

APPENDIX A

Isle of Wight Council PAY POLICY

April 2016

Document Information

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Author:	Anthony Thorn, Strategic Manager for Human Resources ✉ anthony.thorn@iow.gov.uk ☎ (01983) 821000 ext 6284
Sponsor:	John Metcalfe, Chief Executive ✉ john.metcalfe@iow.gov.uk ☎ (01983) 821000
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1.1	January 2013	Revised to accommodate amendments to the Local Government Pension Scheme Discretionary Provisions and additional guidance issued by the Secretary of State for Communities and Local Government and general updating.
2	March 2013	Approved by full Council

3	January 2014	Updated to reflect the Local Government national pay bargaining 1% rise for all employees below chief officer level and to provide clarification on the council's pension policy where employer's consent is required for the early release of pension together with proposed changes to the senior management pay structure.
3.1	May 2014	Updated to reflect the revised senior management structure and changes to the Local Government Pension Scheme Regulations with effect from 1 April 2014.
4	February 2015	Updated to reflect the Local Government national pay bargaining 2.2% rise for all employees except for chief officers who have been awarded 2% with effect from 1 January 2015; changes to the pay structure following implementation of the job evaluation scheme review which will be effective from 1 July 2015.
5	January 2016	Updated to reflect new salary grades, updated job titles and reflect new chief executive role.

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1. Introduction

- 1.1 At the heart of the council's corporate plan is the vision for a council that is accessible, transparent and inclusive and works with businesses, partners, the community, our residents and visitors in making the Island a better place to live, work and prosper. This is combined with the recognition that during a period of continued economic downturn it is vitally important to reduce financial commitments, by meeting its statutory duties and enabling and delivering services at the right quality and cost effectively within the resources available.
- 1.2 Our People Strategy recognises that the main resources we have to deliver our vision are the skills, experience and knowledge of our staff. It is through harnessing the capabilities of our people together with an offer of fair but affordable reward that we seek to respond to such a changing environment whilst continuing to strive for the council to be a great place to work.
- 1.3 The purpose of this policy therefore is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of our workforce and in doing so will also meet the requirements of Section 38 of The Localism Act 2011, which requires local authorities to publish a pay policy statement which has to be adopted by Full Council by 31 March each year. This policy sets out the council's approach to the pay of its workforce for the financial year 1 April 2016 to 31 March 2017. This policy will be published on the workforce information section of the council's transparency pages on iwight.com and be available as a key document located from the council's A to Z document library as well as being easily located by free search text from www.iwight.com or other web search engines.

2. Equal pay commitment

- 2.1 We are committed to the principle of equal pay for equal work for all our employees and seek to eliminate any bias in our pay systems.
- 2.2 As an integral part of our published equality objectives we understand that equal pay between the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, sexual orientation) is a legal right under the Equality Act 2010 and is one of the key indicators of our ability to demonstrate equality of opportunity to those in our employment.
- 2.3 It is in our interest as an employer to ensure that we have a fair and just pay system and one that our employees have confidence in the process of eliminating bias. We are committed to working in partnership with our recognised trade unions/employee representatives to take action to ensure that we provide equal pay. We are confident that this significantly contributes to the necessary trust, morale and engagement of a positive employment relationship.
- 2.4 We believe that in affording openness and transparency in our approach to pay and reward, we are sending a positive message to both our employees and Island residents that we are operating on a basis that is fair and equitable as well as to help us control costs and improve efficiency.
- 2.5 Our objectives therefore are to:
 - be open and transparent in our approach to pay and reward;

- eliminate any unfair, unjust or unlawful practices that impact on pay;
- take appropriate remedial action where required;
- develop and maintain pay and reward equity between staff groups;
- undertake an equal pay review in line with the Equality and Human Rights Commission statutory code of practice every three years;
- work in partnership with recognised trade unions/employee representatives in determining and monitoring pay policy decisions

2.6 In delivering the council's vision and key priorities, together with our commitments to equal pay and a reputation as a good employer, we recognise the importance of administering pay in a way that:

- attracts, motivates and retains appropriately skilled, knowledgeable and talented people needed to maintain and improve the council's performance and meet future challenges;
- is affordable and transparent;
- reflects the market for comparable jobs, within and outside of local government, with skills and competencies required to meet agreed delivery and performance outcomes;
- delivers the required levels of competence within an overall workforce strategy within approved budget parameters.

3. Definitions

3.1 For the purpose of this policy, the following definitions apply:

- A chief officer refers to the statutory roles of head of paid service; director of children's services; director of public health; director of adult social services; chief fire officer; section 151 officer and monitoring officer together with those officers designated as chief executive, and heads of service together with any other designated post that requires member appointment under the council's constitutional arrangements.
- The term 'lowest paid employees' refers to those staff earning up to the full time equivalent of £24,473 per annum, including any allowance or other payments made in connection with their role. This is in line with the council's current pay structure which determines that a post is at junior officer level up to this salary point on the pay scale. The actual lowest pay point on the pay scale, excluding apprenticeships is £14,123 as set out in Appendix A. It is possible for a local authority to also apply the living wage at a local level, although this has not been adopted by the Isle of Wight Council at present.

