

BRISTOL CITY COUNCIL

HUMAN RESOURCES COMMITTEE

26 February 2015

Report of: Richard Billingham (Service Director: Human Resources)

Title: 2015/16 Pay Policy Statement

Ward: N/A

Officer Presenting Report: Richard Billingham

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RECOMMENDATION

That the Committee recommends the 2015/16 Pay Policy Statement to the Full Council.

Summary

The purpose of this report is to consider and recommend to the Full Council the Council's Pay Policy Statement for 2015/16. The Localism Act 2011 requires local authorities to agree and publish a pay policy statement annually before the start of the financial year to which the statement relates.

The significant issues in the report are:

- None: the adoption of a pay policy statement is required by law.

Policy

1. The Localism Act 2011 requires local authorities to agree and publish a pay policy statement annually before the start of the financial year to which the statement relates.

Consultation

2. Internal

None.

3. External

None.

4. Context

The draft Pay Policy Statement for 2015/16 is attached to this report. Though leaner than the statements published by the Council in previous years, it fully complies with the requirements of the Localism Act 2011, and guidance issued under that Act.

5. Proposal

That the Committee recommends the 2015/16 Pay Policy Statement to the Full Council.

6. Other Options Considered

None.

7. Risk Assessment

The Localism Act 2011 requires local authorities to agree and publish a pay policy statement annually before the start of the financial year to which the statement relates.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;

- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
- tackle prejudice; and
 - promote understanding.

- 8b) The attached largely reflects the Council's existing policy, which will have been the subject of previous equality impact assessments and equal pay audits.

Legal and Resource Implications

Legal

This report sets out the Council's position on pay in accordance with the legal obligations contained in section 22 of the Localism Act 2011.

The approval and adoption of this Pay Policy Statement accords with the Council's pay policy which has already been assessed for any adverse impact on those with a 'protected characteristic' (as defined in the Equality Act 2010).

(Legal advice provided by Shahzia Daya, Service Manager (Legal) and Deputy Monitoring Officer)

Financial

(a) Revenue

None sought as the attached is a statement of the Council's existing policy.

(b) Capital

Not applicable.

Land

Not applicable.

Personnel

None.

Appendices:

Appendix A: Draft 2015/16 Pay Policy Statement

Appendix B: Salary details of the Council's chief officers

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.

Bristol City Council
2015/16 Pay Policy Statement

1. Introduction

- 1.1. This Statement is prepared and published in line with the Localism Act 2011. It was approved by the Full Council on 17 March 2015.
- 1.2. The Statement sets out the authority's policies relating to the:
- 1.2.1. Remuneration of its chief officers,
 - 1.2.2. Remuneration of its lowest-paid employees,
 - 1.2.3. Relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
- 1.3. The Localism Act 2011 does not apply to schools. Therefore, this Statement excludes the Council's employees in schools.

2. Equal pay

- 2.1. In determining the remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes, but is not limited to, the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and, where relevant, the Transfer of Undertakings (Protection of Employment) Regulations.
- 2.2. With regard to the equal pay provisions contained within the Equality Act, the Council seeks to ensure there is no pay discrimination within its pay structures, and that all pay differentials can be objectively justified through the use of equality-proofed job evaluation mechanisms, which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Pay policy

- 3.1. It is essential that the Council attracts sufficiently talented and committed people to lead and deliver its services. At the same time, the Council must balance this against the need to ensure value for money in respect of the use of public funds.

4. Pay structure

- 4.1. The vast majority of the Council's employees are employed on contracts that are subject to the agreements (including pay awards) of the National Joint Council for Local Government Services. The jobs of these employees are analysed using the Greater London Provincial Council Scheme and are graded in line with the Council's Single Status pay structure, which has 18 grades (Bristol Grade 1 being the lowest; Bristol Grade 18 being the highest). There are a number of points (known as Spinal Column Points) within each grade. Normally, employees

progress from one point to the next on 01 April each year until they reach the maximum point of their grade. The basic full-time salary of Bristol Grade 1 is £13,500 per year. This will increase to £13,614 per year with effect from 01 October 2015. The basic full-time salary of the highest point of Bristol Grade 18 is £61,394 per year. A monthly, pensionable Living Wage Supplement is paid to employees who would otherwise be paid less than £7.85 per hour.

