

# Pay Policy Statement

(Incorporating LGPS Discretionary Pension Statement)



2018 - 2019

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## 1. Introduction and Purpose

This Pay Policy Statement (the statement) sets out the Council's approach to pay policy in accordance with the requirements of the Localism Act 2011 (the Act). Under section 38 (1) of the Act 2011 English and Welsh local authorities are to produce and publish a pay policy statement for each financial year covering:

- The authority's policies for the remuneration of chief officers;
- The arrangements for the publication of and access to information on the remuneration of chief officers;
- The authority's policies towards the remuneration of its lowest paid employees; and
- The relationship between the remuneration of its chief officers and other employees.

The Council has published information on senior pay for a number of years on its website and in its Statement of Accounts. It has also responded openly and in full to Freedom of Information Act requests for such details.

In relation to other organisations in all sectors across the UK, we are a large, complex organisation providing a very diverse range of services. Many of these services are vital to the wellbeing of individuals and groups of residents in our local community. These can be delivered in very challenging circumstances, which means the Council must take account of the levels of need and ensure the availability of resources to meet them.

We compete with other local employers to recruit and retain managers capable of meeting the challenges of delivering our services to the required standards. This has an important bearing on the levels of remuneration we offer. At the same time, we are obligated to secure the best value for money for our residents and taxpayers in taking decisions on our pay levels. Therefore, the arrangements for the evaluation of posts across the workforce, and pay and terms and consideration of employment, are complex and require careful planning, maintenance and control.

## 2. Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation including the following:

- The Equality Act 2010;
- Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000;
- The Agency Workers Regulations 2010;
- Where relevant the Transfer of Undertakings (Protection of Earnings) Regulations.

The Council will ensure that there is no pay discrimination within its pay and grading structures and that all pay differentials in pay can be objectively justified through the use of a Job Evaluation system. The Council's Single Status Agreement is compliant with all relevant legislation and industry practice.

### 3. Scope of the Pay Policy Statement

The Localism Act 2011 requires authorities to publish their pay policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office) and to explain the relationship between remuneration for Chief Officers and other workforce groups including the 'lowest paid'.

In the interests of transparency the Council has chosen to take a broader approach and produces a policy covering all employee groups.

Nothing within the provisions of the Localism Act 2011 detract from the Council's autonomy in making decisions on pay that are appropriate to local circumstances and which deliver achieve business objectives and value for money. The Council will follow its own policy in setting remuneration levels for all workforce groups within its scope.

### 4. Independent Remuneration Panel for Wales (IRPW)

Section 143A of the Local Government (Wales) Measure 2011, as inserted by Section 63 of the Local Government (Democracy) (Wales) Act 2013 refers to the Independent Remuneration Panel in Wales (the "IRP") and sets out their functions for the remuneration of heads of paid service. All councils should note that the IRP may make recommendations about any on the salary of the head of paid service and any proposed change to the salary of the position.

The responsibilities of the IRPW are increasing. For example, on recruitment, directions may impose restrictions on proposed recruitment to certain posts, including chief officers. Should the Welsh Ministers decide to issue directions under subsection (1), no chief officer may be recruited without the consent of a person specified in the direction.

Detailed guidance to the Independent Remuneration Panel for Wales on the pay of Heads of Paid Service and Chief Officers under Section 143A of the Local Government (Wales) Measure 2011 and Section 39 of the Local Government (Wales) Act 2015 can be found via the following link <http://gov.wales/topics/localgovernment/publications/guidance-salaries-irp/>.

## 5. Broad Principles of our Pay and Reward Strategy

### I) Transparency, accountability and value for money

The Council is committed to an open and transparent approach to pay policy which will enable anyone to access, understand and assess information on remuneration levels across all groups of Council employees. The following is available on the council's website at [www.flintshire.gov.uk](http://www.flintshire.gov.uk).

#### Remuneration data

- All employee pay scales
- Individual remuneration details for senior employees whose remuneration is over £60,000 per annum, and the number of employees whose remuneration exceeds £60,000 as required under the Accounts and Audit (Wales) (Amendment) Regulations 2010.

#### Policy documents

- [Additional Payments](#)
- [Policy Statement on Redundancy and Severance Payments \(including additional pension payments\)](#)

All relevant policies are reviewed periodically to ensure they are current and meet the principles of fairness, equality, accountability and value for money.

### II) Development of Pay and Reward Strategy

The primary aim of a reward strategy is to attract, retain and motivate suitably skilled employees so that the organisation can perform to its best. The biggest challenge for the Council in the current financial climate is to maximise productivity and efficiency within current resources. Pay policy is a matter of striking a balance between setting remuneration levels at appropriate levels to ensure a sufficient 'supply' of appropriately skilled, experienced and qualified individuals to fill the Council's wide range of posts, and ensuring that the burden of cost does not become greater than can be justified.

It should be recognised that in a competitive recruitment 'market' remuneration levels need to enable the attraction of a suitably wide pool of talent (which will ideally include people from across the public sector and from outside as well as within Wales), and the retention of suitably skilled and qualified individuals once in post. It should be recognised that the Council will often be seeking to recruit in competition with other public and private sector employers.

The Council is a major employer in the area. The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local economy. The Council also has a role in setting a benchmark example on pay and conditions to other employers in the area for the same reasons.

In designing, developing and reviewing the Pay and Reward strategy the Council will seek to balance these factors to achieve performance outcomes for the organisation and the community it serves, whilst managing and controlling total pay costs. This has remained a challenge year on year for the Council against a backdrop of recent pay 'freezes' for local government workers. The 1% NJC national 'cost of living' pay award for 2013/14 made for most employees followed an unprecedented three-year pay freeze.