4. Pay framework

- 4.1 In the main, the pay and terms and conditions of employment for local government employees is determined by the National Joint Council (NJC) for Local Government Services. These pay and conditions of service are published in what is commonly known as the "Green Book".
- 4.2 The terms and conditions of employment for chief officers are determined by the Joint Negotiating Committee (JNC) for Chief Executives and Chief Officers of Local Authorities.
- 4.3 The above bodies provide an agreed national framework for pay and terms and conditions but which also contain a number of flexibilities for local modification to suit local service

requirements. These are the result of negotiations between trade unions and local government employers.

- 4.4 The terms and conditions of employment for fire and rescue service personnel are determined nationally by the Joint Negotiating Committee for Brigade Managers of Local Authority Fire and Rescue Services (commonly known as the “Gold” book) and the National Joint Council for Local Authority Fire and Rescue Services (commonly known as the “Grey” book). The pay and conditions of Fire Service Personnel are not included within this document.
- 4.5 The School Teachers' Pay and Conditions Document, issued by the Department for Education, contains the statutory requirements for teachers' pay and conditions that maintained schools and local authorities in England and Wales must abide by. The pay and conditions of teachers are not included within this document.

5. Terms and conditions - all staff

- 5.1 The council operates under the national terms and conditions as set out by NJC and JNC in respect of sick leave and sick pay; maternity leave and maternity pay scheme; shared parental leave and shared parental pay scheme; and paternity leave and Paternity Pay Scheme.

5.2 Core working hours

Annual working hours are 1,635 per annum, full time equivalent, agreed on a continuous and flexible basis between the employee and their line manager. The timing of working hours depends upon role definition (set out in 5.3 below). Core hours are determined by managers according to the specific needs of the service and will cover a period of 14 hours between 6am and 10pm. Work carried out within core hours is paid at plain time rates unless specified otherwise.

5.3 Role definition

Roles within the council are categorised as either “flexible” or “constrained”.

- *Flexible roles* are not normally subject to particular operational times or to regular and frequent immediate reactive response to the service or customers within the community. There is occasional requirement to cover at times other than normal hours, but generally staff are able to choose their working patterns and the freedom to exercise that choice does not, in the main, impact adversely on service delivery to the community.
- *Constrained roles* are largely governed by particular working time or patterns because of the needs of the service, or demands regular and frequent immediate reactive response to the community or customers' needs. Staff generally do not have the freedom of choice in their working patterns and to have such would impact adversely on service delivery to the community.

5.4 Pay awards

Pay awards are considered annually for staff and are based on those determined by the national pay bargaining undertaken by the Local Government Employers. There was a 2 year arrangement agreed for 2014/16 and negotiations have commenced for a pay award for 2016/17.

5.5 **Appointment**

Employees new to the council will normally be appointed to the first point within the salary range within the respective pay grade. Where a candidate's current employment package would make the first point unattractive or where the employee already operates at a level commensurate with a higher salary, the recruiting manager has delegated authority to appoint at a higher point within the salary range. The candidate's level of experience and skills must be consistent with those of other employees already employed in a similar role.

5.6 **Recovery of Exit Payment on return to any public sector body**

The government is currently consulting on proposals that staff earning at or over £80,000 per annum who have received an exit payment within the previous 12 months from another public sector post will be required to repay the amount to their previous employer. The council will introduce procedures to ensure compliance with the legislation as soon as it is introduced, which is likely to be in April 2016.

5.7 **Relocation allowance**

It is recognised that it may be necessary to compensate, at least in part, the financial costs incurred by a new employee in relocation to the Island or to a location within commutable distance where required (and the successful candidate's existing residence is beyond 50 miles in distance from the Isle of Wight, or outside of a reasonable commuting time) in order to take up their duties. Granting a relocation allowance as part of the recruitment package requires approval as part of the council's recruitment authorisation process. In determining the business case for the granting of a relocation allowance, consideration has to be given to whether:

- advertisement within a national/international market is required;
- there is a need to increase the potential of recruiting high calibre staff or within particularly hard to recruit occupations;
- it is a permanent post (although if deemed to be a key post on a fixed term contract of up to two years, consideration will be given to 50 per cent of the agreed level of reimbursement).

The current allowance payable is up to a maximum of £8,000. Full conditions of operation are set out in the council's Relocation Scheme.

Under the council's Relocation Scheme the council also offers new recruits an allowance to cover some of the costs associated with travelling in order to attract potential candidates within commuting distance but who would not wish to relocate to the Island in the current economic climate.

