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Dear Councillor

SOUTH HAMS COUNCIL - THURSDAY, 31ST MARCH, 2022

I refer to the agenda for the above meeting and attach papers in connection with the following item(s).

Agenda No	Item
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11.	<u>Pay Policy Statement and Pay and Reward Strategy (Pages 1 - 10)</u>
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	Updated Appendix B – Pay and Reward Strategy 2022/23
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Yours sincerely

Darryl White
Democratic Services Manager

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PAY AND REWARD STRATEGY

Introduction

1. The primary aim of the Councils' Pay and Reward Strategy (PRS) is to attract, retain and motivate staff so that the organisation can perform at its best.
2. The PRS sets out the Councils' overall reward philosophy and the design and implementation of its pay and grading structure, including financial and non-financial benefits.
3. South Hams District Council and West Devon Borough Council have developed a fully integrated and joint approach to pay and reward to all roles across both organisations and the PRS is a joint strategy.

Reward Philosophy

4. A coherent approach to rewarding staff is central to the Councils' commitment to continually improve productivity and to sustain the delivery of excellent services to our customers and communities.
5. Financial and non-financial reward are significant factors in helping the Councils attract and retain the right people and to keep them motivated, performing to the very best of their abilities and receptive to changing environment in which we operate.
6. The Councils' PRS is designed to be fully compliant with all of the statutory requirements, including the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Agency Worker Regulations 2010, the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and, where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
7. The Councils believe in the principal of national and local collective bargaining, supports the role of trade unions as representatives of the workforce and is committed to reaching agreement to changes affecting terms and conditions of employment through negotiation and consultation wherever possible.
8. The Councils' draw significant benefits from being a member of the Local Government Association, including the provision of national and regional advice and access to innovation and best practice in employee relations.
9. Through its membership of the National Joint Council for Local Government Services (NJC) and Joint Negotiating Committee for Chief Executives of Local Authorities (JNC), the Councils participate in national negotiations on pay and conditions of service.
10. In accordance with its commitment to national collective bargaining and the NJC Agreement (the Green Book), the Councils utilise the nationally agreed pay spine as the basis of its locally designed pay and grading structure.
11. The Councils are fully committed to a fair, open and equitable approach to pay and reward and meets its equal pay responsibilities by using the locally designed Senior Officer Job Evaluation Scheme and Job Level Assessment tool to make sure all roles are allocated the appropriate reward



in comparison to other roles in the organisation.

12. The Councils keep the pay and grading structure under review and carry out audits to make sure discrepancies does not arise on the basis of any characteristic protected by the Equality Act 2010.
13. The Councils use its Managing Performance framework, including the Personal Continuous Improvement appraisal tool to link performance to reward. Annual increments are only awarded once the line manager has certified that performance and conduct is satisfactory.

Pay Design and Structure

14. In order to reflect and distinguish between the wide range of duties and responsibilities carried out in the organisation, the Councils use 9 hierarchical Levels (or grades). Different roles are allocated to a Level using the Senior Officer Job Evaluation Scheme (Levels 1 – 3) and Job Level Assessment tool (Levels 4 – 9) and are considered to be of equal value to other roles in the Level.
15. The design of the grading structure and the associated rates of pay provide a hierarchical framework that enables roles to be rewarded in comparison to other roles.
16. The Chef Executive Officer is the only officer within Level 1 and a spot salary is used because an employee appointed to the role is considered to be fully competent upon appointment
17. Levels 3 to 9 are built upon the NJC pay spine and each Level has 5 spinal column points, with the exception of Level 9 which from 1 April 2019 has 3 spinal column points.
18. The use of incremental points within each Level is designed to reward higher performance associated with more experience and is a common feature across local government and many other organisations across all sectors of the economy. Where experience is unlikely to lead to an improvement in performance, such as in low or semi-skilled roles, a spot salary is used.
19. Employees with roles within Levels 2-9 are awarded an annual increment in April each year until the top of the Level is reached, subject to satisfactory performance. Each year, line managers are asked to confirm the satisfactory performance of every individual and the Councils retain the contractual right to withhold an increment in the event of unsatisfactory performance, including where performance is affected by unsatisfactory conduct.
20. Where an employee joins the organisation between September 1 and 31 March, an increment will only be payable after 6 months' service. Thereafter, increments will be due in April each year until the top of the Level is reached.
21. The salary for people joining the organisation is set at the entry spinal column point of the appropriate Level. In exceptional circumstances, SLT may agree to appoint to a higher point within the Level.
22. The salary for an employee moving to a higher Level following promotion or a regrading will normally join the new level at the entry spinal column point.

