

## **Pay Policy Statement - Cotswold District Council 2016/17**

### **1.0 Background**

1.1 This statement is intended to meet the requirements of s 38 (1) of the Localism Act 2011 which requires the Council to approve a Pay Policy Statement annually prior to the commencement of the financial year.

1.2 The Council's obligations under the associated statutory guidance set out in the Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act (February 2012) together with the Local Government Transparency Code 2015.

### **2.0 Scope of this Policy Statement**

2.1 To avoid confusion and provide transparency this statement will apply to all officers that are employees of Cotswold District Council and either Chief Officer or Heads of Service - this may go further than the statutory definition required.

2.2 The current statement sets out the following elements:-

- pay for each of the in scope officers;
- remuneration of lowest paid officer;
- the pay relationship between Chief Officers and other officers;
- other aspects of remuneration, namely: recruitment, increases in remuneration, performance related pay and bonuses, termination payments, transparency.

### **3.0 Officers covered by the Policy Statement**

3.1 Below is a list of those Officers covered by the Policy Statement:

- 2020 Programme Director employed by Cotswold District Council but shared and financed through 2020 Programme
- Strategic Director (Development Planning and Communities) employed by Cotswold District Council but shared with West Oxfordshire District Council
- Head of Democratic Services
- Head of Planning and Strategic Housing

3.2 The following Officers operate within the 2020 Partnership between West Oxfordshire District Council, Cotswold District Council, Forest of Dean District Council and Cheltenham Borough Council:

- Group Manager GO Shared Services (and s 151 officer Cotswold)
- Group Manager Land, Legal and Property

3.3 Officers employed by West Oxfordshire District Council but seconded via joint working arrangements to Cotswold District Council are included in West Oxfordshire District Council's statement. This includes the Shared Lead Strategic Director who fulfils the role of Head of Paid Service for Cotswold District Council as well as West Oxfordshire District Council.

#### 4.0 General Statements

4.1 The Council has a range of Human Resources Policies that apply equally to all officers across the Council from the highest paid to the lowest paid. These policies cover a wide range of Human Resources issues from annual leave arrangements to sickness arrangements. All policies are agreed by The 2020 Partnership Joint Committee in consultation with the Joint Consultative Committee and Joint Liaison Forum. Policies that cover all employees equally are not included within the scope of this statement.

4.2 Senior staff are covered by JNC Terms and Conditions whereas other staff are covered by NJC Terms and Conditions. Annual cost of living awards more often than not result in similar outcomes, however, the relevant award for the respective negotiating group is normally applied.

4.3 No award has yet been agreed in respect of 16/17 and consequently the payscales will need updating to reflect any award made in due course.

#### 5.0 Policy on Remuneration of Chief Officers

5.1 The policy for the year 2016/17 is to maintain the level of pay in the same bands as the current year subject to any cost of living award that may be agreed nationally, and any changes that might be agreed as recent changes to joint working arrangements these are:-

Strategic Directors	£67,924 - £77,329 pay band made up of 5 pay points
Heads of Service	Four grades - SM6 to SM9 - individual posts graded via job Evaluation
	SM6 £49,423 - £52,833 pay band made up of 4 pay points
	SM7 £53,970 – £57,381 pay band made up of 4 pay points
	SM8 £58,529 - £62,111 pay band made up of 4 pay points
	SM9 £63,354 – 67,230 pay band made up of 4 pay points

Partnership Group Managers – Fixed point salary - £75,000\* inclusive of all local supplements.

*\*Subject to Full Council/2020 Partnership Joint Committee ratification as appropriate.*

#### 5.2 Other factors relating to pay:

- Officers are generally placed upon the bottom pay point on appointment, but this can be varied by the approval of the appropriate appointments panel.
- A joint working supplement may be payable unless it has been incorporated into the job evaluation assessment.
- Incremental increases within the pay band are made annually and can be accelerated or withheld based upon outstanding or poor performance respectively. Once top of the band is reached no further increases are available.
- No performance related pay exists for any Chief Officer.
- No bonuses are available for any Chief Officer.
- The two Directors receive a pay supplement in lieu of a leased car (see note on leased cars below).
- Termination benefits payable will be in line with that available to all other officers as set out in the Redundancy and Retirement Policies in line with Employment Rights Act tables.