5.8 **Market supplements**

There are some occupations which are notoriously difficult to recruit and retain within the public sector. Where there is significant evidence pointing to salary levels which are out of line with the market rate for particular skills or recruitment, the payment of a market supplement may be an appropriate solution. Annual review and analysis of available evidence of whether there have been any changes in the job market will inform whether market supplements will continue to be paid. Full conditions of operation are set out in the council's Market Supplement Policy. Currently, a market supplement is paid to social workers working in childcare, and some leisure staff.

5.9 **Additional duties**

There may be occasions when an employee is required to undertake the duties of a higher graded post for a continuous period of up to 12 months. In such circumstances, the employee will receive the salary that would apply as if they were promoted to that post. These must be for genuine reasons other than annual leave or the short term sickness absence of another officer.

In the review undertaken by managers when a post becomes vacant, there may be circumstances when a manager determines not to recruit, but to assign a proportion of the full duties and responsibilities to another employee. Where such a situation arises, payment of a responsibility allowance can be made upon submission of a business case. The rate of allowance payable is dependent upon the percentage of additional duties required up to a maximum of a 12 month period, unless there are exceptional circumstances for this to be extended. There are three levels of payment 2.5 per cent, 5 per cent and 7.5 per cent of the difference between the substantive and higher graded post for the period during which the additional duties/responsibilities are undertaken. Full conditions of operation are set out in the council's Acting Up and Secondment Policy. The council actively encourages the use of secondments both internally and externally within partner organisations.

5.10 **Business travel**

For genuine operational needs and where privately owned vehicles are used for business travel purposes, the council reimburses employees in line with Her Majesty's Revenue and Customs approved level. Where staff are required to carry substantial equipment on a frequent and regular basis, an additional 5p per mile is payable in recognition of the additional wear and tear in vehicle use. Staff who undertake more than 8,500 business miles per annum are classed as essential users and receive an annual lump sum, in accordance with the NJC terms and conditions, payable in monthly instalments. This is in recognition of the additional wear and tear that high mileage incurs. This allowance is removed should any employee change job where business travel is not required or is likely to be below the threshold set out above. Current essential user allowances payable are paid at the rate of £963 per annum with a mileage rate of 40.9p per business mile up to 8,500 miles claimed and thereafter a rate of 14.4p per mile.

There is by local agreement with chief officers, no claiming of on Island business travel expenses.

5.11 **Excess travel**

Since 1 April 2012 no reimbursement or allowance has been payable to employees whose on Island work base location is changed by the council.

5.12 **Charging for car parking at work**

Any member of staff who uses a car parking space during the working day which is within a designated area of the council's parking order are required to either pay the daily parking charge or purchase a long stay staff parking permit. The cost of a staff parking permit is £150.00 per annum which allows parking in long stay car parks within the town of the officer's workbase and only for the full duration of the working day (ie Monday to Friday 8am to 6pm). Employees paid less than a full time equivalent salary of grade 1 on the payscale, ie - £14,632 per annum the parking permit cost is reduced to £100.00 per annum. Full conditions of operation are set out in the council's Charging for Car Parking at Work Policy.

5.13 Professional fees

Since 1 August 2011, no reimbursement or payment of professional association membership fees has been made to employees other than those who are appointed into trainee positions and working towards a recognised professional qualification as a requirement of their employment, when payment will be made until they qualify, at which point they will become responsible for the payment of their own fees.

5.14 Re-engagement

Employees whose appointment is terminated on a voluntary redundancy basis, or who accept early retirement, will not be re-engaged by the council on a directly employed or consultancy basis for a period of two years unless approved on an exceptional basis by the head of resources and the section 151 officer. The appointing manager will be required to complete a business case, setting out the reasons for requesting exemption for consideration.

The general rules relating to re-engagement are as follows:

- Any return to the council's employment must be via the normal process of competitive selection.
- The return must not be to the same or a closely related post, as this would call into question the original decision to declare the post redundant.
- The employee must not take up the post (if they are to be directly employed) any sooner than four weeks after the effective date of redundancy or early retirement, or they will forfeit the original redundancy payment and pension entitlement will be affected.
- Anyone who is re-employed will be treated as a new starter and any previous service with the council or other related body will not count towards entitlements to notice periods, sick leave, annual leave, or other benefits dependent upon continuous service.

5.15 Annual leave

Since 1 April 2012, all employees operating under the NJC/JNC for Local Government Services are entitled to 28 days or 207 hours per annum (pro-rata if part-time). The leave year operates from 1 January to 31 December.

5.16 Public and extra statutory holidays

All staff are entitled to eight days or 59 hours public holidays per annum (pro-rata if part-time) plus three days or 22 hours for extra statutory/concessionary days (pro-rata if part-time) (which the council reserves the right to use at selected establishments to enable closure of services between Christmas and the New Year). This arrangement is currently under review.

