information on the following:

- Lowest Paid Employees
- Highest to Lowest Pay
- Pay Increases
- National Average
- Terms and Conditions
- Job Evaluation

- Pay Progression
- Equal Pay

Lowest Paid Employees

It was nationally agreed that with effect from 1st October 2013, Spinal Column Point (SCP) 4 would be removed from the pay scales, making the minimum of the National NJC scale (SCP 5) £6.44per hour. The Council has implemented a higher minimum salary point (Point 2 of our Grade J), which equates to £6.58 per hour or £12,702 pa, based on a 37 hour standard working week. This is above the national minimum wage of £6.31per hour. Should the minimum wage be increased to a level above the minimum rates outlined above, a new minimum level of pay will be negotiated and implemented.

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.”

The Council considers this to be the most appropriate definition as this is the lowest pay point and 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 employees who are employed on a government sponsored apprenticeship programme that allows for them to be paid at nationally agreed apprenticeship rates.

Apprentices are paid from the first day of their apprenticeship and they’re entitled to the [National Minimum Wage](#). The current [National Minimum Wage](#) rate for an apprentice is £2.68 per hour. This rate applies to apprentices aged 16 to 18 and those aged 19 or over that are in their first year. Apprentices aged 19 or over who have completed their first year must be paid at least the minimum wage rate for their age. Please see the table below:

Year	Age 21 and over	Age 18 – 20	Under 18	Apprentice *
October 2013	£6.31	£5.03	£3.72	£2.68

*This rate is for apprentices under 19 or those in their first year. Those aged 19 or over and past the first year will receive the rate that applies to their age.

A copy of the Council’s pay scales can be found at Appendix 1 at the end of this statement.

Highest to Lowest Paid Employees

The tables below indicate the relationship between the highest and lowest paid employees.

The Chief Executive's substantive rate of pay is £178,457. He has, however, taken a voluntary reduction in pay and the table below reflects this (implemented from 1st April 2012). However, if the Chief Executive was in a redundancy situation, then any financial calculations would be based on his substantive rate of pay.

Highest Pay	£161,003.00
Mean Pay	£26,256.68
Median Pay	£24,392.00
Lowest Pay	£12,145.00
Ratio of Mean to Highest	1 : 6.1
Ratio of Median to Highest	1 : 6.6
Ratio of Lowest to Highest	1 : 13.3

Definitions

Mean	Total pay for substantive employees divided by the number of substantive employees.
Median	The middle amount pay of Swindon Borough Council (between the highest and lowest amounts).

The above rates of pay do not include any pension contributions. Information about the pension schemes and contribution rates can be found on pages 12 -14.

The recommendation of the Hutton Report into "Fair Pay in the Public Sector", as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation should be published.

The ratio between the highest paid salary and median average salary, the 'pay multiple' is 1:6.6. The 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 but is consistent with the needs of the Council as expressed in this policy statement.

The Hutton Review raised concerns about multiples in the order of 1:20 or higher, between the lowest and the highest paid employees in local authorities. The Council's current ratio of lowest to highest is 1:13.3 and so is well below that level. .

Pay increases

The Council will apply any annual pay increases that are agreed by relevant national negotiating bodies.

In April 2010, the Council implemented a new pay structure as part of its Pay and Grading Review. Since the review, there have been no pay award increases until it was agreed, at national level, that a 1% pay increase be awarded to the majority of employees (this increase did not apply to those on Chief Officer terms and conditions of employment). This came into effect in August 2013 with pay backdated to 1st April 2013.

Where it has been recognised that a role has changed due to responsibilities, job content, redesign of the post, for example, a revised role profile will be submitted for re-evaluation in accordance with the Council's approved job evaluation schemes. Further information about the Council's approved job evaluation schemes can be found on page 9.

Living Wage

Swindon Borough Council has not implemented the Living Wage. We are keen to support lower paid staff, as demonstrated by our lowest rate of pay being higher than the minimum wage and the national minimum for NJC graded staff. However, the Council is in an ongoing, challenging financial position and is required to manage its budgets as effectively as possible. As the Living Wage is set externally, to commit to the Living Wage would mean that we have no control over any future increases. We will keep this position under regular review.