- Full Council will retain the decision to make any new appointment of an officer where the pay (incorporating all payments and benefits in kind) exceeds £100,000.
- Full Council will retain the decision to approve any severance payments where the compensation payments exceed £100,000.
- The details of the payments in respect of all these officers are set out in the Transparency page of the Councils website at:-  
[www.cotswold.gov.uk/nqcontent.cfm?a\\_id=13134&tt=cotswold](http://www.cotswold.gov.uk/nqcontent.cfm?a_id=13134&tt=cotswold)

5.3 None of the Chief Officers are entitled to receive overtime payments for time worked beyond the contracted hours and out of ordinary working hours.

5.4 The Returning Officer for election purposes also receives a payment for the statutory duties undertaken by virtue of the specific, additional appointment to that role in addition to other responsibilities. For national elections and referenda the amount is set and is payable by the government. For District and Town/Parish Council elections, the fees are payable by the District Council in accordance with an approved scale.

## **6.0 Tax Avoidance**

6.1 The Council does not and will not employ senior managers in permanent positions via service companies that could be construed as avoiding tax and national insurance contributions. From time to time the Council may employ individuals via service companies to cover interim or short term project roles.

## **7.0 Relationship with Other Officers' Pay**

7.1 Pay for all posts except senior Partnership posts, Directors and Heads of Service, are evaluated using Cotswold District Council's Job Evaluation scheme in place across the Council which determines the relative differences in pay between jobs based upon a range of factors.

7.2 Remuneration of the Partnership Managing Director is set by the 2020 Partnership Joint Committee. Partnership Group Manager posts are evaluated by Hay (Public Sector market excluding London) and have a fixed point salary of £75,000.

7.3 Remuneration for Director posts are subject to NJC Chief Officers Scheme .

7.4 Heads of Service posts are evaluated via South West Employers using the Greater London Job Evaluation Scheme. Posts below this level are evaluated on the LGMB scheme.

7.5 From 1st April 2012, the Council has been the employing authority for the "Audit Cotswolds" internal audit partnership. Audit Cotswolds provides internal audit services to this Council, West Oxfordshire District Council, Cheltenham Borough Council, Cheltenham Borough Homes Ltd, Ubico Ltd and The Cheltenham Trust Ltd. In addition, from 1st April 2012, the Council has been the employing authority for the "GO Shared Services" partnership. GO Shared Services provides Finance, Procurement, HR and Payroll services to this Council, West Oxfordshire District Council, Cheltenham Borough Council, Forest of Dean District Council, Cheltenham Borough Homes Ltd, Ubico Ltd and The Cheltenham Trust Ltd. Both Audit Cotswolds and GO Shared Services may also provide services to other clients.

7.6 National annual cost of living pay awards are made with reference to JNC (senior officers) and NJC negotiating bodies. At this stage it is not known whether there will be a pay award made via either of these bodies for 2016/17. This is effective from 1 April 2016 but national pay negotiations have not yet been finalised for 2016-17.

7.7 A full list of grades and associated spinal column pay points is attached to this policy.

7.8 For employees on grades 1 to 6 overtime is payable at premium rates for hours worked above the basic 37 hours per week. Overtime for staff paid above these grades is only payable in exceptional circumstances and after senior management approval.

7.9 For employees that work for more than one Council (shared officers) then a shared working supplement may be payable based on Joint Working Protocols.

7.10. Where these shared posts/lead employer arrangements are agreed and set in place, the costs of any role are appropriately apportioned and recharged via the employment/secondment/management agreement. Such roles, where the Council is the employer, are evaluated according to the Council's existing job evaluation scheme.

7.11 A small number of officers also receive a leased car - this is a historical scheme that is not available to new starters and covers a range of grades. These are taxable benefits and where received by Chief Officers are included in the pay details included within the statutory accounts. As part of the shared working arrangements with West Oxfordshire DC, Shared Heads of Service receive a car salary supplement.