For senior posts regulated under the Joint Negotiating Council (JNC) the pay 'freeze' had lasted for 6 years to 2015/16 and, for the most senior posts such as Chief Executives, for seven years to 2015/16.

### III) The Councils Pay and Grading Structure

Section 112 of the Local Government Act 1972 provides that a local authority shall appoint such Officers for the proper discharge of its functions on such reasonable terms and conditions, including conditions as to remuneration as the local authority thinks fit.

The remuneration of the large majority of employees of the Council is in accordance with the locally agreed pay scale with spinal column points based on the nationally agreed pay spine ([the NJC pay scale](#)).

As part of its ongoing commitment to ensure the integrity of the Single Status Agreement, the Council regularly reviews and analyses a variety of reports to ensure that reward processes are consistently applied in line with the relevant policies and to challenge where appropriate, and to receive Equal Pay Audits and to recommend an action plan as needed.

The Council uses a range of methods to evaluate pay and has multiple pay scales dependent on the terms and conditions of employment.

For roles that are not nationally prescribed and are not Chief Officer posts, the Council uses the Greater London Provincial Committee (GLPC), which is part of the Single Status Collective Agreement, and role profiles for support workers employed by School Governing Bodies.

For employees under JNC Craft Agreement (Red Book) we have a multi-skilling local agreement in place for pay which is based on 3 bands of pay in each trade and is dependent on employees being competent

to undertake multi-trade working. The pay scale is based on the National Pay Scales for Craft but is all inclusive of 'tool' and 'dirt money' etc.

In 2016 the Council introduced a collective agreement known as the 'House Agreement' for Theatr Clwyd covering pay and terms and conditions of employment. The agreement introduced a new pay scale and terms and conditions of employment that ensured future payments were equitable, affordable and sustainable whilst facilitating retention and recruitment. Generic profile descriptors are used as a basis for matching each job to the most appropriate grade.

### **Pay Progression**

With the exception of Chief Officers whose pay progression is based on performance, all employees receive annual increments until the maximum spinal point in the grade is reached, subject to six months in that grade (whether attained by appointment, promotion or re-grading).

All employees, including senior employees, will normally be appointed to the minimum point of the pay grade for the job. In certain circumstances it may be appropriate to appoint to a higher point in the pay grade. This may arise when, for example, the preferred candidate for the job is or has been in receipt of a salary at a higher level than the grade minimum, subject to approval by their respective Chief Officer.

For employees on the Craft Rates of Pay, progression through the bands of pay will be dependent upon multi-trade working.

Within Theatr Clwyd incremental progression will be dependent on Theatr Clwyd achieving collective targets which are agreed and reviewed annually by the Board of Trustees.

### **Bonus Payments and Performance Related Pay**

The Council does not apply any bonus payments. The Council operates an appraisal system as part of its performance management strategy and with the exception of Chief Officers (see above) this is not linked to pay.

### **Chief Officer Job Evaluation**

For Chief Officers, the Council uses the nationally recognised Hay Job Evaluation Scheme. The scheme is an analytical one that takes into consideration three key elements of a post:

- Know How – the levels of knowledge, skill and experience (gained through work experience, education and tradition) which are required to perform the job successfully;
- Problem Solving – the complexity of thinking required to perform the job when applying Know How;



- Accountability – the impact the job has on the organisation and the constraints the job holder has on acting independently.

The Council undertook reviews of Chief Officer's roles and associated pay arrangements in 2014. Therefore, current arrangements are modern for the business needs of the Council.

#### IV) Additional Payments

There may be occasions when an employee is asked to carry out additional duties to those of their substantive post for a period of time. In such circumstances an additional payment may be made in line with the Council's Additional Payments policy. The policy provides a framework to ensure the continued fairness, equitability and affordability of the pay and grading structure and differentiates between the following scenarios:

##### **Honorarium**

Subject to certain conditions, employees who are temporarily required to undertake some or all of the duties of a higher graded posts are eligible to be paid an honorarium. Details of the scheme can be found in the Council's Additional Payments Policy.

##### **Market Supplements**

From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity and apply a time limited, market supplement. Where necessary, the Council will ensure the requirement is objectively justified by reference to a clear and transparent evidence of relevant market comparators, using data sources available from the local government sector and outside, as appropriate.

#### V Salary Protection

The Council will take reasonable steps to protect an employee's basic pay where it is reduced as a result of:

- Organisational change
- Redeployment where the individual is at risk of or under notice of redundancy and is redeployed or assimilated into either a lower graded post or a post which attracts a lower total remuneration package than their previous post

The Council protects the remuneration of employees for a maximum of twelve months from the date of the change to basic pay, subject to a maximum of one grade difference or equivalent between the old post and the new post.

## 6. Chief Officer Remuneration

### i) Definitions of Chief Officer

For the purposes of this statement, 'Chief Officers' are as defined within S43 of the Localism Act. The relevant posts within the Council are as follows:

- a) Chief Executive (including Head of Paid Service)
- b) Chief Officer, Governance
- c) Chief Officer, Streetscene and Transportation
- d) Chief Officer, Planning & Environment
- e) Chief Officer, Social Services
- f) Chief Officer, Education and Youth,
- g) Chief Officer, Community and Enterprise
- h) Chief Officer, Organisational Change 1
- i) Chief Officer, Organisational Change 2

These officers are responsible for working alongside and advising elected members over the strategic direction of the Council, carrying out the stated aims of the Council, ensuring the efficiency and effectiveness of all services provided by the Council and its partners, and providing overall day to day operational management of services.

