

**DRAFT Gloucestershire County Council  
The Pay Policy Statement 2019-20**

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**INTRODUCTION**

The purpose of this Pay Policy Statement is to provide a clear and transparent policy on the Council's position on the remuneration of its Chief Officers and other employees which demonstrates to the public openness, accountability and value for money. The policy also meets the Council's obligations under the Localism Act 2011 and the associated statutory guidance set out in the document *Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act 2011*, together with the *Local Government Transparency Code 2015*.

The Council's pay arrangements reflect the need to recruit, retain and motivate skilled and committed employees to ensure high levels of performance, balanced with accountability to the public purse. They also recognise the importance of maintaining an approach to pay and reward that supports the high levels of flexibility and adaptability essential to the effective delivery of a diverse range of services in a challenging and rapidly changing environment.

The Council's pay and grading arrangements are underpinned by the principles of fairness and equality set out in the Equality Act 2010, the Public Sector Equality Duty and associated codes of practice.

The Council publishes an updated Pay Policy Statement (as approved by Full Council) each financial year (April to March). This is the Pay Policy Statement for 2019-20.

## What's covered in the Pay Policy Statement?

1. This statement sets out the Council's policies for the financial year 2019-2020 relating to the remuneration of all non-school employees, including explicitly:

- Remuneration of Chief Officers
- Remuneration of the lowest paid employees
- Relationship between the remuneration of Chief Officers and other employees

2. 'Remuneration' for the purposes of this statement includes:

- Basic salary
- Any other allowance or fee arising from employment
- Pension on early termination of employment
- Redundancy pay

3. The term 'Chief Officer' as used in this policy refers to those defined as such within the Localism Act 2011. The Chief Officer posts covered by this policy are therefore the Chief Executive and those posts which report directly to the Chief Executive, and also the next management tier below (excluding any secretarial, clerical or administrative support roles), as set out in the Council's constitution.

***All references to 'Chief Officers' in this policy statement are therefore in respect of the above roles (i.e. to be distinguished from the wider group of senior staff employed by the Council on Executive Reward Band grades, all of whom are subject to National Joint Council for Chief Officers national conditions of service – these staff are referred to in this Policy as Executive Reward Band employees).***

4. The term '**lowest paid**' is defined as a full-time employee on the bottom point of the national Green Book pay spine. These are the lowest paid employees other than apprentices, who are currently paid less to reflect the training and development nature of the role.

5. To support the lowest paid employees the Council introduced in 2014 a local 'Living Wage Supplement' (at a rate of £7.85 per hour). This operated as a discretionary, non-consolidated, top-up to £7.85 for those employees on grades B and C whose contractual rate of pay was less than £7.85 per hour. Continuation of the Supplement was subject to annual approval to funding through the budget-setting process with the intention that it would remain in place to cushion the earnings of the lowest paid employees until such time that national pay awards took the minimum hourly rate to above £7.85.

6. Year One of the two-year pay award for NJC for Local Government Services ('Green Book') employees took the minimum hourly rate to £8.50 with effect from 1<sup>st</sup> April 2018. The Supplement has therefore been superseded and withdrawn with effect from 31<sup>st</sup> March 2018, having fulfilled its stated purpose.

### **Who does the Pay Policy Statement apply to?**

7. This Pay Policy Statement applies to all non-schools employees of Gloucestershire County Council (the 'Council'), including the Gloucestershire Fire and Rescue Service ('GFRS') and unattached teachers employed centrally by the Council.
8. Locally managed schools are not covered by this policy but are separately required to produce an annual pay policy setting out the terms on which the remuneration of their staff (including pay awards) is based.

## **POLICY STATEMENT**

### **Job evaluation**

9. The job evaluation ('JE') process is applied to all jobs in the Council unless the salary is set nationally (e.g. firefighters). JE is a process by which organisations evaluate comparative job size by reference to a range of factors that measure and ascribe numerical values to the levels of responsibility to be carried by the job holder and the associated knowledge/skills required for effective job performance. The highest rated jobs are placed at the top of the grading structure and the lowest rated at the bottom. Objective application of a non-discriminatory JE scheme ensures that different jobs of 'equal value' are placed in the same grade.
10. The Council is committed to ensuring the fair and non-discriminatory determination of pay in accordance with equal pay legislation (Equality Act 2010) and the local government 'single status' agreement of 1997. The Council applies nationally recognised JE schemes, which were introduced in 2003 in consultation and agreement with our recognised trade unions.
11. The Hay JE scheme is used to evaluate senior manager jobs within the Council, which are those placed within the Executive Reward Band grades. The GLPC (Greater London Provincial Council) JE scheme is used to evaluate all other posts within the Council where the pay rates are not otherwise determined nationally.

