**Winchester City Council**

**Pay Policy Statement – Financial Year 2019/20**

1. **Purpose**
   1. This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and will be updated annually from 1 April each year.
   2. The Pay Policy Statement sets out Winchester City Council’s policies relating to the pay of its workforce for the financial year 2019/20, in particular:

1. the remuneration of its Chief Officers

2. the remuneration of its “lowest paid employees”

3. the relationship between:

a. the remuneration of its Chief Officers and

b. the remuneration of its employees who are not Chief

Officers

1.3 The purpose of the statement is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of Chief Officers. It also ensures that employees at all levels of the Council are paid on a fair and equitable basis in accordance with equality legislation.

1. **Definitions**
   1. For the purpose of this statement the following definitions will apply:
   2. **“Pay**” in addition to salary will also include charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments.
   3. **“Chief Officer**” refers to the following roles within Winchester City Council:

* Statutory Chief Officers: The Chief Executive ( as Head of Paid Service), the Monitoring Officer; the Section 151 Officer
* Non Statutory Chief Officers: The Strategic Director: Services and Strategic Director: Place
* Deputy Chief Officers i.e. all other senior managers if reporting directly to, or directly accountable to, a statutory or non-statutory Chief Officer in respect of all or most of their duties (excluding roles which are clerical or secretarial).

2.4 **“Lowest paid employees**” refers to those staff employed on Grade 2 of the Council’s pay framework.

2.4.1 The above definition for the “lowest paid employees” has been adopted because Grade 2 is the lowest grade on which employees are paid within the Council’s pay framework.

2.4.2 Those engaged on Casual Worker Agreements (“Zero hours Contracts”) are paid a fixed hourly rate in line with the voluntary UK Living Wage. They are excluded from the definition of “lowest paid employees”.

2.5 **“Employee who is not a Chief Officer**” refers to all staff that are not covered under the “Chief Officer” group above. This includes the “lowest paid employees” i.e. staff on Grade 2 and below.

**3. Pay Framework and Remuneration Levels**

**3.1 General Approach**

3.1.1 Remuneration for all employees needs to be at the appropriate level to secure and retain high-quality employees dedicated to fulfilling the Council’s business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is proportionate and appropriate for the role. Each Council has responsibility for balancing these factors and faces its own unique challenges and opportunities in doing so. It is important that Winchester City Council retains flexibility within its pay framework to cope with a variety of circumstances that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate. Using such solutions should only be short term and regular reviews should ensure that they are discontinued when circumstances change.

**3.2 Responsibility for Decisions on Remuneration**

3.2.1 It is essential for good governance that decisions on pay and reward packages for the Chief Executive and Chief Officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.

3.2.2 Pay for employees at all grades is based on the national agreements on pay as follows:

* National Joint Council for Local Government Services
* Joint Negotiating Council for Chief Officers
* Joint Negotiating Council for Chief Executives.

3.2.3 Remuneration packages above £100,000 gross per annum must be considered by Cabinet, with a recommendation to full Council.

**3.3 Salary grades and grading framework**

3.3.1 Grades for all posts are determined by a consistent job evaluation process. This followed a national requirement for all Local Authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

3.3.2 Job Evaluation is a systematic process for ranking jobs within an organisation ensuring consistency of approach and outcomes appropriate to the complexity and accountability of the role. Where the grade of a post changes as a result of the job evaluation process, any pay adjustment will only be backdated to the date on which the role was considered by a Job Evaluation Panel.

3.3.3 The Council’s pay structure is based on the pay spine issued by the National Joint Council (NJC) as part of the National Agreement for Local Government Services. Roles are placed within the pay structure on the basis of the evaluated grade of their role.

3.3.4 Incremental spinal column points provide for progression in role with the acquisition of skills, experience and competence.

3.3.5 Pay awards are applied in line with the national agreements detailed in 3.2.2 on an annual basis for all employees, in conjunction with the nationally recognised trade unions.

**3.4 Market Review and Market Supplements**

3.4.1 The Council will from time to time, benchmark its pay and benefits by comparing pay and rewards for a sample of posts. For the purpose of pay benchmarking and market testing the comparator group comprises public sector authorities in Hampshire, West Sussex and Surrey and authorities in other areas if relevant, who are similar to the Council in terms of size (number of employees and population) and similar relevant factors. Jobs within London Boroughs will not be used for comparator purposes due to London weighting allowance. In exceptional circumstances, other external market pay data, including private sector data, will also be considered where relevant.