5.17 Pension contribution

All employees whether designated as in permanent employment or on a fixed term contract (where the contract period is for three or more months) are automatically admitted to membership of the Local Government Pension Scheme (LGPS) although they have the right to opt out if they so wish.

Scheme regulations are made under the Superannuation Act 1972. Changes to the rules are discussed at national level by employee and employer representatives but can only be amended with the approval of Parliament. As scheme members, employees pay contributions and the council pays in the balance of the cost of providing accrued benefits after taking into account investment returns. Every three years, an independent actuary

calculates how much the council should contribute to the scheme. The amount will vary, but generally the present underlying assumption is that employees contribute approximately one third of the scheme's costs and the employer contributes the rest. The current level of contribution made by the council is 23 per cent, increasing to 23.5% from 1 April 2016. In accordance with government guidance the contribution rate by pay band that applies from April 2015 is as follows:

Up to £13,600	5.5%
£13,601 - £21,200	5.8%
£21,201 - £34,400	6.5%
£34,401 - £43,500	6.8%
£43,501 - £60,700	8.5%
£60,701 - £86,000	9.9%
£86,001 - £101,200	10.5%
£101,201 - £151,800	11.4%
More than £151,801	12.5%

6. Benefits of employment

- 6.1 Government based initiatives called 'salary sacrifice' schemes are available to employees to make savings through the Payroll in Tax and National Insurance payments. For example, we currently operate the Childcare Scheme which allows employees to save substantial amounts of money on childcare costs. Employees who pay for Ofsted registered childcare can have payments made directly from their salary to their childcare provider, subject to a maximum amount per week/month. The scheme can be joined anytime of the year and covers children up to the age of 15 (16 if disabled). Savings are dependent on personal circumstances but can be as much as £890 a year.
- 6.2 All staff have access to an Employee Assistance Programme (EAP) which is an impartial and completely confidential advice and counselling support service which is available 24/7 via a free phone number. Employees also have access to a website where they can seek information and advice on a wide range of topics including work-life, personal life and health and wellbeing.
- 6.3 Other financial benefits include our list of local retailer discounts which contains over 100 Island businesses that are prepared to offer discounts on their products and services to council employees and our list of miscellaneous discounts contains off-Island and web-based businesses which also provides discounts. In addition, there are several sites designed specifically for those who work in the public sector. They are free to access and enable employees to take advantage of special offers and discounts on a whole range of products and services offered by various well known retailers and other companies.
- 6.4 As part of our wellbeing strategy, the council's One Card Employee Scheme offers access to the council's leisure and fitness facilities at Medina Leisure Centre, The Heights Leisure Centre and Westridge Tone Zone and squash courts at a reduced rate. Discounts are up to 20 per cent off the published price of a One Card, and there is a choice of two card options and several different payment methods. There are also a range of discounts on public transport. This includes a 10 – 20% reduction on ticket prices for ferry services to and from the Island with the three operators - Hovertravel, Red Funnel and Wightlink, and a 20% discount on freedom tickets and multi-day bundles for Island bus travel. There are also discounts available on the purchase of brand new cycles and cars.

- 6.5 We recognise the importance of investing in the learning and development needs of employees to enable the skills, competencies and behaviours required of staff in their work duties to be carried out effectively and efficiently, to remain safe within their workplace and which enable career development. We also give due consideration to any requests that are made by staff under the Right to Time off for Training legislation. The council also operates a personal development review process which is undertaken on an annual basis with a mid-year review to monitor work performance, establish new work priorities and timescales and the identification of learning needs. Within available resources and according to priority needs, learning and development opportunities may take the form (but not exclusively) of course attendance, distance learning, directed research, e-learning, work shadowing, coaching and/or mentoring. All new staff are required to complete an e-learning induction module and attend the corporate induction programme. Some learning and development activities are mandatory to meet expected personal responsibilities in areas such as health and safety, equality and diversity and safeguarding. The council also has a functional skills programme which staff can access to support the improvement of numeracy and literacy skills.
- 6.6 Since 1 April 2012 the council no longer operates a monetary reward scheme for loyalty to local government services. In its place, a celebratory event will continue to be undertaken on an annual basis which formally recognises the significant and/or outstanding contributions that individual or groups of staff make to the community.

7. Official election duties and fees

- 7.1 Official duties for the purposes of Parliamentary and European elections and national referendums are statutory functions that are separate to any other local government statutory role (such as the section 151, head of paid service or monitoring officer) or any other functional requirements of a local government officer. Fees payable to those who carry out official election duties are set by statute and are reclaimable from central government.
- 7.2 Official duties for the purposes of local elections are also statutory functions, as set out above, and fees payable to those who carry out official election duties are set by the Hampshire and Isle of Wight Election Fees Working Party. The full arrangements and current fee structure is set out in a Hampshire and Isle of Wight Elections Fee Structure.
- 7.3 In the case of the Isle of Wight Council, returning officer duties are currently undertaken by the Strategic Manager for Organisational Change & Corporate Governance who will appoint a number of deputy returning officers.