## **Grades and salary bands**

12. As noted above, once a job has been evaluated, the total JE score will determine the pay grade or band that will apply to the post.
13. The pay scale that applies to senior staff employed under the chief officers' national conditions of service is called Executive Reward Bands.
14. There are two Chief Officer posts currently on a 'spot salary' (i.e. no incremental progression). These are:
  - The Chief Executive (Head of Paid Service)
  - The Chief Fire Officer, whose post is also that of a director with wider responsibilities for several other services within the Council

The Council's policy is to apply the nationally negotiated pay award for the following groups of employees:

- Joint Negotiating Committee for Chief Executives – national Salary Framework and Conditions of Service Handbook
  - Joint Negotiating Committee for Chief Officers of Local Authorities (for employees attached to Executive Reward Bands)
  - National Joint Council for Local Government Services ('Green Book') conditions of service (for employees attached to Grades B-L)
  - Soulbury Committee national negotiating body (for Educational Psychologists)
  - National Joint Council for Local Authority Fire and Rescue Services ('Grey Book') for firefighters
  - National Conditions of Service for School Teachers in England and Wales ('Burgundy Book') for unattached teachers. However, most matters relating to the pay of teachers are determined by statute through the annual School Teachers' Pay and Conditions Document (STPCD) and therefore outside the scope of this policy.
15. Any changes to the Council's pay scales/grading structure or other local pay arrangements are developed through consultation and negotiation with the relevant recognised trade unions, and subject to final approval by the Council's Appointments Committee and/or Full Council as appropriate. Full details of the Council's Appointments Committee are set out in the Council's Constitution (a copy of which is available on the Council's web site).
  16. Any future changes to salary scales for Chief Officers will be submitted to Full Council as an amendment to this Pay Policy Statement.

## **Green Book pay and grading 2019-20**

17. From 1<sup>st</sup> April 2019 a new pay spine is introduced in the Green Book national conditions of service, incorporating the pay increases under Year Two of the Green Book national pay award (2018-20). This provides for minimum 2% pay increases, with higher percentage increases applied to the lower points of the pay spine in order to accommodate projected increases in the National Living Wage. This new pay spine will be applied to the Council's current Green Book grading structure with effect from 1<sup>st</sup> April 2019.
18. From 1<sup>st</sup> September 2019 it is proposed to introduce a revised grading structure for Green Book employees. This reduces the length of the longer grades in the current structure and also removes the overlaps between grades. In addition to removing anomalous grade lengths and overlaps, the proposed grading structure is designed to better support the recruitment and retention challenges faced by the Council in critical service areas.
19. The proposed new grading structure is dependent on the relevant provisions of the Medium Term Financial Strategy being approved by Full Council, and subsequently securing an appropriate collective agreement with the recognised trade unions (UNISON, GMB and Unite).
20. In view of the timings associated with the above process, the Appointments Committee delegates to the Chief Executive the authority to make any consequential changes to this Pay Policy Statement which may arise out of or in connection with the introduction of the new grading structure and related matters. Any such changes will then be reflected as appropriate in the Council's 2020-21 Pay Policy Statement.

### **Senior salaries (over £100,000)**

21. The following senior employees have a full-time equivalent (FTE) salary of £100k or higher:
  - Chief Executive (Head of Paid Service)
  - Deputy Chief Executive & Chief Finance Officer (S151 officer) (new post)
  - Director of Children's Services (Statutory Director of Children's Social Care)
  - Operations Director: Children's Safeguarding
  - Commissioning Director: Adults and DASS (Statutory Director of Adult Social Care)
  - Operations Lead: Adult Services & Business Development
  - Chief Fire Officer (and service director)
  - Deputy Chief Fire Officer (and service director)

- Director: Strategy and Challenge
- Director: Children's Partnerships and Strategy
- Director of Public Health

The new post (above) of Deputy Chief Executive & Chief Finance Officer (S151 officer) replaces the post of Director of Strategic Finance (S151 Officer), which is deleted with effect from 1<sup>st</sup> February 2019.