3.4.2 Where the benchmarking exercise highlights a discrepancy in pay, following consideration of a report made to the Executive Leadership Board a market supplement may be awarded.

3.4.3 Decisions relating to awarding a market supplement for the Chief Executive will be referred to Cabinet, with a recommendation to full Council.

3.4.4 The Executive Leadership Board will receive and review a list of posts in receipt of market supplements on an annual basis and determine whether such supplements are still relevant in the light of market conditions.

**4. Remuneration**

4.1 Remuneration details including benefits in kind are set out in the Council’s published Annual Statement of Accounts.

4.2 **“Chief Officers”,** as defined in paragraph 2.3 of this statement, are paid within the Council’s pay framework which applies to all other employees. Typically, Chief Officers have received the same percentage pay award as other managers and staff groups within the Council.

**4.4 “Lowest paid employees”**

4.4.1 Winchester City Council is an accredited Living Wage Employer. The Living Wage is paid voluntarily and is set to avoid poverty wages and support the principle that workers should be paid at a level which enables them to achieve an acceptable standard of living. The lowest paid employees are paid within the salary range for Grade 2 which covers five salary points ranging between £17,364 and £18,795.

4.4.2 The lowest paid employees do not include apprentices for whom there are separate pay arrangements.

**4.5 Honoraria and Additional Responsibilities**

4.5.1 All employees are expected to perform any other duties commensurate with their job grade as reasonably required from time to time. However, there may be occasions where an employee agrees to take on additional duties and responsibilities that may be at the same level of their substantive grade but are beyond the reasonable scope of their normal job remit. In such circumstances, an honorarium payment may be awarded. Honoraria should not normally exceed £500, or the value of no more than 2 incremental points, which ever is greater. If a sum greater than this is proposed the matter must be considered by Executive Leadership Board.

4.5.2 Should a member of staff take on temporary increased responsibility an “acting up” allowance may be awarded. The amount awarded should reflect the nature and duration of the work or responsibility. Where the employee has been covering the long term absence of a more senior officer, “acting up” payments are calculated based on the difference between the employee’s scale point and the bottom scale point of the role they are covering. Temporary acting-up arrangements of this nature will not exceed more than 12 months duration and should generally be undertaken for at least one month before payment will apply.

4.5.3 In all cases of honoraria and “Acting Up” allowances, a recommendation must be made in writing to the relevant Strategic Director.

**4.6 Charges, fees or allowances**

4.6.1 No fees for election duties are included in the salaries of Chief Officers. Any additional fees payable for such responsibilities are calculated in accordance with the statutory rules and associated guidance which is published by Government. Special fees are paid for Returning Officer duties which are not part of the post holder’s substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role.

4.6.2 The Returning Officer is an officer of the City Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the City Council, the role is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the Council. As Returning Officer, he/she is paid a separate allowance for each election for which he/she is responsible.

4.6.3 Where the Council’s Monitoring Officer or S151 Officer is not a Chief Officer or Deputy Chief Officer, a special responsibility allowance of £3,000 gross per annum is paid in recognition of the additional requirements of the statutory role.

4.6.4 Any allowance or other payment will only be made to an employee in connection with their role or the patterns of hours they work and must be in accordance with the Council’s employment policies.

4.6.6 The Council offers a Health Care Cash Plan scheme which is available to all employees regardless of their role and grade within the Council.

4.6.7 Where the Council offers voluntary benefits e.g. childcare vouchers and employee discount schemes, they are offered to all employees regardless of their role and grade within the Council.

**4.7 Performance related pay**

4.7.1 The Council does not offer performance related pay to any employee. Performance is reviewed annually through the Council’s appraisal system and the Council reserves the right to withhold increments where performance has not met the required standard and where this has been raised with the employee formally.

4.7.2 Subject to approval from the appropriate Corporate Head of Service and Strategic Director, an employee may receive more than 1 increment in any financial year.

**4.9 Pension**

4.9.1 All employees, as a result of their employment, are eligible to join the Local Government Pension Scheme (LGPS).

4.10.2 In addition to the employee’s own contribution, the Council makes a contribution of 14% towards the pension of each member of the LGPS scheme[[1]](#footnote-1).

**4.12 Remuneration on appointment and promotion**

4.12.1 The starting salary on appointment or following promotion will normally be based on the appointee’s level of relevant experience and current salary, regardless of whether they are a current employee of Winchester City Council.

