

# PAY AND REWARD STRATEGY 2018

## 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 Officers (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 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 WorkPAL 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 Job Level Assessment tool 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. Levels 3 to 9 are built upon the NJC pay spine and each Level has 5 spinal column points. 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.
17. Employees with roles within Levels 3-9 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.
18. 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.
19. Levels 1 and 2 are reserved for members of the Councils' Senior Leadership Team (SLT) and the salaries are based upon a spot salary within a salary range agreed by Full Council. A spot salary is used for SLT because employees appointed to senior roles are considered to be fully competent upon appointment.
20. 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.

21. The salary for an employee moving to a higher Level following promotion or a regrading will join the new Level at the entry spinal column point.

### **Rates of Pay**

22. The Councils pay and grading structure is attached at Appendix A.
23. The Councils are members of the National Joint Council for Local Government Services (NJC) and Joint Negotiating Committee for Chief Officers (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.
24. 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.
25. Every role in the organisation is accompanied by a Job Description (JD). The JD is used to determine the appropriate Level within the pay and grading structure using a local Job Level Assessment (JLA) tool.
26. The Councils keep the Level of each role under review and, where there is some evidence that a role has changed, carries out a Job Level Assessment to determine whether a role should be regraded to a higher or lower Level.
27. 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.
28. The Councils have access to a national pay benchmarking service supported by the LGA. The database enables the Councils to compare its rates of pay for job families and specific roles with other local government and wider public sector organisations to make sure the rates of pay are competitive and broadly comparable with similar organisations.

### **Senior and Low Pay**

29. 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 Executive Directors, Group Managers, Monitoring Officer and S151 Officer) and the rate of pay of the lowest paid member of staff and the median earnings of the workforce.
30. The Councils are required to publish the PPS and it is available on the Council websites.

### **Gender Pay Gap**

31. 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.

32. 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**

33. 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 a 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 are actively seeking to remove all historic bonus payments and has successfully consolidated bonus payment previously payable to employees working in Waste and Recycling, Public Convenience, street cleaning, 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, 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.

#### **V. 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.

#### **VI. Accelerated incremental progression**

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

#### **VII. 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.

#### **VIII. Market Supplements**

Although the Council does not currently pay a market supplement to any employee, it retains the ability to make a market supplement payment where it is demonstrated to SLT that there is a clear business case to support a supplementary payment. Any market supplement should be based on empirical evidence and kept under review.

#### **IX. 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.

#### **X. Relocation Allowance**

From time to time, SLT may determine that a relocation allowance should be made available to 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.

In exceptional circumstances, the Council may offer a financial incentive to attract candidates to apply for hard to fill vacant posts. In the past 12 months, a 'golden handshake' of £5000 was offered to attract candidates to apply for roles as a Planning Specialist, although no suitable candidate was identified and no payment made.

#### **XI. 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.

### **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 and working parents by offering employees the opportunity to purchase a bicycle for the purpose of cycling to work and child care vouchers through salary sacrifice arrangements that allow the cost to be deducted before national insurance contributions are calculated in accordance with HMRC rules. From April 2018, an employee wishing to join a child care voucher scheme must enrol on the new government Tax-Free Childcare scheme. For employees already registered, we can continue to offer child care vouchers through our payroll.

### **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 2017**

SPINAL COLUMN POINTS 2016-2017 (WEF 01/04/2017)					
T18	Previous	SCP	ANNUAL SALARY	MONTHLY RATE	HOURLY RATE
	Scale 1	6	15,014	1251.17	7.78
		7	15,115	1259.58	7.83
		8	15,246	1270.50	7.90
		9	15,375	1281.25	7.97
		10	15,613	1301.08	8.09
		11	15,807	1317.25	8.19
9	Scale 2	12	16,123	1343.58	8.36
		13	16,491	1374.25	8.55
	Scale 3	14	16,781	1398.42	8.70
		15	17,072	1422.67	8.85
		16	17,419	1451.58	9.03
8	Scale 4	17	17,772	1481.00	9.21
		18	18,070	1505.83	9.37
		19	18,746	1562.17	9.72
		20	19,430	1619.17	10.07
		21	20,138	1678.17	10.44
7	Scale 5	22	20,661	1721.75	10.71
		23	21,268	1772.33	11.02
		24	21,962	1830.17	11.38
		25	22,658	1888.17	11.74
6	Scale 6	26	23,398	1949.83	12.13
		27	24,174	2014.50	12.53
	SO 1	28	24,964	2080.33	12.94
		29	25,951	2162.58	13.45
		30	26,822	2235.17	13.90
N/A	SO 2	31	27,668	2305.67	14.34
		32	28,485	2373.75	14.76
		33	29,323	2443.58	15.20
5	A1 / M1	34	30,153	2512.75	15.63
		35	30,785	2565.42	15.96
		36	31,601	2633.42	16.38
		37	32,486	2707.17	16.84
		38	33,437	2786.42	17.33
4	A2 / M2	39	34,538	2878.17	17.90
		40	35,444	2953.67	18.37

		41	36,379	3031.58	18.86
		42	37,306	3108.83	19.34
	A3 / M3	43	38,237	3186.42	19.82
N/A		44	39,177	3264.75	20.31
		45	40,057	3338.08	20.76
		46	41,025	3418.75	21.26
	3	M4 (47-49) A4 (47-51)	47	41,967	3497.25
48			42,899	3574.92	22.24
49			43,821	3651.75	22.71
50			44,914	3742.83	23.28
51			46,043	3836.92	23.87