Rates of Pay



23. The Councils pay and grading structure is attached at Appendix A. The nationally agreed pay award for 2021 was 1.75% and the table at Appendix A reflects the rates of pay effective from 1 April 2021. The nationally negotiated annual pay rise of 1.5% for Chief Executives for 2021/2022 was agreed in February 2022.
24. The Councils are members of the National Joint Council for Local Government Services (NJC) and Joint Negotiating Committee for Chief Executives for Local Authorities (JNC) and participate in national negotiations on pay and conditions of service with the recognised trade unions through its membership of the Local Government Association.
25. The NJC and JNC are committed to an annual review of pay and, from time to time, agree an increase in pay. The Council is contractually committed to implementing this nationally negotiated and agreed increase in pay and applies the changes to its pay structure and to each individual employee's rate of pay.
26. Every role in the organisation is accompanied by a Job Description and Role Profile which are used to determine the appropriate Level within the pay and grading structure in conjunction with the local Senior Officer Job Evaluation Scheme (JES) and Job Level Assessment (JLA) tool.
27. The Councils keep the Level of each role under review and, where there is some evidence that a role has changed, carries out a JES or JLA to determine whether a role should be regraded to a higher or lower Level.
28. The JLA tool measures the size of a Role by considering the level of Responsibility carried out, the degree of Discretion exercised, the Resources used or managed and the impact the role has on our customers and communities. The JES scheme measures the size of a Role by considering the Knowledge Required, Creative Thinking, Impact on People and Organisations, and the Management of Resources.
29. The Councils have access to comparative pay data through its membership of South West Councils. The available data enables the Councils to compare its rates of pay for job families and specific roles with other regional local government organisations to make sure the rates of pay are competitive and broadly comparable.

Senior and Low Pay

30. The Councils are required to adopt and publish an annual Pay Policy Statement (PPS). The PPS sets out the remuneration of Chief Officers (currently the Chief Executive, four Directors and Monitoring Officer) and the rate of pay of the lowest paid member of staff and the median earnings of the workforce. It is also required to report the ratio between the highest level of pay and that of the lowest rate of pay and median rate of pay.
31. The Councils are required to publish the PPS and it is available on the Council websites.

Gender Pay Gap

32. Under the provisions of the Equalities Act 2010 (Gender Pay Gap Information) Regulations 2017 all organisations that employ more than 250 employees are required to publish annually a report showing the gender pay gap. Although West Devon Borough Council currently employs less than



250 employees, it will publish the data in accordance with the Regulations.

33. The information will be published on the Council's websites and, in the case of South Hams District Council, the government's gender pay gap website.

Other financial and non-financial reward benefits for staff

34. The Councils provide a wide range of financial and non-financial benefits to its staff to help attract and retain the right people. The following list is not exhaustive:

I. Membership of the Local Government Pension Scheme (LGPS)

It is statutory requirement that all employees with more than 3 months service are automatically enrolled into the LGPS. The LGPS is a defined benefit scheme that provides a pension based on career average earnings. The LGPS is a contributory scheme and the employee contribution rate is dependent on income, ranging from 5.5% to 12.5%. The contributions made by the Councils are determined by Actuaries and are reviewed every three years. Employees retain the right to opt out of the scheme.

II. Bonus Payments

The Councils have removed all historic bonus payments and have successfully consolidated bonus payment previously payable to employees working in waste and recycling, public convenience and street cleaning (before their transfer to external contractors), craft workers and at the Dart Lower Ferry.

III. Premium Payments

Under the terms of the NJC Agreement, premium payments are payable when an employee works additional hours (overtime) or outside of normal working hours, such as evenings, weekends and public holidays. All payments are in accordance with the NJC Agreement or local agreements. Under the terms of individual contracts of employment (and in accordance with the NJC provisions), overtime pay is normally only payable to officers on Level 6-9. Officers at Level 1 – 5 are offered time off in lieu if they work additional hours.

IV. Special Responsibility Allowances

In recognition of special responsibilities, certain categories of employees are awarded an allowance above their substantive Level and salary.