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

The Council's approach to pay is that pay related to a job grade which will be determined using a recognised job evaluation scheme. Jobs evaluated using either the Hay Evaluation Scheme or the National Joint Council (NJC) job evaluation scheme.

In the sections below, it indicates the differences between these two schemes and in what circumstances they are used.

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 role profiles. The outcome of the evaluation assigns a profile and points score that shows the total size of the job.

All jobs from Q Grade 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.

All roles are evaluated using either scheme; however the Council sets its own pay line.

A copy of the Council's pay scales can be found at Appendix 1 at the end of this statement.

Pay Progression

From April 2010, employees 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.

However, as mentioned previously, with effect from April 2013, it was agreed nationally that a 1% pay increase be awarded to employees. This was not applicable to those on Chief Officer terms and conditions of employment.

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

Pay Policies and Procedures

The following section provides information on the pay policies and procedures that the council have in place. This includes the following:

- Allowances
- Reimbursement of Subsistence or other Expenses
- Flexible Retirement, Early Retirement and Redundancy Payments
- Termination Payments
- Removal / Relocation Expenses
- Honorariums and Higher Duty Pay

- Election Payments
- Market Factor Supplements

Allowances

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.

As part of the new pay and grading structure that was implemented in April 2010, allowances paid to employees were also reviewed and a new allowance structure was put into place.

A copy of the Allowances Guidance can be found on the Council's website.

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.

A copy of the Travel & Subsistence Policy can be found on the Council's website.

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. A copy of which can be found on the Council's website.

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.

Relocation expenses

The aim of the scheme is to provide financial recompense to employees who need to move their main residence to take up an appointment with the Council. This scheme

does not cover the purchase of a second property. Eligibility criteria will also apply, including the decision to offer relocation will be made prior to the post being advertised, with Board Directors having discretion to offer relocation. Relocation expenses limited to below £8,000 may be offered but this should be stated when the post is advertised. The Council's policy requires repayment in part or in full if the employee leaves within 3 years of appointment.

A copy of the Relocation Policy can be found on the Council's website.

Honorariums and Higher Duty Pay

Employees 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 does not apply to Chief Officers. A copy of this policy can be found on the Council's website.

Election Payments

Payments made to employees (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.

A copy of the Polling Station Duties guidance can be found on the Council's website.

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 which can be found on the Council's website. The policy is not applicable to Chief Officers.

Pensions

This section includes information the following:

- Auto-Enrolment
- Local Government Pension Scheme
- Changes to the Local Government Pension Scheme
- NHS Pension Scheme

Auto Enrolment

Due to recent legislation ([The Pensions Act 2011](#)) there is a requirement for all employers in the UK to automatically enroll their workers into a qualifying pension scheme where they are not currently a member. Employees, who meet the criteria below and are currently not in a workplace pension, will automatically be enrolled into the [Local Government Pension Scheme \(LGPS\)](#) or [Teacher's Pension Scheme \(TPS\)](#):

- Earn over £9,440* per year (or pro-rata pay period);
- Are age 22 or over; and
- Are under State Pension Age

The aim of the legislation is to encourage people to save towards their retirement and have enough income to enjoy it.

Swindon Borough Council will be implementing auto-enrolment in September 2017. However, employees can still opt to join the relevant pension scheme at any time. This has been clearly communicated to employees.

Any employee who transferred from Swindon Commercial Services Ltd to the Council on 1st November 2013, who were not in any pension at all, were automatic enrolled into the LGPS on 1st November 2013.

Pension Schemes

Local Government Pension Scheme (LGPS)

The Council offers all its employees access to the [Local Government Pension Scheme \(LGPS\)](#), 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.

Changes to the Local Government Pension Scheme (LGPS)

With effect from 1st April 2014 the Local Government Pension Scheme changed. The table below shows the main provisions of the new 2014 scheme compared with the 2008 scheme.