8. Pay arrangements up to chief executive level

8.1 Pay structure

A new pay structure was introduced on 1st July 2015 following the conclusion of the job evaluation project. Within the overall pay scale there are 20 grades as set out in Appendix A. The grade for each role is determined by a job evaluation process according to the knowledge, skills, effort, responsibilities and demands required of the role. All posts including chief officers are included on the 20 new pay grades, excluding the chief executive.

8.2 Pay progression

Currently, annual automatic pay progression is in operation between pay points within a pay banding up to the maximum point. Increases are made on 1 April each year. Officers with less than six months' service in the grade by 1 April are granted their first increment six months after their appointment. This has been reviewed as a part of the council's current pay structure and job evaluation scheme review.

8.3 Pay protection

Where, as a result of organisational change, job evaluation or redeployment as a result of redundancy there is a reduction in pay, staff will receive salary protection which will be at least limited to a period equivalent to the period of notice to which they would be entitled.

8.4 Premium payments

The council has undertaken an extensive review of all terms and conditions of employees which saw the rationalisation of allowances and premium rates paid to employees whose roles necessitate out-of-hours working. These arrangements are determined under local bargaining arrangements with recognised trade unions.

Since 1 April 2012, posts designated as constrained (as set out in section 5.3) have attracted the following allowances and are payable to eligible employees up to salary grade 10, point E (£30,986):

Element	Enhancement to pay	Description
Overtime	Plain time rate	Applies where: <ul style="list-style-type: none"> a) there is a contractual requirement to work more than 37 hours per week or b) voluntary overtime worked in a constrained post cannot be reasonably taken as time off in lieu
Night duty	Plain time plus one third	Applies to hours worked outside of the service's designated core hours This rate will also apply where shift patterns fall outside the service's designated core hours
Shift allowance	10% of plain time rate will apply to all hours of working shift patterns whose start/finish times commence/end beyond the designated core hours for the service.	Shifts are defined as regular patterns of work carried out at different times either on a daily or weekly basis.
Weekend work	Plain time rates	Hours worked on Saturdays and Sundays outside of designated core hours will attract the relevant enhancement for shift allowance and night work rate.
Standby allowance	£15.32 per standby session (only payable where the standby duty is additional to contractual hours per week)	A standby session is 24 hours (00.00 hrs to 23.59 hrs or part thereof, but must exceed four hours duration).

Call out	Time and a half when the call out occurs in addition to contractual hours per week	Where an employee is paid a higher substantive grade than that of the role being covered on call-out, they will be paid at the maximum of the grade for the role being performed on call out. Staff graded higher than grade 10; who are required to be called out will be paid their actual rate of pay for time carried out.
Public bank holiday and fixed concessionary days' working	Christmas Day (25 Dec) and / or Boxing Day (26 Dec) normal pay plus plain time for hours worked plus time off in lieu.	Work on alternative public holidays when Christmas Day or Boxing Day fall on a Saturday or Sunday and work on all other public holidays and concessionary days will be paid either at normal pay plus time off in lieu or alternatively at normal pay plus plain time for hours worked (no time off in lieu) where this is a more cost effective approach.

9. Pay arrangements - chief officers

9.1 Pay structure

Our structure for chief officers is included within the 20 pay grades under the new job evaluation pay framework, excluding the chief executive whose salary is a spot salary that has been evaluated through market testing.

The scope of each chief officer's job responsibilities are set out in the council's constitution which is published on the council's website and can be found by using the following link: <https://www.iwight.com/documentlibrary/view/council-constitution1>

A generic person specification has been established for the appointment and performance management of chief officers which sets out the generic requirements to fulfil the duties expected at this level. This can be found at Appendix B for reference. These generic statements are complemented by specific job role expectations according to the post remit established at any given time. Generic role profiles are also being developed for other grades with the intention that they will be introduced during 2016.

The Openness and Accountability in Local Pay Guidance under Section 40 of the Localism Act sets out the requirement for Full Council to be given the opportunity to vote before large salary packages are offered in respect of a new appointment. The secretary of state considers that £100,000 is the threshold for this to be undertaken. The pay-scale for chief officer posts is incorporated into the new pay framework following the job evaluation exercise, as set out as Appendix A and the remuneration for the chief executive has been set by Full Council as £150,000 per annum. Approval by Full Council to this policy document is therefore considered to meet the requirements of the guidance. Should any variation to the pay-scale for chief officers be proposed in any future appointment, this will be a matter for the Employment Committee to recommend to Full Council during the authorisation process to recruit to a vacant post.