A new single grade and pay range for the new Chief Officer group was introduced in June 2014. All roles in the structure are positioned in the same single incremental range, given that all roles are broadly the same size, other than the Chief Executive. Placing the new Chief Officer roles on the same grade also removes any hierarchy at senior management level and reflects the single, collective tier.

All roles have access to the same four increments. The pay range has a clear rationale, building on the options developed with the independent advice from Hay Group and being mindful of both affordability and the relativity to management roles in the grades below. The range overlaps with the increments which existed for the former Heads of Service but falls below the former Director pay. It also represents a consistent policy of paying between the lower quartile and the median. Progression through the range is based on performance. The approach is affordable and fair, and has ensured that the Council can meet its financial targets for the reduction of senior management costs.

### ii) Policy on the Remuneration of Chief Officers

The Terms and Conditions of employment applicable to Chief Officers are as determined by the JNC (Joint Negotiating Council) for Chief Officers of Local Authorities (or JNC for Chief executives of Local Authorities)

as amended/ supplemented or superseded by decisions on conditions of service made by the Council from time to time and contained within the Councils Employment Policies and Procedures.

### iii) Recruitment of Chief Officers

The Council's policy and procedures for the recruitment of Chief Officers is set out within Article 15, 15.01 sub section (b) of the Constitution.

The Council's Management Structure is as approved by Council. The Job Descriptions and Person Specifications for each Chief Officer post are approved prior to advertisement by the Council's appointment panel which comprises seven elected members. The determination of the remuneration to be offered to any newly appointed Chief Officer will take account of such factors as the requirements of the job, the relative size of the organization, local and national market rates and the relationship with other posts within the grading structure. It is the responsibility of the Chief Executive to make and maintain arrangements for the professional management of the Council which meet both its legal duties and its business needs.

There is a requirement under the Welsh Government Regulations that all vacant posts with a salary of over £100,000 are publicly advertised. The Council has not appointed to any posts in this range since 2007. The only exception to this new rule is where the appointment is for 12 months or less. It is also possible to divide up the duties from one deleted Chief Officer post between other existing post holders.

### iv) Chief Officer Salaries

Details of the Chief Officer's basic salary are set out below (salaries are those applicable at 31<sup>st</sup> January 2018).

#### Chief Executive

The salary falls within a range of 1 – incremental points between £123,163 rising to a maximum of £133,870. This salary range was set by the Council in 2007 with external advice. It was reviewed again in 2014 but a decision was taken not to change at that time.

#### Chief Officers

The salary falls within a range of 1 – 4 incremental points between £82,200 rising to a maximum of £92,605.

#### v) Additions to Salary of Chief Officers

The Council does pay all reasonable travel and subsistence expenses on produced of receipts and in accordance with JNC conditions and other local conditions. Part III changes which formed part of the Single Status Agreement have removed other previous entitlements. A number of senior employees choose not to claim in full expenses to which they are contractually entitled as a 'conscious' voluntary decision given the current financial constraints.

The Returning Officer for the County Council is the Chief Executive. The Returning Officer duties are not part of the Chief Executive's substantive role. Fees for these duties are paid separately and are determined by the full Council for Council elections and by legislation for the Police and Crime Commissions, the National Assembly for Wales, the Parliamentary Elections, European Elections and national referenda.

#### vi) Performance Related Pay and Bonuses

The Council does not apply any bonuses or performance related pay to its Chief Officers' pay or employees engaged on other terms and conditions (for example, Green Book). However, the annual increment (if not already at top of scale) is only awarded once the Annual Appraisal has been passed as satisfactory (page 7 refers).

All Chief Officers have annual and mid-year appraisals and the Chief Executive has an annual appraisal facilitated by an external party as per national guidance and the post's contractual rights.

The Council has recently undertaken a benchmarking exercise to establish if any models of Performance Related Pay (PRP) have been introduced successfully in other Welsh Councils. 16 of the 22 authorities responded and none of them are or have considered operating such a scheme.

#### vii) Payments on Termination

The Council's policies for redundancy payments and retirement are set out respectively within its Discretionary Compensation Scheme and Early Retirement Policy.

Under the Local Government (Early Termination of Employment) Discretionary Compensation) (England and Wales) Regulations 2006, the Council applies its discretion under Regulation 5 in the case of both voluntary and compulsory redundancy to base any payments on an employee's actual week's pay.

Under Regulation 6, the Council makes redundancy payments (compulsory and voluntary) based upon the statutory redundancy payments scale with the entitlement in terms of the number of weeks payable being multiplied by a factor of 1.5 for employees who are not eligible to access their pension, subject to a maximum of 45 weeks.

The Government had announced its intention to introduce a cap on Public Sector exit payments in order to restrict these to a maximum of £95,000. This was anticipated to be in the Autumn of 2017, however, at time of writing this has now been delayed and an implementation date is not currently known. This has the potential to reduce both redundancy dismissal and efficiency pension benefits where the Chief Officer is aged 55+ and may have some of their pension benefits reduced where the overall cost of termination exceeds £95,000 including pension strain costs.

Outside of the policies outlined above the Council does not operate any other policy of making any specific or general payment to its Chief Officers or any other employees on their ceasing to hold office or to be employed by the Council but it may, where appropriate, agree to waive contractual notice.

#### viii) Publication of Chief Officer and Other Senior Post Salaries

Upon approval by the full Council, this statement will be published on the Council's Website. In addition, for posts where the full time equivalent salary is over £60,000 per annum the Council's Annual Statement of Accounts will include a note setting out by posts the total amount of:

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination; and
- any benefits received that do not fall within the above.