4.2. The Council also employs staff on the following national arrangements:

4.2.1. Joint Negotiating Committee for Chief Executives (in respect of the City Director)

4.2.2. Joint Negotiating Committee for Chief Officers (in respect of Strategic Directors and Service Directors)

4.2.3. Joint Negotiating Committee for Youth and Community Workers

4.2.4. Craft Workers National Agreement

4.2.5. Soulbury Agreement

4.2.6. School Teachers' Pay and Conditions Document

4.2.7. Agenda for Change (in respect of public health professionals and occupational health nurses)

4.2.8. NHS Consultant Contracts (in respect of consultants in public health)

5. Remuneration for chief officers

5.1. City Director (Head of Paid Service)

5.1.1. The City Director is paid a spot salary of £160,000 per year.

5.2. Strategic Directors and Service Directors

5.2.1. The grades of these posts are determined through the Hay job evaluation scheme, which uses a point scoring methodology based on the accountabilities of the job role (eg, budget, reporting relationship, complexity and scope for impact). The ranking of each job has been determined by an independent job evaluator.

5.2.2. Strategic Directors are paid at Grade T. The basic full-time salary range for Grade T is £120,620 to £130,909 per year.

5.2.3. The majority of Service Directors are paid at Grade Q. The basic full-time salary range for Grade Q is £82,720 to £90,989 per year.

5.2.4. The posts of BWP Programme Co-Director, Service Director: Policy, Strategy and Communications and Deputy Service Director: Care and Support –

Children and Families are paid at Grade O. The basic full-time salary range for Grade O is £66,228 to £72,909 per year.

6. Remuneration of chief officers on recruitment

- 6.1. Where a chief officer vacancy arises, the City Director or their representative will decide the starting salary in consultation with the Chair of the Selection Committee. If the post of Head of Paid Service is vacant, then the Chair of the Selection Committee will decide the starting salary in consultation with the other members of that committee.
- 6.2. Where a chief officer job is redesigned or a new job created at chief officer level, the job will be evaluated in accordance with the Hay job evaluation scheme and the evaluated grade will then be approved by the Human Resources Committee.
- 6.3. A market supplement will be applied in exceptional circumstances only, and only on appointment and for a fixed term of no more than three years. The Selection Committee will make the decision after receiving advice from the City Director or their representative
- 6.4. A relocation package may be offered to successful candidates, which will be in line with Council policy in relation to all employees who are not chief officers.
- 6.5. A chief officer post that is vacant may be covered by an interim manager, who may be employed directly by the Council on a fixed term contract or via the procurement process under a contract for services.

7. Increases and additions to remuneration for chief officers

- 7.1. It is assumed that there will be no further national pay awards for chief officers in respect of 2015/16.
- 7.2. The decision to extend the duration of a market supplement will be made by the Human Resources Committee.
- 7.3. No chief officer is reimbursed for professional fees.
- 7.4. Chief officers are expected to work such hours as are required for the efficient performance of their duties. There are no other additional elements of remuneration in respect of overtime or premium payments (eg, bank holiday working, standby arrangements, etc).
- 7.5. Where a chief officer post is downgraded following re-evaluation under the Hay job evaluation scheme, or a chief officer is redeployed to a lower-graded job, they will be entitled to receive pay protection in accordance with Council policy in relation to all employees who are not chief officers.
- 7.6. A chief officer may request flexible retirement in accordance with Council policy in relation to all employees who are not chief officers. Such a request from a chief officer will be considered by the Human Resources Committee.

8. Performance-related pay for chief officers

- 8.1. Pay progression up to the maximum point of a chief officer's salary range is conditional upon them meeting or exceeding performance expectations, which is decided annually. One or more points may be awarded each year.
- 8.2. Where a chief officer does not meet performance expectations, there will be no pay progression and their pay will reduce by one point within the salary range for the post (unless they are already paid at the minimum point of the grade).