### **Remuneration on recruitment**

*Subject to (1) the exceptions and flexibilities detailed in this Pay Policy Statement and (2) any overriding provisions set out in national conditions of service or through statute, the same recruitment and remuneration policies apply to all employees regardless of their grade.*

22. Where there are difficulties in recruiting to a particular type of post and it can be evidenced that the Council is paying below the market rate for the job, a market rate supplement (MRS) may be paid in addition to the evaluated pay rate.
23. The amount of the MRS is based on market rate data and is reviewed annually. The MRS is removed or adjusted when market data shows that it is appropriate to do so, or otherwise at the Council's discretion. In the case of Chief Officers the MRS must be agreed by Appointments Committee, and for all other employees it must be agreed by the Chief Executive.
24. Candidates are normally appointed on the minimum salary point of the grade for the post. However, if a candidate is already being paid above the minimum point of the post they are applying for, the appointment may be made on the next increment(s) above their current salary subject to not exceeding the maximum of the grade.
25. Where it is considered necessary to support the recruitment and retention of staff in 'hard to fill' posts an employee may be appointed on a higher scale point within the grade than would normally be applicable (see above). However, any such agreement is subject (1) to prior approval of the relevant business case by the Chief Executive, and also (2) by the Head of HR who will ensure any such proposal is compatible with equal pay legislation.
26. The Appointments Committee is responsible for recommending to Full Council the appointment (on a permanent or temporary or acting up basis) of the Chief Executive. The Committee is also responsible for the appointment (on a permanent or temporary or acting up basis) of the Chief Finance Officer/Deputy Chief Executive, the Monitoring Officer, the Chief Fire Officer, the Director of Public Health and all Cluster Chairs, including the statutory posts of Director of

Children's Services and Director of Adult Social Care. Appointments to these roles are made within the approved salary range for the post.

27. Where it is necessary for a newly appointed employee to relocate in order to take up an appointment the Council may, in exceptional circumstances, make a contribution towards the reimbursement of relocation expenses.

#### **Flexibility to address recruitment issues for vacant posts**

28. In the vast majority of circumstances the provisions of this Pay Policy Statement will enable the Council to ensure that it can recruit effectively to any vacant post. However, exceptional circumstances may arise where there are recruitment difficulties for a particular post and evidence to show that the provisions of this Pay Policy Statement are not sufficient to secure an effective appointment.

29. This Pay Policy Statement recognises that the above situation may arise in exceptional circumstances and that a departure from the Policy can be implemented without having to seek Full Council approval for an in-year change to the Pay Policy Statement. Any such departure will be expressly justified in each case and will be approved by the Leader and the Chief Executive or, in the case of the Chief Executive, a special meeting of Cabinet.

#### **Interim (off-payroll) appointments**

30. For these purposes an 'interim' (or 'off-payroll') appointment will be an engagement other than through a regular contract of employment on standard Council terms and conditions of service (e.g. engagement through an agency or consultancy arrangement).

31. The Council is conscious of the need to secure value for money in the contractual arrangements for all appointments, including the need to ensure no one is inappropriately enabled to achieve a more favourable position in respect of their tax liabilities ('tax avoidance') than might otherwise apply. The Council will therefore have proper regard to this principle in applying the HMRC test for tax status under the IR35 tax provisions for 'off-payroll' engagements.

#### **Increases and additions to remuneration**

32. The Council's policy is to apply any nationally negotiated pay awards to employees at all levels of the Council. An exception to this will be where employees have transferred to the Council under the Transfer of Undertaking (Protection of Employment) Regulations 2006 ('TUPE'), retaining statutory protection of the pay and conditions that applied with their previous employer. Any post-transfer local government pay award in such circumstances will not be automatically applied, but will be considered on a case-by-case basis and with due regard to equal pay legislation.

33. For those employed on the Executive Reward Bands, incremental progression through the band is based on verification of satisfactory performance measured over a 12 month period. Increments are paid on 1<sup>st</sup> April each year or six months after the start date (if starting date is between October and April), with April increments payable thereafter and subject to the performance review.
34. For employees on the Green Book pay scales, annual increments are awarded up to the maximum of the grade subject to the employee meeting the requirements of the job. Increments are paid on the 1<sup>st</sup> April each year, or six months after the start date (if starting date is between October and April), with April increments payable thereafter. Social Workers (Children's Services and Adult Social Care) will receive an additional increment on satisfactory completion of their probationary AYSE year.
35. In appropriate circumstances and subject to the approval of the Chief Executive, accelerated incremental progression may be applied to support the recruitment and/or retention of key Green Book or Executive Reward Band staff (see the section on Recruitment and Retention payments, below).
36. There is no provision for payment of an increment at any other time or in any other circumstances for employees covered by this Pay Policy Statement.
37. For both Green Book and Executive Reward Band employees the next annual increment will be withheld from an employee issued a formal warning under the Council's Disciplinary or Capability procedures.
38. Any pay increases for unattached teachers will be as determined by the Council under the Unattached Teachers' Pay Policy and subject to the relevant provisions of the statutory STPCD.

