

# Pay Policy

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## **The aims of this policy**

Uttlesford District Council (UDC) is committed to providing clear guidance on matters of policy all our employees, promoting a culture of fair treatment, respect and dignity, irrespective of individual differences.

This policy aims to provide managers and employees with clear guidance on how these policies will be managed and maintained in the workplace. It also meets the statutory requirements of the Localism Act 2011 with regard to the transparency of our pay and remuneration policies and the way we implement these throughout the authority.

Due to the nature of its content, it is intended that this policy will be used in conjunction with a number of existing policies within the organisation. Where relevant these documents will be referenced accordingly.

All relevant government directives and guidance notes have been used to compile this policy.

The contents of the policy and the application of them will be reviewed and approved on an annual basis by Full Council to ensure a consistent and fair approach to the remuneration of staff at all levels. Staff will only be paid in accordance with the conditions outlined in this document.

In managing the application of this policy, consideration should be given to the individual's requirements and circumstances in relation to the protected characteristics as detailed under the Equality Act 2010.

In January 2015 UDC became an accredited Living Wage employer.

This policy applies to all UDC employees.

*Any employee who requires this policy in an alternative format or language should contact HR Admin.*

## **Associated Documents:**

HRP 6	Secondment Policy
PPN 7	Job Evaluation Scheme
HRP 8	Essential User Policy
HRP 9	Excess Travelling Time and Expenses Policy
HRP 12	U-Perform Appraisal Process
HRP 13	Acting-Up Payments
HRP 15	Standby and Recall to Work Payment Policy
HRP 24	Organisational Change Policy
HRP 33	Standard Conditions of Service
HRP 47	General Allowances and Subsistence Rates
HRP 48	Long Service Award Policy

## Introduction

UDC recognises that to attract, retain and motivate quality staff, fair and equitable pay and reward processes need to be adopted and managed. These processes should be based on the current and future requirements of the organisation. They should also recognise that changes in both employee expectations and motivational needs, along with influential external factors such as labour market conditions, need to be continually considered and managed through these policies.

Robust pay and reward processes provide clarification and understanding of what contributions and responsibilities are required of employees at all levels and how their input is recognised and rewarded. It also supports the identification of the required values, behaviours and performance levels of the organisation in order for it to meet its key corporate and operational goals.

All of the policies referred to in this document have been formulated in accordance with local and national pay and reward standards and guidance. UDC works in partnership with Essex County Council's Human Resources (HR Partnership) therefore all policies will be implemented and managed with direct support from this group.

## Policy Framework

### 1. Definitions

For the purpose of this policy only the term 'Chief Officer' is defined as follows:

- Any member of the Corporate Management Team (CMT)
- Any senior role evaluated between the pay Bands 1 – 4 (see section 3 below)

The term 'lowest paid staff' is defined as follows:

- Those staff members whose role is evaluated at Scale 2 on the NJC pay scale chart (see section 2 below)

### 2. Job Evaluation

UDC adopts job evaluation processes that aim to maintain fairness and equity in the grading of posts throughout the authority (see PPN 7). Jobs are only subject to evaluation if they are new posts or where a current post has significantly changed in relation to responsibilities and/or reporting lines.

UDC has two formal review processes that it applies dependant upon the expected outcome of the role being evaluated:

- |                                |                        |
|--------------------------------|------------------------|
| • UDC Job Evaluation Scheme    | From Scale 2 to PO 16  |
| • Hay System of Job Evaluation | From Scale SM2 upwards |

#### UDC Job Evaluation Scheme

The scheme focuses on the content and responsibilities of the role and not the person doing the job. It compares elements of the job against pre-determined factors ensuring

that jobs are measured logically and fairly. Job Evaluation Panels are held on a frequent basis at the Authority and organized by the UDC HR team. This process is actioned by a core team of trained officers from within the authority. One member of each evaluation panel must be a representative of the union. Also a representative from the HR Partnership will be present at each panel and chair the proceedings, making notes of the decisions and helping with the decision-making process. Following CMT approval, Managers must submit a job profile along with a supporting questionnaire and structure chart which is then evaluated by the team where points are allocated against a number of factors.

### Hay System of Job Evaluation

Where a role is anticipated to be graded above PO 16, it will be submitted to the HR Partnership for evaluation through the Hay System. This process is adopted for senior roles within the authority as it allows for greater emphasis on key management factors. It uses a points allocation system.