9. Bonuses for chief officers

- 9.1. No bonuses are paid to chief officer in any circumstances.

10. Payment of chief officers on their ceasing to hold office or to be employed

- 10.1. Where a chief officer ceases to hold office or to be employed by reason of redundancy, the Human Resources Committee will approve their dismissal and authorise the severance package, which will be calculated in accordance with Council policy in relation to all employees who are not chief officers.
- 10.2. Where a chief officer is a member of the Local Government Pension Scheme and is aged 55 or more and is unable to adapt to changes in the work environment and their performance is adversely affected to the detriment of the Council, then the Human Resources Committee may in exceptional circumstances consider their early retirement on the grounds of the efficiency of the service.
- 10.3. Where a chief officer requests early retirement on compassionate grounds, it will be considered by the Human Resources Committee.
- 10.4. Where a chief officer ceases to hold office or to be employed for any other reason, then a severance payment may be made in exceptional circumstances where legal advice confirms that the proposed payment is lawful given the circumstances of the specific case and our fiduciary duty to the taxpayer and that the amount of the severance payment (including sums to settle any claim that may have been made to a court of tribunal) will be published in the Council's annual accounts. The Human Resources Committee must approve any request to make a severance payment to a chief officer.

11. Pay accountability

11.1. Salary packages on appointment which exceed £100,000

- 11.1.1. The Council's Selection Committee appoints Service Directors and Strategic Directors, other than where the Full Council has reserved powers in respect of defined posts. There is a statutory requirement to notify the Cabinet of the selection decision, and provide an opportunity for each Cabinet Member to make representations on the decision to the Monitoring Officer.
- 11.1.2. The Full Council approves the appointment of the following:

11.1.2.1. Head of Paid Service

11.1.2.2. Chief Financial Officer (also known as Section 151 Officer)

11.1.2.3. Monitoring Officer

11.1.2.4. Returning Officer

11.1.2.5. Electoral Registration Officer.

11.2. Severance packages which exceed £100,000

11.2.1. The Council's Human Resources Committee approves severance packages for the Head of Paid Services, Strategic Directors and Service Directors.

11.2.2. For all other employees, the Head of Paid Services approves severance packages in accordance with the Council's policies.

12. Definition and remuneration of lowest-paid employees

12.1. For the purposes of this Statement, the Council's lowest-paid employees are defined as those paid at the level of the National Living Wage. This is because the Council has committed to pay none of its directly-employed staff less than the level of the National Living Wage.

12.2. For 2015/16, the National Living Wage is £7.85 per hour, which is equivalent to £15,145 per year for a full-time employee (pro rata for part-time employees, based on a 37-hour working week).

12.3. Where the contractual pay of an employee falls below £7.85 per hour, a monthly, pensionable Living Wage Supplement is paid in order to ensure that no employee is paid less than £7.85 per hour.

12.4. Apprentices, interns and trainees are considered not to be employees for the purposes of this Statement because they are subject to training contracts rather than contracts of employment.

13. Relationship between the remuneration of the Council's chief officers and other employees

13.1. Will Hutton's 2011 Review of Fair in the Public Sector supported the idea of publishing the ratio of the pay of an organisation's top earner to that of its median earner. The Government has recommended the adoption of such a principle. The Council's ratio as at 28 January 2015 is 1:8.75. This means that the City Director (the Council's top earner at £160,000 per year) earns 8.75 times more than the Council's median earner (at £18,285.50 per year).

13.2. The terms of reference for the Hutton review proposed that no public sector manager should earn more than 20 times the lowest paid person in the

organisation. The lowest paid person in the Council earns £15,145 per year. The City Director's salary is 10.56 times this.

14. Publication and access to information relating to the remuneration of chief officers

- 14.1. Salary details of the Council's chief officers are published annually at www.data.gov.uk.

15. Development objective

- 15.1. The Council will seek the views of stakeholders regarding the future shape of its pay structure in light of the implementation of the Living Wage Supplement.