### **The use of bonuses**

39. The Council does not make any bonus payments.

### **Payment on ceasing to be employed by the Council**

40. With the exception of firefighters and unattached teachers (see paragraphs 38, 41 and 42 below) the Council operates the same redundancy policy for all staff, including Chief Officers and the lowest paid. The payment is based on the statutory redundancy table in respect of the 'age' and 'length of service' factors, but provides a multiplier of 1.75 to the number of weeks' pay due, and payment is calculated on actual weekly pay rather than being restricted to the statutory maximum. The application of a multiplier and use of actual pay are discretions

permitted under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended), and the Council's policy in this regard has previously been approved by the Appointments Committee.

41. For those posts that fall within the remit of the Firefighters' Pension Scheme, redundancy pay is calculated using the statutory redundancy scheme but based on actual weeks' pay, rather than the statutory minimum. This group falls outside the regulations specified above and therefore the Council does not have the discretion to consider further enhancing the redundancy payment for a firefighter.
42. Full Council is responsible for approving any dismissal of the Head of Paid Service, the Monitoring Officer, or the S.151 Officer. The dismissal of the Chief Fire Officer, the Director of Public Health or any of the Strategic Commissioning Directors is the responsibility of the Appointments Committee.
43. The Council will only make early payment of pension benefits in line with the relevant pension scheme regulations and the Pension Policy Statement which applies to all those staff who are scheme members. This applies irrespective of grade.
44. Any payments made in respect of early retirement for firefighters will be in accordance with the provisions of the Firefighters' Pension Scheme(s), and for unattached teachers in accordance with the Teachers' Pension Scheme.
45. Any employee of the council employed in a teaching role that is not within in a school's staffing establishment (i.e. an 'unattached teacher') and who is subject to the Burgundy Book (teachers' national conditions of service) will receive only the statutory redundancy payment if exercising their option under the Teachers Pension Scheme to take an enhanced pension.

### **Re-engagement**

46. The Council will not, for at least two years, re-engage an ex-employee who has left with a redundancy, early pension or other severance payment, unless in exceptional circumstances (e.g. where an employee may have retrained in an area of skills shortage). However, for the avoidance of doubt, these provisions are not intended to apply to the re-engagement of an ex-employee who has exercised their right under the relevant pension scheme regulations to retire early and who is in receipt of a pension that has incurred no cost to the Council (this will generally be where any cost associated with the early release of the pension has been met by the employee through an actuarial reduction to the value of their pension entitlement).

47. A business case approved at director level and agreed by the Chief Executive is required before a final decision is made to re-engage within the two year period.
48. Any re-engagement of an employee who is in receipt of pension will also be subject to any regulations on abatement that may apply under the terms of the relevant scheme.

### **Any other allowances arising from employment**

*The following allowances apply to all employees, with the exception of unattached teachers and firefighters:*

### **Payment for acting up or additional duties**

49. Those employed on Executive Reward Band grades are expected to be flexible in managing changing requirements. Therefore an honorarium will only be paid in exceptional circumstances and subject to approval by the Chief Executive. Any such arrangement must be for a designated time-limited period only, and will also be subject to agreement by the Head of HR that it does not infringe equal pay legislation.
50. For other staff, in limited situations where an employee may be required or requested temporarily to carry out work of a higher grade, or otherwise undertake significant duties outside the scope of their contract of employment, the Council may consider an honorarium payment, the value of which must be consistent with equal pay and JE principles. Any such payments are subject to review and are entirely at the Council's discretion and will only be made for a specified time-limited period.