4.12.2 The chair of the recruitment panel has the discretion to determine the appropriate spinal column point within the agreed pay scale but the starting salary should not exceed the mid point of the pay scale. In exceptional circumstances (e.g. the current salary is higher than the mid point of the scale), the Head of Human Resources may authorise appointment on a spinal column point which is higher than the mid point of the scale.

**5. Relationship between Remuneration of “Chief Officers” and “Employees who are not Chief Officers”**

5.1 The Local Government Association has offered advice on the Government’s requirement in reporting remuneration relationships. The advice is that the measure of the relationship between Chief Officers and employees who are not Chief Officers be considered by the ratio between the highest paid employee and the median average earnings across the organisation as a multiple.

5.2 Winchester City Council adopt a maximum of 1:10 whereby the remuneration of the highest paid officer should be no more than 10 times that of the lowest paid.

**4.8 Benefits in kind**

4.8.1 There are historical arrangements in place which entitle employees in certain circumstances to have a lease car or to receive an allowance where the role requires essential use of a car; these arrangements have recently been reviewed and the provision of a lease car will cease with effect from 30 September 2019.

4.8.2 The Council pays professional fees for officers where it is an essential requirement for the post holder to maintain professional accreditation. Only one set of professional fees are paid per annum

4.8.3 A Park and Ride pass is offered to all employees other than to meet specific operational requirements when a car park permit may be issued.

**6. Termination Payments**

6.1Payments made on termination of employment are limited to those expressly required or allowed by law. In accordance with the Council’s Constitution, Termination payments which exceed £100,000 (regardless of the post to which they apply and the reasons for the payment, require approval from full Council.)

**6.2 Access to Pension Payments**

6.2.1 In some circumstances, an employee may be eligible to access their pension on termination of employment.

6.2.2 The LGPS requires employers to prepare and publish a written statement of policy in relation to the payment of pensions. The Council’s policy on pensions (and related discretionary payments) is set out in **Annex A** of this document.

**6.3 Redundancy Payments**

6.3.1 The calculation of redundancy payments is based on the provisions of Employment Rights Act 1996 and may be subject to revision should this legislation be amended.

6.3.2 Redundancy payments are based on a ratio of completed years’ service and the employees’ age at the effective date of termination, using a multiplier of 1.6. Completed year’s service will be capped at 20 years and the maximum of 48 weeks pay will apply. The Council uses the employees’ actual contractual pay to calculate redundancy payments.

**6.4 Settlement Agreements**

6.4.1 In exceptional circumstances, and specifically to settle an employment tribunal claim or similar significant dispute, the Corporate Head of Resources can agree payment of a settlement up to £10,000.

6.4.2 In such cases, each decision as the level of payment will be taken on its merits. Where the proposed termination payment exceeds £10,000, approval from the Section 151 Officer and one other Chief Officer is required.

6.4.3 In accordance with the Council’s Constitution, Settlement Payments which exceed £100,000 (regardless of the post to which they apply require approval from full Council.)

6.4.4 Under the Local Government Transparency Code 2014, pay and benefits information and a list of responsibilities for staff paid over £50,000 must be published. This information is available on the Council’s external website.

**6.5 Re-employment of officers**

6.5.1 When a member of staff is dismissed on the grounds of redundancy or early retirement with the employer’s consent, the Council will not re-employ them for a period of 12 months following the termination.

7. **Data Transparency**

7.1 Under the Local Government Transparency Code 2014, pay and benefits information and a list of responsibilities for staff paid over £50,000 must be published. This information is available on the Council’s external website. Senior employees’ remuneration can also be found in the annual [Statement of Accounts](http://www.winchester.gov.uk/assets/attach/16534/Annual%20Financial%20Report%201718%20FINAL%20V5.1.pdf).

**Annex A**

**Pensions Discretions Policy Statement**

**The Local Government Pension Scheme Regulations 2013 and Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014**

1. **Introduction**
   1. This policy statement is made in accordance with Paragraph 60 of the Local Government Pension Scheme Regulations 2013 and Paragraph 2 (2) of Schedule 2 of the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.
   2. It sets out how Winchester City Council will apply discretionary provisions available within those Regulations.
   3. This policy applies to all employees of Winchester City Council who are members of the Local Government Pension Scheme. It does not apply to Elected Members of the Council.
   4. In formulating and reviewing its policy, the Council:

* Has regard to the extent to which the exercise of discretionary powers, unless properly limited, could lead to serious loss of confidence in the public service; and
* Is satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