Currently, the Council recognises the responsibilities carried out by the following employees

- Supervisory Case Managers – receive an additional 2 increments
- Deputy 151 and Deputy Monitoring Officer – receive 5% of salary
- Deputy Chief Executive – receives £8000 pa
- Monitoring Officer – receives 20% of salary

V. Responsibility Allowances, Secondments and Acting Up

From time to time, the Councils will need to make interim appointments to cover a short-term demand for a particular role, task or activity. The Councils are committed to providing opportunities for staff to gain experience of different roles and levels of responsibility within the organisation and will offer interim opportunities to staff unless there is a business imperative to make external arrangements.



Where an employee is carrying out a Secondment or is Acting Up, and is expected to carry out the full range of duties of a Role at a higher Level, salary will be paid in accordance with the entry point to the appropriate Level.

Where the employee is expected to carry out some additional duties and/or responsibilities, an additional increment will be awarded within their existing substantive Level, or, where the employee is at the top of the Level, SLT will determine an appropriate salary uplift.

In exceptional circumstances and with the agreement of SLT, an additional increase in salary may be awarded.

VI. Merit Pay and Honorariums

Where an employee undertakes temporary additional responsibilities or performs exceptionally, a payment can be made by SLT in accordance with the Councils' Merit Pay and Honorarium Policy.

VII. Accelerated incremental progression

In exceptional circumstances, SLT may award an accelerated increment to an employee.

VIII. Out of Hours Payments

The Council delivers a number of functions, including statutory duties, that need to be accessed out of hours and provides a payment to appropriate employees to deliver the out of hours service in accordance with its Out of Hours Policy.

IX. Market Supplements

- X.** A Market Supplement scheme was implemented in 2022 which enables SLT to attach a market supplement from 2.5% to 20% to a role if it meets agreed criteria based on the market rate for the role, the Councils' inability to attract suitable candidates for vacant posts or where there is a risk of not retaining officers because of the market rate. Any supplement awarded is for a period of 24 months and is subject to a review after 18 months. The supplement can be extended if the role continues to meet the qualifying criteria. **Commercial Delivery or Community Benefit Supplement**

From time to time, the Councils can deliver product(s) and / or services to third parties or external organisations in order to generate a commercial return and can also be responsible for the delivery of externally funded services that can have a significant benefit on the communities we serve.

From time to time, SLT may agree to award a Commercial Delivery or Community Benefit Supplement to an employee(s) where it considers the success of the commercial venture or externally funded project will be enhanced in accordance with the agreed policy.

XI. Relocation Allowance and 'Golden Hello'

From time to time, SLT may determine that a relocation allowance should be made available attract the right candidate to the organisation. All payments will be made in accordance with the Councils' Relocation Policy up to a maximum payment of £5000. From time to time, the Leader of the Council may authorise an increase in the upper limit of the payment where it is necessary to attract candidates to particular roles..

In exceptional circumstances, the Council may offer a financial incentive to attract candidates to apply for hard to fill vacant posts. **Membership Professional Fees**



The Council is committed to supporting the highest level of professional and technical competence within its workforce and will financially support an employee's membership of a relevant professional body.

XII. Leave and Flexible working

The Council recognises that it is important for its employees to strike an effective work life balance and operates Annual Leave and Special Leave Policies to make sure employees are able to take appropriate breaks from working for both rest and recreation and to manage unforeseen events in their personal life.

The Council also recognises that flexible working practices can help employees manage the work life balance and encourages the use of agile working. The Council's Ways of Working Policy sets out the overall approach to agile working and seeks to find an appropriate balance between the needs of our customers and communities and the ability of employees to structure their working pattern and environment in a manner that supports their personal life.

In response to the national 'lockdown', the Councils introduced further flexibilities to its working arrangements, aimed specifically to help working parents whilst schools were closed.

During 2020, the Councils introduced a policy that enables employees to purchase up to 10 days of additional days of annual leave.

XIII. Volunteering

The Council encourages and supports its employees to do voluntary work. It can help the Councils build relationships and improve its reputation within the local community and can directly support initiatives that enhance the communities in which we live and work.

By volunteering, employees can share their talent for the benefit of the community, learn new skills and encounter new experiences. Volunteering can help enhance a person's self-esteem and improve their health and well-being.

In accordance with the agreed policy, an employee may be granted up to 3 days paid leave and unlimited unpaid leave per year to carry out voluntary work.

XIV. Salary Sacrifice Schemes

The Council promotes a healthy lifestyle by offering employees the opportunity to purchase a bicycle for the purpose of cycling to work through salary sacrifice arrangements that allow the cost to be deducted before national insurance contributions are calculated in accordance with HMRC rules. The Councils can no longer offer a child care voucher scheme to employees as individuals now need to enrol on the government Tax-Free Childcare scheme. However, for employees who were previously registered, we can continue to offer child care vouchers through our payroll.