#### ix) Pay Increases – Chief Officers

The Council employs Chief Officers under JNC terms and conditions which are incorporated into their contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of the same is determined on this basis. Chief Officers employed on JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with current contractual arrangements.

## 7. Remuneration of the Lowest Paid Employees

The lowest paid persons employed under a contract of employment with the Council are defined as those employed on full time 37 hours equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure post single status. As at 1 January 2018, this is

£15,246 per annum. The Council has adopted this definition as it is recommended in relevant guidance as the most easily understood.

The Council employs apprentices (and other such trainees) who are not included within the definition of 'lowest paid employees' and are paid less than the minimum spinal column point for other employees during their apprenticeship. The purpose of paying a lower salary is to reflect the particular nature and/or duration/frequency of their employment and to maximize the number of apprenticeships offered.

## 8. Salary Sacrifice Scheme

The Council has offered childcare vouchers and cycle to work scheme for many years but, following a review of our total reward strategy in 2016 we launched a new 'eRewards' scheme. This scheme introduced retail and leisure discounts for employees as well as providing an opportunity to re-launch childcare vouchers and cycle to work scheme via new providers all under the National Procurement Service for Wales (NPS) framework.

The aim of the schemes is to stretch net pay for employees following recent years of pay freezes and 1% pay awards against a rise in living costs. The retail and leisure discounts provides many of ways of saving on everyday expenses such as everyday shopping, motoring and insurance.

## 9. Pay Relativities within the Authority

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).

The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Governments Code of Recommended Practice on Data Transparency recommends the publication of the ratio between the highest paid salary and the median average salary of the whole of the Authority's workforce. The median salary for Flintshire County Council based on payroll data as at 31 January 2018 is £17,772.

The multiples of pay for Flintshire County Council are as follows:

1. The multiple between the lowest paid (full time equivalent) employee and the Chief Executive is **1:8.78** (compared to 1:8.97 last year)
2. The multiple between the lowest paid employee and mean average chief officer is **1:5.40** (previous year 1:5.89)

3. The multiple between the median (average) full time equivalent employee and the Chief Executive is **1:7.51** (previous year 1:7.72)

*(based on payroll data January 2018)*

The interim Hutton Fair Pay Report noted that most top to bottom pay multiples in the public sector are in the region of **1:8.1 to 1: 12.1**. The multiples in Flintshire are therefore well within this notional range.

## 10. National Negotiating Bodies and Pay Awards

The National Joint Council negotiates the pay, terms and conditions of employees in local authorities. It agrees an annual cost of living uplift to the national pay spine, on which each individual council decides where to place its employees. Each council takes into account a number of factors such as job size and local market conditions when deciding an employee's salary. There are no nationally determined jobs or pay grades in local government, unlike in other parts of the public sector.

As with other Welsh councils, the Council continues to comply with all national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with joint trade unions at a UK level. The current national pay deal runs until 31 March 2018. Rates of pay beyond this date have not yet been agreed. However, it is clear further changes will be required to the lower end of the pay spine in order to effectively accommodate the National Living Wage and a review of the national pay spine is now under way. Further details are outlined in section 11 of this statement.

## 11. National Living Wage (NLW)

The Government introduced the National Living Wage (NLW) for employees aged 25 and above on 1 April 2016 with the aim of reaching 60% of median UK earnings by 2020. This rate is currently £7.50 per hour and is projected to rise to at least £9 per hour by 2020. It should be noted, the Government have announced the NLW rate will rise to £7.83 per hour from 1 April 2018.

It is recognised at national level that the current pay spine has lost its relevance to modern working arrangements and is unable to absorb the new NLW along with the planned increases. It is also clear that a number of Councils have already taken a decision to pay the Foundation Living Wage (or their own version of this) and therefore a restructure of the national pay spine is required.

A two-year pay agreement was reached from 2016 to 2018, with a headline of one per cent increase in each of 2016 and 2017 in addition to increasing the bottom pay points to take account of the NLW. While

the 2016-18 pay deal made considerable progress in meeting that challenge, there will still be a need to increase the bottom pay point by a further 16% to achieve the Government's target of 60% of median earnings in 2020.

The National Employers have undertaken a longer-term review of the pay spine with Trade Unions which resulted in a two year offer being made on 5 December 2017. Since then the three local government trade unions (UNISON, GMB and Unite) have rejected the offer. The next stage is for the three unions to consult with their members. The unions have coordinated their consultations to end in early March so that they can jointly announce the result in mid-March.

If accepted, in year one, all staff on SCPs 6-19 (inclusive) would see their pay increase by between 3.7% and 9.1%. All staff on SCP20 and above would receive an increase of 2.0%.

In year two, the Employers have proposed that a new pay spine be introduced that would see staff on current SCPs 6-28 (inclusive) receiving pay increases of between 2.3% and 7.3%. All staff on current SCP 29 and above would receive an increase of 2.0%.

As an employer we fully support the principle of the National Living Wage. The challenge arises from the lack of any national funding to support its introduction in the public services and within the sectors from which we commission services such as the social care sector. Given our difficult financial position this pay offer, if accepted, will only serve to put further pressure on our diminishing budgets.

## 12. School Teachers Pay and Conditions

The School Teachers' Pay and Conditions Document (STPCD) is an annually-published document which forms a part of the contract of all teachers and head teachers in maintained schools in England and Wales.

Each year, the document is constructed by the Department for Children, Schools and Families outlining the pay and conditions of teachers in schools. It must then be enacted by secondary legislation, and this too is produced annually in the name of Secretary of State for Education and Skills. The secondary legislation usually takes the form of a statutory instrument entitled 'The Education (School Teachers' Pay and Conditions) Order'. This document revokes the previous year's document, replacing it with the new version. The legislation is normally brought in during August of each year, coming into effect on 1 September before new school terms start.