### **Unsocial hours and overtime payments**

51. The Council does not make unsocial hours or overtime payments to any employees on Executive Reward Band grades.
52. For other employees (i.e. other than those on Executive Reward Band grades), the Council recognises that certain roles and services require employees to work unsocial hours, or be available to work and therefore on standby. In these circumstances the Council has a policy to provide additional payments or time off in lieu for eligible employees (those up to and including point 31 of the Green Book pay spine), and has discretion to extend such arrangements to employees on higher salary points, subject to approval of a business case by the relevant director and Head of HR. Full details are set out in the Additional Payments Policy in the Employment Handbook on Staffnet.

53. With regard to paragraph 52 (above) implementation of the collective agreement to introduce the Council's proposed new grading structure with effect from 1<sup>st</sup> September 2019 includes a provision to set the level on the (new) national pay spine at which such additional payments are made at the top of 'new' Grade 8, this being the equivalent of the top of 'old' Grade I. Previously, due to grade overlaps, (old) pay point 31 fell half way through (old) Grade I. This measure will ensure all staff currently on (old) Grade I (which includes basic grade social workers) will be eligible for these additional payments under the new grading structure.

### **Recruitment and retention payments**

54. The Council has discretion to apply recruitment and/or retention payments in appropriate cases (e.g. evidenced recruitment or retention difficulties in respect of a particular type of post). This includes the discretion to apply accelerated increments within an employee's grade where this is considered to be the most effective option in the particular circumstances of the case.

55. The Appointments Committee would agree any such payments for Chief Officers, and for all other employees the decision would be made by (1) the Chief Executive in respect of the business case and (2) the Head of HR to ensure the proposed arrangement is compatible with equal pay legislation.

### **Car and motor cycle allowances**

56. Reimbursement of approved business mileage is made in accordance with the Council's locally agreed mileage rates, which currently mirror the approved HMRC rates.

### **Election duties**

57. The Council is obliged to appoint a County Returning Officer who has specific duties in relation to council elections. A Returning Officer Payment is made in relation to this role, which is reviewed every four years in line with the Council election cycle.

### **Additional payments for firefighters**

58. Any additional payments made to firefighters are in line with the National Joint Council for Local Authorities Fire and Rescue Services (known as the 'Grey Book') and, where appropriate, the National Joint Council for Brigade Managers of Local Authorities Fire and Rescue Services (known as the 'Gold Book').

## **The relationship between the remuneration of Chief Officers and other employees**

59. The Council does not (and is not obliged to) have a specific policy on pay ratios, but recognises that the Hutton Review of Fair Pay in the Public Sector recommends a maximum ratio of 1:20 between the highest and lowest remunerated posts.

60. In accordance with the *Local Government Transparency Code (2015)*, the Council uses the principle of pay ratios to inform a wider understanding of the relationship between its highest and lowest paid employees; and information regarding the ratio between the Council's highest and median taxable earnings is published annually on the Council's web-site in accordance with the Code.

### **Policy review**

61. This policy will be reviewed again no later than 31st March 2020.

62. The Council may amend the policy at any time with Full Council approval. Unless otherwise prescribed within this Pay Policy Statement any in-year amendments will be published on the Council's website at that time, or otherwise included in the following year's Pay Policy Statement.

63. In this regard it is noted that, at the time of publication, a number of statutory provisions relating to public sector severance payments are anticipated to come into force during 2019-20, which may require amendments to this Pay Policy Statement. Any such amendments resulting from the above will be considered by the Appointments Committee before being submitted to Full Council for approval.

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

64. Further information is available in the following documents on the Council's website:

- Statement of Accounts
- Pension Policy Statement
- Pay ratios

## **Apprenticeships**

65. Apprenticeship pay is set at the following levels and reviewed each year as part of the Pay Policy Statement review. Current members of staff who undertake an apprenticeship will remain on their existing salary and terms and conditions. Newly recruited apprentices will be paid as follows:

- **Level 2:** £9,000 year 1 (moving to NMW for age in year 2 if this is higher than £9,000)
- **Level 3:** £11,000 (moving to NMW for age in year 2 if this is higher than £11,000)
- **Levels 4-7:** will be paid at 80% of the bottom scale point of the grade for the job

66. The position regarding remuneration of Level 1 and Level 2 apprentices will be reviewed during 2019-20 in the light of the Green Book national pay award and proposed changes to the Council's grading structure.

## **Gender Pay Gap Reporting**

67. From April 2018 all organisations with 250 or more employees are required to publish an annual Gender Pay Gap Report showing the difference in pay between male and female employees both for the organisation as a whole and for each earnings quartile.

The Gender Pay Gap Report is published on the Council's website and also through the government's national data base.