9.2 Pay progression

There is no automatic pay progression for the chief executive as it is a spot salary, although the salary will be dependent upon national negotiations for annual cost of living pay awards in line with the Joint Negotiating Committee for Chief Officers and Chief Executives of Local Authorities and Fire Service.

The establishment of annual performance targets for chief officers is a matter for determination by the chief executive and where appropriate in consultation with the lead Cabinet portfolio holder(s).

The establishment of annual performance targets for the chief executive is a matter for determination by the leader of the council in consultation with relevant Cabinet portfolio holder(s) and subject to approval of the Employment Committee.

9.3 **Emergency response**

Chief officers and strategic managers are required to participate in the council's emergency duty scheme. No additional payment is made for such duty.

9.4 **Pay ratio**

The proposition by the Prime Minister and Chancellor in commissioning the public sector pay review in 2010 was that there should be no more than a 20:1 pay multiple to demonstrate fairness in pay.

The pay differential between the highest paid and the lowest within the Isle of Wight Council (using the full time equivalent (fte) base salary as the indicator of measure), and excluding schools, fire service personnel, trainees and apprentices the following can be identified:

In January 2016:

- the highest salary is £125,000 the lowest salary is £14,123;
- the median salary is £19,750;
- the mean salary is £23,270.

Which represents:

- a ratio of 9:1 between the highest and lowest salary;
- a ratio of 6:1 between the highest salary and the median salary;
- a ratio of 5:1 between the highest salary and the mean salary.

Whilst it is not the intention to establish a target reduction in ratio, close monitoring/benchmarking will to be undertaken to allow ongoing monitoring of median/mean workforce earnings.

10. **Discretionary provisions**

The Local Government Pension Scheme (LGPS) Regulations require the council to publicise a statement on the way certain discretions available under the pension scheme will be applied. This is a management policy, not an employee right and confers no contractual rights. However, the statement does not commit the council to a scheme of automatic exercise of the discretions and any such variation must be considered on its own merit and undertaken within the required corporate governance arrangements. This places a duty upon the council to provide appropriate, documented evidence to justify a variation being made and that the necessary authorisation has been secured. In all such cases, for the decisions to be lawful, there must be a clearly documented rationale agreed by key elected members for a departure from the policy.

Only the policy which is current at the time a relevant event occurs to an employee will be the one that applies.

This statement is applicable to all employees with the exception of those employed in maintained schools who, as LGPS employers in their own right are required to have their own policy on the application of discretions.

10.1 As an employing authority, the Isle of Wight Council's policy as regards available discretions is as follows:

10.1.1 Voluntary redundancy/early retirement from age 55 and the '85 year rule'

It is our current policy that where an application for voluntary redundancy/early retirement for employees between the age of 55 and 59 where the '85 year rule' is not satisfied will normally result in an actuarial reduction of an employee's pension benefits (although if the '85 year rule' is satisfied then pension benefits may be released without actuarial reduction). In either case, the council may not agree to early retirement if by leaving local government employment, the resultant loss of skills, knowledge and experience will have a detrimental effect on the service provided by the council. The chief financial officer and head of resources must be satisfied that appropriate savings to meet the capitalised costs associated with release of pension (and payable to the pension fund) can be secured before approval is given. Applications for voluntary redundancy/early retirement must be made in line with the council's policy.

For those that voluntarily retire from age 55 but before the age of 60, it is the council's policy not to "switch on" the 85 year rule.

If an employee voluntarily retires before normal retirement age, the council will not waive actuarial reduction on benefits.

Redundancy payments will be met corporately with pension costs being met by the service and factored in as part of the savings proposals.

10.1.2 Augmentation of benefits – leavers who have attained age 55 (ie a discretion that allows the employer to purchase extra pension benefits for a pension scheme member)

Our current policy is that we will not grant any additional benefits or pension under this delegation.

10.1.3 Augmentation of benefits – new employees

Our current policy is that we will not grant any additional benefits under this delegation upon entry to Isle of Wight Council employment.

10.1.4 Transfer values – acceptance of inward transfers

When a transfer of pension rights from the private or public sector is permissible, we will only accept such a transfer when the request for us to look into it was made within the first 12 months of employment. Requests received after the first 12 months will be refused. We also refuse to accept transfers (other than from within the Local Government Pension Scheme and the Public Sector Transfer Club), that would result in a membership credit in excess of 40 years. When assessing this 40 year limit we take into account all non LGPS and non-club transfers.

10.1.5 Shared Cost Additional Voluntary Contributions (AVCs) and/or Shared Cost Additional Pension Contributions (ie a discretion that allows the employer to pay a percentage of any additional voluntary contributions an employee makes to their pension)

Our current policy is that we will not grant any additional benefits under this delegation by way of additional contributions on behalf of an employee. This decision does not preclude any employee from effecting an AVC in their own right.