Ordinarily, this annual review process results in a recommendation in respect of the statutory elements by the Statutory Teachers Review Body (STRB) which are required to be implemented. For a number of years there has been discretionary element which local authorities across Wales have recommended and schools have applied, resulting in an across the board uplift which exceeds the statutory obligation.

Each Governing Body is required to have its own pay policy/procedure which sets out the framework for making decisions on teachers' pay. The Council recommends a model policy/procedure for adoption by



the governing body on an annual basis to meet this obligation, however, governing bodies do not have to accept the Council's recommendation and are free to develop their own, subject to consultation with the relevant trade unions.

### 13. Additional Costs/Contributions faced by the Council and its Employees

From 1 April 2016, the changes to the Single Tier Pension affected employees currently in contracted out pension schemes who now have to pay an additional 1.4% in National insurance contributions and therefore, have seen a reduction in their 'take-home' pay. The Council was also affected and now pays an additional 3.4% which equates to £2.7m per annum (including Schools).

Employees are also making increased contributions to their work-based pension scheme under the Local Government Pension Scheme Regulations, with the more senior employees making a proportionately greater contribution on a 'sliding scale' of contributions.

### 14. Additional Observations

The Council has delivered in excess of £9,500,000 workforce related savings over the last 4 years (15/16 to 18/19) and it is forecast that there will be a requirement to make further savings year on year.

Flintshire County Council clearly recognizes the complex, challenging and competing drivers underpinning public sector remuneration, including:

- The financial constraints of the public purse and imperative to demonstrate value for money at all times
- The organisation's obligations under equal pay legislation
- The importance of competitive terms and conditions to enable the Council to attract and retain quality staff.

The Council has reviewed elements of its pay and grading arrangements which relate to terms and conditions of employment to ensure they remain fit for purpose and meet the current needs of the Council. This has resulted in the following changes:

- Removal of the car leasing scheme with effect from 1 April 2016
- A revised Essential Car User Allowance Policy was introduced on 1 October 2016 which introduced a revised eligibility criteria, a reduced lump sum for those who remain eligible and a reduced mileage allowance. The reduction in the number of eligible employees has resulted in savings in excess of £300k to date.

If the proposed pay spine outlined in section 11 is adopted, there will be additional areas requiring further work/analysis as follows:

- Differentials in the pay model following single status have been eroded over last two years, the model as outlined, will result in further erosion and is likely to impact on recruitment/retention in some professional groups.
- Impact of any changes to the pay model on Part III
- Impact of changes which arise via indirect costs (for contracted services)

## 15. Pension benefits

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee.

The rate of contribution is set by Actuaries advising the Clwyd Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded.

There are two sections to the LGPS - MAIN and 50/50. The main section is calculated using 1/49th of an individual's annual pensionable pay (CARE pay). The 50/50 section is a new option (since 01/04/2014). Employees who join this scheme, pay half contributions but build up half the normal pension. This is calculated using 1/98th of annual pensionable pay (CARE pay) instead of the 1/49th in the MAIN scheme.

The rate of contribution is based on actual pensionable pay, and there are nine different contribution rates ranging from 5.5% to 12.5% in the MAIN scheme and 2.75% to 6.25% in the 50/50 scheme.

The Council has prepared a written statement of policy in relation to its exercise of certain discretionary functions, available under the LGPS regulations. The Council's Local Government Pension Scheme (LGPS) Discretionary Pension Statement is detailed in Appendix 2.

## 16. Re-engagement of Chief Officers

No Chief Officer who was previously made redundant or granted early retirement from the Council will be later re-employed or re-engaged either as an employee (Contract of Service), as a Consultant (Contract for Service) or through an external contractor commission to work in behalf of the Council.

This is aligned to the principles applied within the Voluntary Redundancy Policy which provides that employees who voluntarily leave the Councils employment under the Scheme should not be re-engaged

in any capacity within a period of 24 months from the end of their employment, save for exceptional circumstances and only if approved by the Chief Executive as Head of Paid Service.

## 17. Partnership with Trade Unions

The Council will endeavor to maintain the constructive partnership approach it has developed with the recognised Trade Unions and will continue to work closely with them on pay issues.

## 18. Future Legislation

The Council will comply with changes to legislation in relation to remuneration and exist payments requirements should legislation change.

## 19. Monitoring, Evaluation and Review

This policy statement is subject to review on a minimum of an annual basis and the policy for the next financial year will be approved annually by 31<sup>st</sup> March. Should circumstances require, the policy can be amended during the course of the year subject to the same requirement of approval by full council.

## Appendix 1

### Salary Scales

#### Chief Executive Pay Scale

Scale	SCP	Salary 01/04/2017 and continuing
CEO Point 01	1	£121,945.00
CEO Point 02	2	£125,477.00
CEO Point 03	3	£129,012.00
CEO Point 04	4	£132,546.00

#### Chief Officer's Pay Scale

Grade	SCP	Salary range 01/04/2017 and continuing
Chief Officer	1	£82,200
Chief Officer	2	£85,321
Chief Officer	3	£88,443
Chief Officer	4	£92,605

#### Young People's/Community Service Managers (Soulbury)

##### Assistant Educational Psychologists

SCP	01/04/17 continuing	and	SCP	01/04/17 and continuing
Point 01	£28,218.00		Point 03	£30,523.00
Point 02	£29,371.00		Point 04	£31,669.00