#### Market Forces Supplement

7.12 The Council is committed to the principles of single status employment and seeks to ensure employees receive equal pay for work of equal value.

7.13 In professions where there is a particular skills shortage, as a temporary arrangement, it may be necessary to consider a market supplement to attract high quality applicants. The level and duration of premium will be determined by reference to a combination of national comparators, local conditions, recruitments difficulties, inflation, and whether the post has recently been advertised and the process has been unsuccessful.

#### Retention Payment Scheme

7.14 A retention payment scheme is available to all areas of the Council, and might be used in the following cases:

- Difficulty in recruiting the most suitable candidate for a post;
- Difficulty in retaining key people where their leaving would significantly affect internal and/or external service delivery.

7.15 **All** additional payments will be **time limited** and **reviewed** at predetermined intervals to reconsider their appropriateness against the prevailing job market.

7.16 The scheme may be applied flexibly and can mean:

- Paying someone at a higher salary level;
- Making a one off payment.

7.17 These can be used in combination with other benefits that the Council offers. A package to suit the particular circumstances should be used and no individual should receive benefits that equate to more than 15% above the maximum of their substantive grade.

### Lowest Paid Employees

7.18 Lowest paid employees of the Council are defined as those employees (excluding Apprentices) who are in a full time or part time role, who are above the age of 21, and are paid within Grade Scale 2 of the Council's Job Evaluation scheme (the lowest band). From 1 January 2016 the Grade Scale 2 band will be from £14,758 (£8.12 per hour) to £16,420 (£8.51 per hour) per annum, made up of 4 incremental pay points.

7.19 For pay comparison purposes the top of pay grade will always be used.

7.20 The pay differential between the highest paid officer and the median officer is set out below:

Highest	£131,083
Median Employee	£23,072
Multiple	5.68

\* This is based on the full time equivalent of the 2020 Vision Managing Director, employed by West Oxfordshire District Council. The cost to Cotswold District Council is 25% of this amount.

7.21 See also: [http://www.cotswold.gov.uk/nqcontent.cfm?a\\_id=13134&tt=cotswold](http://www.cotswold.gov.uk/nqcontent.cfm?a_id=13134&tt=cotswold) for published details of the senior management pay bands for Cotswold District Council, and the senior management organisation chart for the top three levels.

7.22 The Council does not operate bonus schemes for any staff, including Chief Officers.

### Performance Related Pay

7.23 Other than incremental progression through the pay grade of a post the Council does not operate performance related pay for any staff including Chief Officers.

### Pay Protection

7.24 The Council seeks to ensure that all employees receive equal pay for work of equal value. To be consistent with equal pay principles the Council's protection arrangements will not create the potential for pay inequalities (e.g. open-ended protection).

7.25 There may be times when the grade for an individual's role changes for reasons unrelated to their performance e.g. restructures. In such cases the protection arrangements outlined will apply for 3 years from the date of the change.

### Severance Payments

7.26 The Council has a consistent method of calculating severance payments which it applies to all employees without differentiation. The payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment.

7.27 In line with the statutory redundancy payment scheme, the Council calculates redundancy severance payments using the following calculation. The calculation is based on an employee's age and length of continuous local government service (please note that employees must have a minimum of 2 years' continuous service to qualify for a redundancy payment) the multiplier for the number of weeks is then applied to the employee's actual weekly earnings.

7.28 The amount of redundancy pay will be calculated as:

- 0.5 week's pay for each full year of service where age at time of redundancy is less than 22 years of age
- 1.0 week's pay for each full year of service where age at time of redundancy is 22 years of age or above, but less than 41 years of age
- 1.5 weeks' pay for each full year of service where age at time of redundancy is 41+ years of age

7.29 The maximum number of years service taken into account is 20. The maximum number of weeks pay is 30 for anyone aged 61 years of age or older with 20 years or more service.