10.1.6 **Redundancy payments**

It is our current policy that redundancy payments will be based on statutory redundancy calculations payable under the Employment Rights Act in terms of the calculation of the number of weeks to be paid based on age and length of continuous local government service. Our current policy is that we will not grant any additional benefits under this delegation for additional compensation under the Discretionary Payment Regulations to be applied. A week's pay will be based on the lesser of:

- An employee's actual contractual pay; or
- The statutory minimum.

Voluntary redundancy requests do not attract any enhanced compensation rates.

10.1.7 **Flexible retirement**

It is our current policy that employees approaching pension retirement age, who with employer's consent, reduce their working hours or the grade in which they are employed, may elect to have their retirement benefits paid immediately, notwithstanding the fact that they have not retired from that employment. Applications for flexible retirement must be made in line with the council's Flexible Retirement Policy and normally will only be granted where there is no cost to the local authority or where due consideration has been given to the cost benefit of agreeing to such an approach.

10.2 **As an administering authority, the Isle of Wight Council's policy as regards available discretions is as follows:**

10.2.1 **Re-employed pensioners**

It is our current policy that the pension of those pensioner members who are re-employed within local government will not be abated. (Abatement is the reduction or suspension of a member's pension where a person in receipt of their pension becomes re-employed with an employer who offers the LGPS.)

10.2.2 **Spouses pension payable for life**

It is our current policy that there will be continued payment for the whole life of a widows or widowers pension even where the recipient remarries, enters a civil partnership or cohabitates with another person.

10.2.3 **Premature release**

Once a scheme member has attained the age of 55, they may request access to payment of their benefits on a reduced basis. This requires employer's consent to be given. It is current policy that any such request would only be granted where there is no cost to the local authority due to the early release of benefits.

10.3 **Injury Benefit Scheme**

Under the Local Government (Discretionary Provisions) (Injury Allowances) Regulations 2011, it is our current policy that we will not adopt a discretionary injury benefit scheme which makes provision for a person what has sustained an injury in the course of carrying out their work.

11. Severance arrangements

11.1 There may be exceptional circumstances that occur from time to time when the most economically advantageous option for the council requires some form of compensation arrangement to be entered into or for a variation to be granted to the discretionary provisions set out above and where for example, a consensual arrangement is required in order to avoid delays, tribunal costs or detriment to key service priorities. In doing this, regard must be had to the losses suffered by the individual, future employment prospects and the overall impact on the council's finances of both reaching and not reaching agreement.

11.2 The necessary procedures must be followed when such arrangements are proposed and/or in circumstances where termination of employment involves any of the following:

- Early release of pension entitlement (other than on ill-health grounds) which requires capitalised costs to be met.
- Payments in excess of the statutory redundancy payment.
- Any other enhancement that requires approval as set out in the Discretionary Provisions.
- A compensatory payment for loss of office that either relates to a chief officer and / or is in excess of £50,000 for any other employee.
- Where a combination of the above for any one individual exceeds £50,000.

11.3 The government has drafted regulations limiting the amount a public sector worker could be paid for losing their job at £95,000. This threshold will apply to the total amount of pay received by an individual for loss of employment, including redundancy payments, voluntary exit payments and "any other payment made as a consequence of, in relation to, or conditional upon loss of employment whether under a contract of employment or otherwise". This will also include any capital costs to the service for release of pension. The council will introduce procedures to ensure compliance with the legislation as soon as it is introduced, although a date has not yet been set for this.

11.4 **Procedure to be followed:**

Whilst it is accepted that there must be public accountability for any severance package granted, it is considered that there is potential to breach employment obligations under a contract of employment by entering into debate about individual severance arrangements at Full Council, and it would not be in the best interests of efficiency or to allow timely conclusion to sensitive and/or complex matters that need to be resolved swiftly when required. The following procedural process therefore sets out the level of scrutiny that is to be undertaken in respect of any authorisation.

In all cases and irrespective of the sums involved, an "Authorisation for Early Release of Pension Benefits/Discretionary Payments" form must be completed then discussed with and authorised by the relevant head of service, head of resources and chief executive. The form must set out all the costs and savings associated with the proposal and must be certified by the section 151 officer or other authorised signatory.

The costs associated with reimbursing the Pension Fund for the capitalised costs of an early retirement must be met from the resultant savings.

Where a settlement relates to a chief officer and/or where for another employee:

- the capitalised costs of reimbursing the pension fund exceed £50,000;
- a compensatory payment for loss of office exceeds £50,000;
- any other discretionary payment exceeds £50,000;
- a combination of the above exceeds £50,000

Then, the leader and Cabinet member for resources in consultation with the relevant Cabinet member must be informed in advance of any offer being made or approval being given.

Where compensatory payments are proposed for loss of office, appropriate legal advice must be taken. This must be secured in writing and also attached to the authorisation form prior to approval. All relevant information utilised in the calculation of a proposed compensatory payment must be retained as evidence on file with the relevant authorisation form.