1. **Purpose of this Policy**
   1. This policy aims to provide fairness and consistency in situations where the Council is release of accrued pension benefits.
2. **Flexible Retirement –** Regulations 30 (6) and 30 (8)( 2013 Regulations)
   1. The Pension Scheme allows for flexible retirement from age 55 with the payment of all or part of accrued pension benefits in situations where the employer agrees to the hours of work or the level of responsibility being reduced and to the release of pension benefits. In most cases, the pension benefits will be reduced if taken before normal retirement age.
   2. Flexible retirement can benefit both the employee through enabling a gradual adjustment to retirement and the Council through the ability to retain valuable experience and knowledge; it also increases the opportunity for succession planning and reflects the ethos of flexible working.
   3. The Council will consider all requests for flexible retirement in response to written requests from eligible employees.
   4. The Council will approve requests only where it is their interests to do so; where there is no adverse impact on the service; where the costs are affordable or where there are likely to be cost savings achieved as a result of the proposal.
   5. A request should typically involve a substantial reduction of at least 40% in salary, either through reduced hours or level of responsibility.
   6. Requests for flexible retirement will be considered by the Executive Leadership Board. Where a request for flexible retirement is from a Chief Officer, the decision will be made by the Chief Executive. Requests for flexible retirement from the Chief Executive will require approval from full Council.
3. **Awarding Additional Pension –** Regulation 31( 2013 Regulations)
   1. The Council will not make use of the provision to award additional pension.
   2. This discretion is therefore not exercised.
4. **Shared Cost Additional Voluntary Contributions (SCAVC) and Shared Cost Additional Pension Contributions (SCAPC) –** Regulations 16(2) (e) and 16(4) (d) ( 2013 Regulations)
   1. The Council will exercise discretion to allow Local Government Pension Scheme Members to contribute to a shared cost salary sacrifice additional voluntary contribution scheme.
   2. The Council will not exercise its discretion to allow Local Government Pension Scheme Members to contribute to a Shared Cost Additional Pension Contributions Scheme.
5. **Discretion to “switch on” the 85 year rule for 55 year olds and older but before the age of 60 –** Para 1(1) (c ) Schedule 2 of the 2014 Regulations
   1. The Council will only exercise this discretion where there is a business reason to do so and where any costs associated with the discretion are affordable and sustainable to the Council. Requests will be considered by the Executive Leadership Board.
6. **Waiving Reduction due to Early Payment of Pension –** Regulation 30 (8) ( 2013 Regulations)

7.1 Employees can retire from age 55 and receive immediate payment of their pension benefits however the pension benefits payable will be subject to an actuarial reduction.

7.2 The Council will only exercise the discretion to waive the actuarial reduction where Regulation 30 (7) is applicable (that is where employment is terminated on the grounds of redundancy or in the interest of business efficiency)

7.3 The Council will only exercise this discretion where there is a business reason to do so and where any costs associated with the discretion are affordable and sustainable to the Council. Requests will be considered by the Executive Leadership Board.

1. **Early Payment of Deferred Pension Benefits – Regulation 30 of the LGPS (Benefits, Membership and Contributions) Regulations 2007**
   1. The Council will not normally exercise this discretion but may consider it in exceptional circumstances where any costs associated with the discretion are affordable and sustainable to the Council.
   2. Requests will be considered by the Executive Leadership Board
2. **Transfer of Pension Rights – Regulation 100 (6) ( 2013 Regulations)**
   1. The Regulations permit the employer to extend the normal time limit (currently 12 months) during which a scheme member may transfer service from a previous employer.
   2. The Council will not make use of the provision to extend the normal time limit.
   3. This discretion is therefore not exercised.
3. **Aggregation of Membership - Regulations 22, 7(b) 8(b) (2013 Regulations)**

10.1 If a member has previous LGPS membership, the Regulations allow for them to make a decision about whether it is combined with their new LGPS membership.

10.2 Any such decision to maintain separate pension benefits must be made within 12 months of becoming an active member.

10.3 The Regulations permit the employer to extend the normal timescale.

10.4 The Council will not make use of the provision to extend the normal time limit.

10.5 This discretion is therefore not exercised.

1. **Other Discretions**

11.1 With the exception of the discretions set out in this policy statement, the Council will not exercise any pension discretions pursuant to the 2013 and 2014 Regulations.

1. **Review of the Policy**

12.1 This policy will be reviewed by the Head of Human Resources every 3 years or whenever the Regulations change, whichever is sooner.

1. In addition to the 14% contribution there is also an additional payment for the capital contribution for past service that the Council pays, along with all other members of the Hampshire Pension Fund [↑](#footnote-ref-1)