### Educational Psychologists

SCP	01/04/17 continuing	and	SCP	01/04/17 continuing	and
Point 01	£35,731.00		Point 07	£46,504.00	
Point 02	£37,545.00		Point 08	£48,211.00	
Point 03	£39,359.00		Point 09	£49,810.00	
Point 04	£41,171.00		Point 10	£51,411.00	
Point 05	£42,984.00		Point 11	£52,903.00	
Point 06	£44,797.00		Point 07	£46,504.00	

### Senior Educational Psychologists

SCP	New Salary 1st April 2017	SCP	New Salary 1st April 2017
Point 01	£44,797.00	Point 09	£55,795.00
Point 02	£46,504.00	Point 10	£56,950.00
Point 03	£48,211.00	Point 11	£58,081.00
Point 04	£49,810.00	Point 12	£59,235.00
Point 05	£51,411.00	Point 13	£60,409.00
Point 06	£52,903.00	Point 14	£61,543.00
Point 07	£53,516.00	Point 15	£62,731.00
Point 08	£54,661.00	Point 10	£56,950.00

### Youth Workers (Pink Book)

Scale Point	01/04/17 continuing	and	Scale Point	01/04/17 continuing	and
Point 02	£15,807.00		Point 17	£26,929.00	
Point 03	£16,417.00		Point 18	£27,670.00	

Point 04	£16,931.00	Point 19	£28,404.00
Point 05	£17,491.00	Point 20	£29,141.00
Point 06	£18,006.00	Point 21	£29,969.00
Point 07	£18,636.00	Point 22	£30,907.00
Point 08	£19,260.00	Point 23	£31,820.00
Point 09	£20,055.00	Point 24	£32,737.00
Point 10	£20,677.00	Point 25	£33,662.00
Point 11	£21,682.00	Point 26	£35,511.00
Point 12	£22,665.00	Point 27	£36,446.00
Point 13	£23,679.00	Point 28	£37,375.00
Point 14	£24,730.00	Point 29	£38,304.00
Point 15	£25,446.00	Point 30	£38,930.00
Point 16	£26,194.00	Point 31	£39,961.00
		Point 32	£35,511.00

### JNC Craft Pay Scales (Red Book)

SCP	01/04/17 and continuing
Building Labourer	£15,246.00
Heating and Ventilation Mate	£15,613.00
Building Craft Operative	£15,807.00
Plumber	£16,491.00
Engineer & Electrician	£17,072.00
Band 1 - Electrician	£22,778.11
Band 1 - Joiners & Builders	£20,410.08
Band 1 - Labourer	£18,605.89
Band 1 - Plumber	£21,650.49

Band 2 - Diag/Electrician	£24,807.86
Band 2 - Joiners & Builders	£22,552.59
Band 2 - Joiners & Builders + 7%	£24,131.27
Band 2 - Labourer	£20,861.15
Band 2 - Plumber	£23,680.22
Band 2 - Plumber (Gas Qual)	£24,807.86
Band 3 - Diag/Electrician	£26,499.29
Band 3 - Joiners & Builders	£24,018.52
Band 3 - Plumber	£25,371.67
Band 3 - Plumber (Gas Qual)	£26,499.29
Trades Supervisor	£28,529.03

**Occupational Health Nurses Pay Scales (aligned to NHS professional bands)**

<b>Point</b>	<b>Salary 01/04/16 and continuing</b>	<b>Point</b>	<b>Salary 01/04/16 and continuing</b>
Point 16	£21,692.00	Point 28	£33,227
Point 17	£22,236.00	Point 29	£3,876.00
Point 18	£23,132.00	Point 30	£35,891.00
Point 19	£24,063.00	Point 31	£37,032.00
Point 20	£25,047.00	Point 32	£38,300.00
Point 21	£26,041.00	Point 33	£39,632.00
Point 22	£27,090.00	Point 34	£40,964.00
Point 23	£28,180.00	Point 35	£42,612.00
Point 24	£29,043.00	Point 36	£44,261.00
Point 25	£30,057.00	Point 37	£46,164.00
Point 26	£31,072.00	Point 38	£47,559.00
Point 27	£32,086.00		

**Post Single Status Pay Scales (Green Book)**

<b>Grade</b>	<b>SCP</b>	<b>Salary April 2017</b>
A	08	£15,246.00
	09	£15,375.00
	10	£15,613.00
	11	£15,701.00
B	12	£15,807.00
	13	£16,123.00
	14	£16,491.00
C	14	£16,491.00
	15	£17,072.00
	16	£17,419.00
D	16	£17,419.00
	17	£17,772.00
	18	£18,292.00
	19	£18,859.00
E	19	£18,859.00
	20	£19,432.00
	21	£20,140.00
	22	£20,661.00
F	23	£21,269.00
	24	£21,964.00
	25	£22,660.00
	26	£23,399.00
	27	£24,175.00
G	30	£26,725.00
	31	£27,669.00
	32	£28,487.00
	33	£29,325.00
H	34	£30,153.00
	35	£30,785.00
	36	£31,601.00
	37	£32,487.00
I	39	£34,538.00
	40	£35,445.00
	41	£36,286.00
J	42	£37,307.00
	43	£38,237.00
	44	£39,178.00



K	45	£40,057.00
	46	£41,027.00
	47	£41,968.00
	48	£42,899.00
L	51	£45,903.00
	52	£47,122.00
	53	£48,373.00
M	53	£48,373.00
	54	£49,659.00
	55	£50,976.00
N	56	£52,328.00
	57	£53,718.00
	58	£55,143.00
	59	£56,605.00