### Job Evaluation and Salary

The salary of any given UDC role is determined by an evaluation process. Salary bands are identified against the level of points awarded to a role. UDC policy is that there is no restriction upon the position in a salary band at which new recruits can be appointed. Appointing managers or members may use any point within the evaluated salary scale to recognise a successful applicant's experience, qualification, technical knowledge, technical skills and market value.

## 3. Pay

### Salary Bands

UDC adopts the recognised National Joint Council (NJC) salary bands for its lower paid roles as detailed in the 'Green Book' (see HRP 33). These are developed through negotiations with Local Government employers and trade unions and are updated and applied in line with national circumstances. These pay bands are structured through a series of Spinal Column Points (SCP).

Roles that are evaluated at a Chief Officer level have an independent salary band scheme applied to them.

The salary bands are as follows:

<b>Role</b>	<b>Band</b>	<b>Minimum</b>	<b>Maximum</b>
Chief Executive	<b>BAND 1</b>	<b>£ 100,000</b>	<b>£ 110,000</b>
Directors	<b>BAND 2</b>	<b>£ 75,812</b>	<b>£ 84,237</b>
Statutory Officers	<b>BAND 3</b>	<b>£ 68,062</b>	<b>£ 75,812</b>
Assistant Directors	<b>BAND 4</b>	<b>£ 48,920</b>	<b>£ 68,061</b>

For all Chief Officers, with the exception of the Chief Executive, there is an annual 'cost of living' rise which, when known, will be added to the Band 2, 3 and 4 ranges.

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Information on actual sums paid to Chief Officers is contained within the annual Statement of Accounts which is published on the council website each June. A link to the relevant page is below

<http://www.uttlesford.gov.uk/finance>

### **Average Salaries**

At the time of issue of this policy, the approximate average salary for all 'Green Book' salaried employees is £21,660 and the median salary is £20,849.

Due to the introduction of the Living Wage the Council has no one employed by the authority on the Scale 1 'Green Book'. All of our employees start on at least Scale 2, which is currently £15,523 FTE.

The current average salary for Chief Officers is £69,481 and median is £55,625.

### **Salary Ranges**

It is the council's policy that the salary range for the role of Chief Executive will normally be no greater than eight times the average salary of a Scale 1 'Green Book' employee. .

It is the council's policy that the salary range for the role of Director will normally be no greater than six times the average salary of a Scale 1 'Green Book' employee.

It is the council's policy that the salary range for the role of Statutory Officer will normally be no greater than five and a half times the average salary of a Scale 1 'Green Book' employee.

It is the council's policy that the salary range for the role of Assistant Director will normally be no greater than five times the average salary of a Scale 1 'Green Book' employee.

All starting salaries commence at Scale 2 so all requirements are met.

All annual salaries are paid pro rata to part time working officers based on the number of hours they are contracted to work.

### **Increments in Pay**

For 'Green Book' roles, increments in pay normally occur on an annual basis, subject to satisfactory performance within the role. The increment reflects a move to the next level SCP within a band. Once a role has reached the highest SCP within a band there will be no further incremental pay awards.

Increments in pay for Chief Officers will only be awarded through the Chief Officer Performance and Reward Scheme (see section 6 below).

Annual 'cost of living' award may also be awarded to all officers, with the exception of the Chief Executive, as a result of negotiations between the Local Government Employers and trade unions.

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## **Pay Protection**

UDC operates a pay protection policy which provides a mechanism to assist employees to adjust to a reduction in pay arising from organisational change, job evaluation or redeployment. Pay protection will apply to permanent employees from the effective date of the change of grade for a period of two years as follows:

Where the alternative suitable employment within UDC is at a lower grade, pay protection will be up to a maximum of one grade only from the highest SCP of that lower graded post regardless of the employee's grade in their previous role for the first year following redeployment. Pay protection for the second year will reduce to 50% of the amount paid in the first year.

## **Living Wage**

In January 2015, The Living Wage Foundation accredited Uttlesford District Council as a Living Wage Employer. The Living Wage commitment will see that everyone working at UDC, regardless of whether they are permanent employees or third-party contractors and suppliers; receive a minimum hourly wage of £8.25 (significantly higher than the national minimum wage of £6.70).