#### Honorarium Payments and Merit Awards

7.30 Payment of honoraria is a method by which the Authority may reward an employee who has temporarily undertaken the duties and responsibilities of a higher graded post, or who has worked excessive hours whilst not being entitled to overtime payments.

7.31 Merit Award is a method by which the Council can say 'thank you' to employees for work that has been carried out exceedingly well, or above and beyond the cause of duty.

### **8. National Minimum Wage**

8.1 The National Minimum Wage (NMW) is a legal requirement that applies to most workers in the UK over school leaving age. The NMW rates are reviewed each year by the Low Pay commission.

8.2 The NMW rates from 1 October 2015 to 30<sup>th</sup> September 2016 are:

- £6.70 (per hour) for workers 21 years of age and over
- £5.30 (per hour) 18 - 20 years of age
- £3.87 (per hour) for 16-17 years of age, who are above school leaving age but under 18 years of age
- £3.30 (per hour) for apprentices under 19; or 19 years of age or over who are in the first year of apprenticeship. All other apprentices are entitled to the NMW for their age.

### **9. The National Living Wage (NLW)**

9.1 A compulsory National Living Wage is due to be introduced in April 2016 for all working people aged 25 and over, and is set at £7.20 per hour. The current National Minimum Wage for those under the age of 25 will continue to apply. The lowest pay band used at the Council is above both the new National Living Wage and the National Minimum Wage.

### **10. Other operational/non-operational pay and conditions**

10.1 Other pay and conditions in operation, are as follows:

- Stand by and call out payments;
- Long Service Award;
- Childminding allowance for pre-school age children;
- Childcare Vouchers Salary Sacrifice Scheme;

## **11.0 The Local Government Pension Scheme (LGPS)**

11.1 The LGPS provides for the exercise of discretion that allow for retirement benefits to be enhanced. The Council will consider each case on its merits but has determined that it does not normally enhance pension benefits for any of its employees, nor does it operate any discretions under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

11.2 Further information regarding the GGPS pensions administering body for the council can be found at [www. http://www.gloucestershire.gov.uk/pensions](http://www.gloucestershire.gov.uk/pensions)

(END)

JANUARY 2015			
	SCP	2015	Hourly
	5	13821	7.16
	6	13821	7.16
	7	14111	7.31
	8	14271	7.40
	9	14483	7.51
	10	14758	7.65
	11	15663	8.12
2	12	15992	8.29
	13	16420	8.50
	14	16806	8.71
	15	17154	8.89
	16	17563	9.10
	17	17981	9.32
	18	18508	9.59
4	19	19206	9.95
	20	19904	10.32
	21	20680	10.69
	22	21047	10.91
	23	21474	11.13
	24	22069	11.44
	25	22710	11.79
	26	23508	12.18
6	27	24290	12.59
	28	25069	13.00
	29	26202	13.58
	30	27082	14.04
	31	27981	14.54
	32	29041	15.05
SO2	33	29896	15.50
	34	30741	16.00
	35	31384	16.27
	36	32111	16.70
	37	33599	17.42
POB	38	34582	17.92
	39	35715	18.51
	40	36660	19.09
	41	37986	19.69
	42	38951	20.19
	43	39926	20.69
	44	40711	21.10
	45	41034	21.27
POD	46	41827	21.68
	47	42787	22.18
	48	43738	22.60

**CDC Service Managers**

SM1	1	29041
	2	29897
	3	30741
	4	31384
SM2	5	33599
	6	34582
	7	35716
	8	36660
SM3	9	37986
	10	38952
	11	39926
	12	40712
SM4	13	41034
	14	41827
	15	42787
	16	43738
SM5	17	44875
	18	46012
	19	47149
	20	48286
SM6	21	49423
	22	50560
	23	51697
	24	52833
SM7	25	53970
	26	55107
	27	56244
	28	57381
SM8	29	58529
	30	59699
	31	60893
	32	62111
SM9	33	63354
	34	64620
	35	65913
	36	67230

**Partnership Venture Group Managers**

£75,000
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**Directors**

1	67924
2	70014
3	72104
4	74194
5	77329