### Theatr Pay Scales (NJC)

<b>SCP</b>	<b>01/04/17 and continuing</b>	<b>SCP</b>	<b>01/04/17 and continuing</b>
Point 06	£15,014.00	Point 31	£30,153.00
Point 07	£15,115.00	Point 32	£31,601.00
Point 09	£15,375.00	Point 33	£32,486.00
Point 10	£15,613.00	Point 34	£33,437.00
Point 11	£15,807.00	Point 35	£34,538.00
Point 13	£16,491.00	Point 36	£35,444.00
Point 15	£17,072.00	Point 37	£32,486.00
Point 16	£17,419.00	Point 38	£33,437.00
Point 17	£17,772.00	Point 39	£34,538.00
Point 18	£18,070.00	Point 40	£35,444.00
Point 19	£18,746.00	Point 41	£36,379.00
Point 20	£19,430.00	Point 42	£37,306.00
Point 21	£20,138.00	Point 43	£38,237.00
Point 22	£20,661.00	Point 44	£39,177.00
Point 23	£21,268.00		
Point 24	£21,962.00		
Point 25	£22,658.00		
Point 26	£23,398.00		
Point 27	£24,174.00		
Point 29	£25,951.00		
Point 30	£26,822.00		

## Appendix 2

### Local Government Pension Scheme (LGPS) Discretionary Pension Statement

#### **PART A**

The regulations of the LGPS require every employer to

- (i) issue a written policy statement on how it will exercise the various discretions provided by the scheme,
- (ii) keep it under review and
- (iii) revise it as necessary.

This document meets these requirements stating the regulation requirement and the organisation decision on these.

These discretions are subject to change, either in line with any change in regulations or by due consideration by Flintshire County Council. These provisions do not confer any contractual rights.

#### **Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014**

1.0 LGPS (Benefits, Membership and Contributions) Regulations 2014 Regulation 16 (2) (e) & 16 (4) (d) (purchasing additional pensions)

An employer may choose to contribute to a Shared Cost Additional Pension Contribution (APC) scheme in certain circumstances. In the case of an employee paying APCs to buy any or all the 'lost' pension for a period of authorised unpaid leave of absence (including any period of unpaid additional maternity, paternity or adoption leave), the employer shall pay 2/3rds of the cost of the APC (election by the employee to buy back lost membership must be made within 30 days of returning to work). This is known as a Shared Cost Additional Pension Contribution (SCAPC).

Where the absence is in relation to a trade dispute, the employee meets 100% of the cost.

If an employee chooses to make a one off contribution or regular additional contributions in order to buy a set amount of additional pension. It is possible for an employer to contribute towards the cost of purchasing such pension on a voluntary basis. The split between an employee's and employers' additional contributions for an SCAPC can be any ratio as agreed but not 100% cost to the employer.

Details of Policy Concerning Resolution

**Due to potential cost burden Flintshire County Council will not contribute towards the cost of the employee (purchasing additional pension).**

1.1 LGPS (Benefits, Membership and Contributions) Regulations 2014 Regulation 30 (6) & Transitional Regulation 11 (2) (flexible retirement)

*An employer may allow a member of the pension scheme who has attained the age of 55 to reduce the hours he / she works, or the grade in which he / she is employed and gain access to some or all of their pension benefits.*

Details of Policy Concerning Resolution

**Flintshire County Council have a policy on Flexible Retirement which requires a minimum reduction of 20% in hours/salary with no backfill arrangements.**

**An employee who is Aged 55 and over may request flexible retirement and each case will be considered on its own merits following full consideration of all financial and service delivery implications via a retirement panel.**

**This does not preclude younger employees, under 55 years of age requesting flexible working but without the payment of their retirement benefits.**

**The Council may review its policy at any time.**

1.2 LGPS (Benefits, Membership and Contributions) Regulations 2014 Regulation 30 (8) (flexible retirement)

*A member of the pension scheme who has attained the age of 55 and with his / her employer's consent, reduces the hours he / she works, or the grade in which he / she is employed, may make a request in writing to receive all or part of his / her benefits under the Benefits Regulations.*

*If the benefits are reduced in accordance with guidance issued by the Government Actuary, the employer may agree to waive, in whole or in part, any such reduction.*

Details of Policy Concerning Resolution

***It is not the policy of Flintshire County Council to waive, in whole or in part any actuarial reduction resulting from Flexible Retirement.***

1.3 LGPS (Benefits, Membership and Contributions) Regulations 2014 Regulation 30 (8) (early retirement)

An employer may waive, in whole or in part, actuarial reduction on benefits which a member voluntarily withdraws before normal pension age.

Details of Policy Concerning Resolution

**Flintshire County Council have a policy on Early Retirement. Any employee from their 55th birthday can voluntarily retire and access their benefits with an actuarial reduction.**

**An employee may request that Flintshire County Council waive in full or in part their reduction on compelling compassionate grounds only. Each case will be considered on its own merits following full consideration of all financial and service delivery implications via a retirement panel.**

**The Council may review its policy at any time**

1.4 LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Schedule 2 – (85 Year Rule)

The “85 Year Rule”, where a member’s service and age equal 85, can be activated for individual members, prior to age 60 in the case of Early Retirement, the cost of which can be borne, in full or in part, by the employer.

Details of Policy Concerning Resolution

**Employees can request that the Flintshire County Council to apply the 85 year rule, if they are eligible. To be eligible, the employee's LGPS Service pre 1st April 2014 and their age must equal 85 years or more, and they must have joined the pension scheme before 1st October 2006.**

**Flintshire County Council will approve the ‘switch on’ of the 85 year rule in cases where there is no cost to the employer, allowing the member to take their benefits early with some actuarial reduction.**

**The Council may review its policy at any time.**

1.5 LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Schedule 2 – (waiving reductions)

It is an employer’s discretion review applications for waiving the reductions applied to benefits from pre 1 April 2014 membership where an employer has switched on the rule of 85 for a member voluntarily drawing benefits on or after age 55 but before age 60.