The Living Wage is an hourly rate set independently and updated annually. The Living Wage is calculated according to the basic cost of living using the "Minimum Income Standard" for the UK.

## **4. Additional Payments**

### **Returning Officer Payment**

The Council has a duty to appoint a Returning Officer for all elections that it runs. For District and Parish elections, the Returning Officer fee is met by the District Council. This fee, and the fees of all other people employed by the Returning Officer, is paid in accordance with the Council's agreed scale of fees and expenses for elections.

### **Acting up payments**

Acting up payments are awarded where officers temporarily undertake duties at a higher grade (see HRP 13). Payment is usually made where an officer is covering over 20% of the duties of the higher-grade post. The amount payable is calculated by assessing the percentage of the higher-level post covered and the difference between the officer's current salary and the salary band minimum of the grade of the post covered.

### **Secondments**

The authority provides the opportunity for officers to undertake roles on a secondment basis (see HRP 6). In most cases the secondee will be paid at the same level as their substantive post however, where the secondment post is of a higher pay band than their current role, a higher salary may be applied for the secondment period. This salary will be agreed by all relevant managers and HR representatives.

### **Essential User Car Allowance and Mileage Rates**

The authority pays an Essential User Car Allowance to roles that meet the specified criteria. Where officers require the use of a vehicle to complete their day-to-day responsibilities, business mileage can be claimed (see HRP 8 & 47). Essential user

allowance is only available to those qualifying people on salary grades up to and including PO13-16

Any such allowances and mileage payments are calculated and applied in accordance with HM Revenue & Customs rates.

### **UDC Allowance**

The authority has previously paid a local UDC allowance to all staff, on Scale 6 or below, after one year's continuous service. The allowance of £561 is paid in addition to an annual salary payment. Following a corporate review of allowances in 2011, this allowance is no longer paid to any staff commencing employment within the authority.

If an employee moves from one role to another within the council the employee will cease to be entitled to the UDC Allowance. The only exception to this is where the move is part of a section reorganisation with an associated consultation process. In this case where the employee is required to move role the allowance will continue to be paid providing the original scheme criteria remain i.e. the new role is evaluated at Scale 6 or below.

### **Excess Travel Allowance**

Additional travelling expenses can be claimed by employees when their work base is changed by circumstances beyond their control or they are transferred to a new work base (see HRP 9). The Officer is paid an allowance equal to the difference between the cost of travelling from their home to their new work place and from their home to their original workplace. The allowance is paid for a maximum period of three years from the date of transfer.

The UDC Excess Travelling Expenses Scheme is agreed within the scope of 'Green Book' conditions.

### **Meeting Allowances**

Officers graded at 'Green Book' Senior Officer 1 (SO1) to Principal Officer (PO16) can claim an allowance for attendance at evening and out of hours meetings relating to council business.

### **Standby and Recall to Work Payments**

Officers are eligible for these payments if in respect of their contracted duties they are required, or volunteer, to be on a call out rota or list, or respond to calls outside of normal working hours. Eligibility for standby and recall to work payments will be confirmed in the terms and conditions of the officer's contract of employment and details are set out in HRP15.

### **Market Supplements**

Following the corporate review of allowances in 2011 the authority does not apply market supplement payments to any role. If however, the employment market dictates the need to apply a supplement to particular roles, these will be applied in accordance with relevant protocol.

### **Long Service Awards**

The authority acknowledges the importance of employees who are committed to their work and wishes to reward the loyalty of those officers who have Long Service with

UDC. Long Service Awards are given upon the successful completion of 20, 30 and 40 continuous service at UDC or one of its predecessor authorities.

Awards are made as follows:

20 years service	Vouchers to the value of £250
30 years service	Vouchers to the value of £500
40 years service	Vouchers to the value of £750

### **Staff Suggestion Scheme**

The authority has since 2007 run a staff suggestion scheme, U-Suggest where members of staff are invited to come up with good ideas for improving the way the authority works. Where suggestions are innovative, cash prizes may be linked to the amount of any savings the council makes as a result of putting them into practice. Suggestions can receive awards of between £10 and £250. There may also be encouragement awards given of up to £25 for ideas which show merit or special effort. To date a total award of £1,160 has been paid to officers through the scheme.