In any circumstances where pay in lieu of notice is to be considered it must be possible to evidence that one or all of the following criteria can be met:

- that circumstances dictate that it would be untenable or detrimental for the individual to remain at work or to return to work and there is no gainful alternative work during a notice period;
- occupational health/medical advice indicates that the individual is not fit for work during the notice period.

Where the anticipated termination date is known and it is therefore possible to give due notice, this is not considered appropriate circumstances in which authorisation can be given for pay in lieu of notice.

Appendix A – Job Evaluation Pay Framework – February 2015

Grade	Know How Score	Total Points Range	A	B	C	D	E
Grade 1	43 and 50	72 and below	14122.52	14258.05	14393.58	14496.53	14631.76
Grade 2	57	73 – 84	14631.76	14823.61	15015.46	15207.31	15381.10
Grade 3	66	85 – 97	15381.10	15547.18	15713.25	15879.33	16045.40
Grade 4	76	98 – 113	16045.40	16348.40	16651.39	16954.39	17257.39
Grade 5	87	114 - 134	17429.47	17696.66	17963.84	18231.02	18498.20
Grade 6	100	135 – 160	18498.20	18811.19	19124.18	19437.16	19750.15
Grade 7	115	161 – 191	20184.50	20529.94	20875.37	21220.81	21566.24
Grade 8	132	192 – 227	22279.60	22827.90	23376.21	23924.51	24472.81
Grade 9	152	228 – 268	25345.60	26035.45	26725.30	27415.15	28105.00
Grade 10	175	269 – 313	28513.80	29131.85	29749.91	30367.96	30986.02
Grade 11	200	314 – 370	33974.79	34607.33	35239.88	35872.42	36504.97
Grade 12	230	371 – 438	36505.84	37028.39	37550.95	38073.50	38596.05
Grade 13	264	439 – 518	38682.70	39466.75	40250.79	41034.84	41818.88
Grade 14	304	519 – 613	45990.00	46880.25	47770.50	48660.75	49551.01
Grade 15	350	614 – 734	53144.00	54208.92	55274.87	56339.54	57404.72
Grade 16	400	735 – 879	61820.78	63070.18	64319.57	65568.97	66818.36
Grade 17	460	880 – 1055	76354.14	77825.75	79297.35	80766.96	82240.56
Grade 18	528	1056 – 1260	83277.90	84870.89	86463.87	88056.86	89649.84
Grade 19	608	1261 – 1507	90200.64	91917.05	93633.45	95349.86	97066.26
Grade 20	700	1508 - 1800	97124.61	98962.43	100800.24	102638.05	104475.87

Appendix B: Generic Person Specification – Chief Officers

Knowledge and experience

- Thorough understanding of the professional and practice issues related to the delivery of the broad range of services held within own remit and within the context of modern public services.
- Substantial senior strategic leadership experience in the context of delivering services for which accountability is held.
- Demonstrable record of success, providing the highest quality services and outcomes for residents.
- An in-depth knowledge of major professional, legislative and policy issues facing the provision of services for which accountability is held.
- Experience in planning, managing and controlling complex budgets and business planning processes to ensure the cost-effective use of resources and maximisation of external funding sources.
- Evidence of successful partnership working with a range of partners and stakeholders.
- A track record of effective commissioning of services from the private, public or not for profit sectors.
- Proven experience of successfully delivering major changes in service delivery and cultural change across teams and services.
- Substantial experience in managing strategies that cross service, professional and organisational boundaries.
- Aptitude for extending diversity in service design and delivery and awareness of the role of positive action.
- Experience of leading, managing and motivating staff across a range of professions.

Skills, abilities and behaviours

- Strong orientation to achieve outcomes through working in collaboration and partnership.
- Demonstrate ability to act corporately and collectively.
- Ability to manage across traditional service boundaries.
- Ability to lead, coach, inspire and empower others to achieve their personal and organisational goals.
- Ability to achieve major cultural and organisational change.
- Ability to build high achieving teams.
- Ability to develop, negotiate and achieve high performance levels and achieve continuous improvement in services to customers.
- Ability to think, plan and act strategically and develop creative and innovative solutions.
- Highly developed written, oral and presentation skills.

Personal qualities

- Strong commitment to probity, honesty and openness, treating people consistently, fairly and with respect.
- Strong personal commitment to improving local public services.
- Lead by example.
- Commitment to learning and continuous improvement.
- Personal and professional demeanour and credibility that commands the confidence of Members, colleagues, partners and other key stakeholders.
- Highly developed political and reputation management skills.

Education and qualifications

- Educated to degree level or equivalent, with evidence of continuous professional and / or managerial development.
- Relevant professional qualification.

Appendix C: Number of permanent full time equivalent posts by Grade