**If it is agreed to apply the '85 year rule', Flintshire County Council may waive the actuarial reduction in full or in part following careful consideration of the financial implications and affordability. *Each case will be considered on its own merits following full consideration of all financial and service delivery implications via a retirement panel.***

**The Council may review its policy at any time.**

1.6 LGPS (Benefits, Membership and Contributions) Regulations 2014 Regulation 31

From 1 April 2014, an employer may grant additional pension up to a maximum of £6,500. The decision to award additional pension can be made only in respect of an employee who is an active member of the LGPS, or within 6 months of leaving employment if the reason for leaving was redundancy or business efficiency.

Details of Policy Concerning Resolution

***It is not the policy of Flintshire County Council to award additional pension***

#### **PART B - Discretionary policies relating to earlier Scheme rules**

1.1 LGPS (Benefits, Membership and Contributions) Regulations 2007 Regulation 12

An employer may increase (i.e. augment) the total membership of an employee who is currently paying contributions to the Scheme, for example, to enhance a redundancy package for staff with scarce and/or key skills. The member's (of the pension scheme) increase in membership under this regulation (including additional membership in respect of different employments) must not exceed 10 years or go beyond age 75 if retiring after age 65. This discretion is spent entirely after 30/09/14.

Details of Policy Concerning Resolution

**It is not the policy of Flintshire County Council to augment pension.**

2.2 LGPS (Benefits, Membership and Contributions) Regulations 2007  
Regulation 30 (2) (deferred pension)

It is an employer's discretion review applications from former employee's for releasing the deferred benefits on or after age 55 but before age 60.

Details of Policy Concerning Resolution

**Flintshire County Council will only consider a request to waive an actuarial reduction, either in full or in part only in exceptional circumstances on a case by case basis.**

2.3 LGPS (Benefits, Membership and Contributions) Regulations 2007 Regulation 30 (5) (deferred pension)

It is an employer's discretion to review applications for waiving the reductions applied to benefits where an employer has agreed to release the deferred benefits on or after age 55.

Details of Policy Concerning Resolution

**Flintshire County Council will only consider a request to waive an actuarial reduction, either in full or in part only in exceptional circumstances on a case by case basis.**

2.4 LGPS (Benefits, Membership and Contributions) Regulations 2007 Regulation 30A (3) (deferred pension)

It is an employer's discretion review applications from former employee's for releasing the deferred benefits on or after age 55 but before age 60 following a suspended ill health pension.

Details of Policy Concerning Resolution

**It is not the policy of the Flintshire County Council to waive the actuarial reduction on early payment of a deferred pension unless there are compelling, compassionate\* reasons to do so and there is no cost to the Council.**

2.5 LGPS (Benefits, Membership and Contributions) Regulations 2007 Regulation 47

*A scheme member who meets the normal criteria for a refund of pension contributions is not entitled to such a refund if he/she left his/her employment because of:*

- *An offence of fraudulent character – unless the employer directs that a total or partial refund may be made to the member.*
- *Grave misconduct – unless the employer directs that a total or partial refund may be made to the member, his/her spouse, civil partner nominated cohabiting partner or any dependant of his/her.*

Details of Policy Concerning Resolution

**It is not the policy of Flintshire County Council to allow a refund in the circumstances above.**

## PART C

### 3.1 Background

There are a further five discretions that are not compulsory to include in the Policy Statement but that are recommended to be included:

### 3.2 LGPS (Administration) Regulations 2008 Regulation 22 (2)

*A scheme member may elect to pay optional contributions to cover a period of absence from work providing the option is made within 30 days of return to work or cessation of employment or such longer period as the employer allows.*

Details of Policy Concerning Resolution

**It is the policy of Flintshire County Council to consider an extension in cases where the member of staff was not notified of their rights to pay contributions in respect of a period of absence before returning to work, or ceasing to be employed without returning to work. The extension would be for one month from the date that they were notified of their right to pay.**

### 3.3 LGPS (Administration) Regulations 2008 Regulation 83 (8)

*If a scheme member wishes to transfer pension into the LGPS he/she must opt to do so within 12 months of joining the LGPS or such longer period as the employer may allow.*

Details of Policy Concerning Resolution

**It is not the policy of Flintshire County Council to consider extending the time limit for a transfer in of previous pension rights to proceed after twelve months.**

### 3.4 LGPS (Administration) Regulations 2008 Regulation 25 (3)

*Where the member's employing authority contributes to the scheme, the additional voluntary contributions arrangement is to be known as a shared cost additional voluntary contributions arrangement and contributions to it as "SCAVCs".*

Details of Policy Concerning Resolution

**It is not the policy of Flintshire County Council to contribute towards a shared cost additional voluntary contributions scheme.**

### 3.5 LGPS (Benefits, Membership & Contribution) Regulations 2007 Regulation 3 (4)

*Where a member is employed in any employment for part only of any financial year, the range (and the contribution rate) applicable to him/her are those that would have applied had he/she been so employed for the whole of that financial year.*

**The tiered contribution rate for each employee will be based on the pensionable pay elements. Basic salary is assessed at the full time equivalent rate, in each post an employee holds at 1 April.**



The contribution rate will be re-assessed annually on implementation/application (regardless of when the award is made) of the annual pay award. Re-assessment will take place at any point in the year in the following circumstances:-

- Promotion
- Demotion
- Incremental progression
- Pay award
- Acting up starts/Acting up ceases
- Contractual Allowance starts/Contractual Allowance ceases