### **Vine Extras**

From April 2016, the authority will be subscribing to Vine Extras; this is a reward gateway to a large number of retailers where employees can make savings on purchases. The cost to the authority will be £4.00 per employee.

## **5. Recruitment**

All officers recruited by UDC will be given a formal written contract detailing the particulars of their employment and the compensation they will receive in exchange for the work they perform. These contracts will reflect the status of the employee's employment i.e. permanent, temporary, casual etc.

The specific terms of the contracts are detailed in a Written Statement of Particulars for Local Government Employees (Scale 1 – P016) which will accompany the contract.

The Statement of Written Particulars for staff on SM2 and Chief Officer Grades will reflect the different terms and conditions that apply to those roles.

Chief Officers will normally be appointed at the bottom of the appropriate pay scale. However the Chief Executive has the authority to appoint above the bottom of the appropriate pay scale should the need arise.

Any changes to terms and conditions of employment will follow consultation and, where necessary, negotiation with individuals and recognised trade unions.

## **6. Reward & Recognition**

To monitor the performance of all 'Green Book' officers, the authority adopts a local appraisal process, U-Perform (see HRP12). Performance will be reviewed and graded against the achievement of a number of key objectives and the demonstration of relevant values and behaviours. There are no additional monetary rewards other than incremental progression within the officer's pay band for acceptable performance within this scheme. Alternative rewards such as additional leave and recognition letters may be awarded for 'very good' or 'exceptional' performance.



For all Chief Officers, with the exception of the Chief Executive, a local Performance and Reward scheme was proposed in 2007 but has not been implemented. Chief Officers only receive the salary as set out in section 3 above, they do not receive performance related pay nor do they receive bonuses.

Increments in pay for the Chief Executive may be awarded by the Leader of the Council following scheduled performance reviews.

## **7. Career Progression Schemes**

In some areas of the authority officers are offered progression in their roles through a career progression scheme. Within such schemes, progression is usually awarded after successful completion of particular qualifications or work experience. Details of the scheme and how it will be applied to an individual will be documented in their contract of employment.

The authority also offers opportunities for apprenticeships and other national schemes such as school work experience placements. Apprenticeships have their own national pay scheme and are therefore outside of this policy.

## **8. Pension**

The Local Government Pension Scheme (LGPS) is open to all new and existing employees of the authority.

The government has introduced new overriding pension legislation to make it easier for people to save for their retirement.

It requires all employers to Auto Enroll all eligible jobholders into a workplace pension scheme who are:

- not already in a workplace pension scheme and or previously opted out;
- earning over £10,000 gross per year (or £192 per week or £833 per month) - These figures relate to Tax year 2015/16 and are reviewed on an annual basis each April
- aged 22 or over;
- and under State Pension Age.

An employee may decide at any time to opt out of membership of the LGPS but will be automatically be re-enrolled into the scheme on what is called the "re-enrolment date" if, on that date, an employee is aged at least 22, under State Pension Age and earning more than £10,000 (current figure), or pro-rata per pay period, exception to this is if an employee has opted out within 12 months prior to the "re-enrolment date". At that point an employee will not be re enrolled until the next "re enrolment date"

The workplace pension scheme provided is the Local Government Pension Scheme (LGPS) which is a qualifying pension scheme, which means it meets or exceeds the government's standards.

## **9. Severance**

On cessation of employment from the authority, officers including Chief Officers will only receive compensation:

- (a) in circumstances that are relevant e.g. redundancy
- (b) in the application of any employer discretions provided by the LGPS and/or
- (c) that complies with the specific term(s) of a Settlement Agreement.

The authority adopts an early retirement policy (see HRP 25)

### **Settlement Agreements (previously known as Compromise Agreements)**

In exceptional circumstances to avoid or settle a claim or potential dispute, the authority may agree payment of a settlement sum through the issue of a Settlement Agreement. All cases will be overseen by the Legal Department in conjunction with the relevant line manager to ensure all legal, financial and contractual responsibilities have been met.

## **More information and help**

### **Associated documents**

**All associated documents listed in this policy are available on request**

### **Contact for more information**

HR: Tel: 01799 510424

Email: [humanresources@uttlesford.gov.uk](mailto:humanresources@uttlesford.gov.uk)