	LGPS 2008	LGPS 2014	
Basis of pension	Final salary	Career Average Revalued Earnings (CARE)	
Accrual rate	1/60 th	1/49 th	
Pensionable pay	Pay excluding non-contractual overtime and non-pensionable additional hours.	Pay including non-contractual overtime and additional hours for part time staff.	
Contribution flexibility	No	Yes, members can pay 50% contributions for 50% of the pension benefit.	
Normal pension age	65	Equal to the individual member's State Pension Age (minimum 65).	
Qualifying period for benefits	3 months	2 years	
Contribution rates (the new rates have not yet been confirmed and are included as a guideline only. Please note: 2008 contribution rates are based on your whole-time equivalent pay whereas the 2014 contribution rates will be based on actual salary).	Pay Bands		Contribution Rates
	£0 to £13,500		5.5%
	£13,501 - £15,800		5.8%
	£15,801 - £20,400		5.9%
	£20,401 - £34,000		6.5%
	£34,001 - £45,500		6.8%
	£45,501 - £85,300		7.2%
	Above £85,300		7.5%
	Up to £13,500		5.5%
	£13,501 - £21,000		5.8%
	£21,001 - £34,000		6.5%
£34,001 - £43,000		6.8%	
£43,001 - £60,000		8.5%	
£60,001 - £85,000		9.9%	
£85,001 - £100,000		10.5%	
£100,001 - £150,000		11.4%	
More than £150,000		12.5%	
Lump sum option	Trade £1 of pension for £12 tax-free lump sum	Trade £1 of pension for £12 tax-free lump sum	
Death in service lump sum	3 x pensionable pay	3 x pensionable pay	
Death in service survivor benefits	1/160 th accrual based on Tier 1 health pension enhancement	1/160 th accrual based on Tier 1 ill health provision enhancement.	
Ill health provision	Immediate access to benefits depending on severity of the condition.	Immediate access to benefits depending on severity of the condition.	

These changes only apply to England and Wales. All Local Government Pension Scheme pensions built up before 1st April 2014 will be protected. Further information about the changes can be found on the [Local Government Pension Scheme 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.

Further information about the [NHS Pension Scheme](#) can be found on their website.

Appendix 1

Pay Scales: 2013 / 2014

NJC Pay Grades			2013-14	
Grade	Point	Payroll Point	New Rate	Hourly Rate
J	1	1	12,266.00	6.36
	2	2	12,702.00	6.58
	3	3	13,139.00	6.81
	4	4	13,574.00	7.04
	5	5	14,009.00	7.26
K	1	6	14,383.00	7.46
	2	7	15,072.00	7.81
	3	8	15,761.00	8.17
	4	9	16,449.00	8.53
	5	10	17,138.00	8.88
L	1	11	17,546.00	9.09
	2	12	18,370.00	9.52
	3	13	19,193.00	9.95
	4	14	20,017.00	10.38
	5	15	20,840.00	10.80
M	1	16	21,218.00	11.00
	2	17	22,073.00	11.44
	3	18	22,927.00	11.88
	4	19	23,781.00	12.33
	5	20	24,636.00	12.77
N	1	21	25,094.00	13.01
	2	22	25,962.00	13.46
	3	23	26,829.00	13.91
	4	24	27,696.00	14.36
	5	25	28,563.00	14.80

Hay Pay Grades				
Q	Q1		28,920.00	
			33,587.00	mid point
			38,254.00	
R	R1		32,671.00	
			38,158.00	mid point
			43,643.00	
S	S1		37,132.00	
			43,426.00	mid point
			49,719.00	
T	T1		43,372.00	
			49,748.00	mid point
			56,123.00	
U	U1		48,821.00	
			55,660.00	mid point
			64,741.00	

**Executive
Pay Scales
2013/14**

Level	Salary Range	
	From	To
CEO	£147.4k	£183.7k
Board Director	£115.2k	£138.0k
Director 5	£95.1k	£113.9k
Director 4	£78.5k	£94.0k
Director 3	£64.9k	£77.7k