Since 2020/21, the Councils operate a salary sacrifice scheme to assist employees to lease electric vehicles. This scheme supports the Councils commitment to reduce its carbon footprint.

The Council also implemented a scheme allowing employees to purchase up to 10 days' additional annual leave through a salary sacrifice scheme.

In 2022, the Council introduced a scheme to enable employees to purchase white and electrical goods through payroll. The scheme does not attract the benefits of a salary sacrifice scheme, but allows



employees to spread the cost of a purchase over 24 months without attracting any interest on the payment.

XV. Severance Payments

From time to time, the Council's requirement for particular activities and functions to be carried out can diminish and may result in a redundancy situation. Where a redundancy cannot be avoided, all severance payments are made in accordance with the Council's Redundancy and Interests of Efficiency Policy. The policy is agreed by Full Council and is compliant with the Local Government (Discretionary Payments) Regulations 1996 and Employment Rights Act 1996.

XVI. Sickness absence and pay

The Councils are committed to the well-being of its employees and to providing the right working environment, working practices and healthcare support to help employees to be healthy and able to work. On occasions, however, employees will be unable to attend work due to illness and the Councils adhere to the Green Book Sickness Scheme.

XVII. Occupational Health, Counselling and Employee Assistance Programme

The Councils provide access to an Occupational Health Service to help understand what it can do to support employees with longer term sickness absences and to help facilitate an earlier return to work.

The Councils provide access to a range of support networks and advisory services through its partnership with an Employee Assistance Programme and offer an anonymous self-referral service to a Counselling Service to help employees with a wide range of work and non-work related issues.

XVIII. Maternity, paternity and parental leave and pay

The Councils adhere to the Green Book Maternity, Paternity and Parental Leave and Pay policies for eligible employees.

XIX. Travel and subsistence expenses

The Councils will reimburse employees for all reasonable and authorised expenditure, including mileage, occurred on Council business in accordance with the Travel and Subsistence Policy.



APPENDIX A – PAY AND GRADING STRUCTURE with effect from 1 APRIL 2021

SPINAL COLUMN POINTS 2021-2022 (WEF 01/04/2021)				
Grade	SCP	ANNUAL SALARY	MONTHLY RATE	HOURLY RATE
Scale 1	1	18,333	1527.75	9.50
	2	18,516	1543.00	9.60
	3	18,887	1573.92	9.79
9	4	19,264	1605.33	9.99
	5	19,650	1637.50	10.19
	6	20,043	1670.25	10.39
8	7	20,444	1703.67	10.60
	8	20,852	1737.67	10.81
	9	21,269	1772.42	11.02
	10	21,695	1807.92	11.25
	11	22,129	1844.08	11.47
7	12	22,571	1880.92	11.70
	14	23,484	1957.00	12.17
	15	23,953	1996.08	12.42
	17	24,920	2076.67	12.92
	19	25,927	2160.58	13.44
6	21	26,975	2247.92	13.98
	22	27,514	2292.83	14.26
	23	28,226	2352.17	14.63
	24	29,174	2431.17	15.12
	25	30,095	2507.92	15.60
6 - Supervisory Allowance	26	30,984	2582.00	16.06
	27	31,895	2657.92	16.53
5	28	32,798	2733.17	17.00
	29	33,486	2790.50	17.36
	30	34,373	2864.42	17.82
	31	35,336	2944.67	18.32
	32	36,371	3030.92	18.85
4	33	37,568	3130.67	19.47
	34	38,553	3212.75	19.98
	35	39,571	3297.58	20.51
	36	40,578	3381.50	21.03
	37	41,591	3465.92	21.56
3A	41	45,648	3804.00	23.66



	42	46,662	3888.50	24.19
	43	47,665	3972.08	24.71
	44	48,853	4071.08	25.32
	45	50,081	4173.42	25.96
3B	43	47,665	3972.08	24.71
	44	48,853	4071.08	25.32
	45	50,081	4173.42	25.96
	46	52,222	4351.83	27.07
	47	53,320	4443.33	27.64
3C	45	50,081	4173.42	25.96
	46	52,222	4351.83	27.07
	47	53,320	4443.33	27.64
	48	55,411	4617.58	28.72
	49	57,502	4791.83	29.80

NB: SCP 13,16,18,20,38,39,40 are not used by South Hams and West Devon as part of the 2019 assimilation process

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