



EMPLOYMENT POLICY STATEMENT

Policy Title: PAY POLICY

Date: July 2017

Scope

This policy applies to all staff and divisions across Chichester District Council.

Policy Statement

Corporate objectives

This policy supports the guiding principle set out in the Corporate Plan to keep our staff skilled, motivated and flexible. It is also designed to help ensure that the organisation can continue to recruit and retain high quality staff as well as supporting the objective to prudently manage the Council's finances.

Statutory legal responsibilities & commitment to national pay framework

The foundation of this policy is to ensure that there is fairness and consistency across the organisation in how employment is rewarded and that the Council comply with legislative requirements such as equal pay, the national living wage and gender pay gap reporting. It should be noted however that there were no existing significant concerns about this. This process will however comprehensively check that equal pay for work of equal value continues to apply across the organisation.

Gender Pay Gap Reporting

This is also timely in view of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 <https://www.gov.uk/guidance/gender-pay-gap-reporting-overview> that apply from 2017-18 requiring CDC to publish on our website and submit to government the following data;

- CDC's mean gender pay gap in hourly pay
- CDC's median gender pay gap in hourly pay
- CDC's mean bonus gender pay gap

- CDC's median bonus gender pay gap
- CDC's proportion of male and female staff receiving a bonus payment
- CDC's proportion of male and female staff in each pay quartile

Incremental pay: progression subject to high performance

All staff in the Council are paid in line with National Joint Council for Local Government Services (NJC) pay awards with the exception of the Chief Executive and Executive Directors whose pay is determined by the Joint Negotiating Committee (JNC) for Chief Executives and JNC for Chief Officers of Local Authorities as applicable and apprentices on an official government sponsored apprenticeship who are paid in line with the National Minimum Wage for apprentices or above. With the exception of these staff groups plus Directors and Chichester Contract Services (CCS) staff, the salary of most other employees is linked to a specific NJC salary point.

As stated below, each post is job evaluated and scored in Hay points with the actual salary being part of a pay grade made up of a number of NJC salary points or increments. Once appointed no increment will be given unless the post holder can demonstrate, as documented by the appraisal process, a consistently good standard of job performance. No increments can be awarded until the staff member has passed their probationary period.

National Minimum / Living Wage

The NJC approach to the National Minimum / National Living Wages has been to increase the lowest NJC salary point each year to above the National Living Wage amount (£7.50 per hour compared to SP6 at £7.78 per hour - April 2017). CCS staff are also all paid above the National Living Wage (NLW). Whilst this meets legal obligations it has meant that pay differentials at the lower end of the NJC pay scale have been squeezed and this process is due to continue. This is another contributory factor towards why the Council's pay grading structure needs to be reviewed as the existing grade 1/2 is likely to continue shrinking in size in monetary terms and in the future no longer be usable. During 2017 the national pay spinal points are being reviewed by the National Employers and Trade Unions that make up NJC to further address the challenges presented by the NLW through to 2020 and beyond.

Senior Staff

Remuneration for the Council's senior staff, defined as statutory and non-statutory Chief Officers and senior staff immediately reporting to them, is addressed in a separate Senior Staff Pay Policy Statement which is reviewed annually in line with the requirements of the Localism Act 2011 and is subject to approval by Cabinet and Council. This policy statement and associated documents are published on the authority's website <http://www.chichester.gov.uk/transparencyofseniorsalaries>

Other CDC salary enhancements

Market supplements

Market supplements (Premia payments) are paid when necessary to ensure that the Council's remuneration package for particular hard to fill posts remains attractive and competitive. The basis for payment of these is where there is evidence that the salary for the post in question is currently not sufficient for the Council to recruit and / or retain staff to that post i.e. too few quality candidates applying and /or high turnover. This should also be supported by clear pay bench marking data that the Council is paying below the market rate. These payments are subject to periodic review to reflect market conditions and as such are temporary. Market supplements are fully pensionable but do not increase in line with pay awards. They are paid monthly as part of salary payments and are pro rata for part time staff.

See Market Supplements NJC Technical Note 15 (January 2016) section 10, *Duration of the market supplement and review arrangements*;
[http://www.emcouncils.gov.uk/write/Tech_Note_15_Market_Supplements_Jan16_\(003\).pdf](http://www.emcouncils.gov.uk/write/Tech_Note_15_Market_Supplements_Jan16_(003).pdf)

Responsibility Allowances

Any additional responsibilities should be absorbed into the Job Profile and contribute towards a post's job evaluation outcome, with the exception of the Responsibility Allowances for Section 151 Officer and Monitoring Officer and their deputies which are viewed as additional statutory officer posts.

The Job Evaluation process

The Council's staffing structure was subject to complete job evaluation using the Hay system in 1990. Since this time Hay job evaluation has been used for all CDC divisions except Chichester Contract Services (CCS).

Summary of Hay Job Evaluation system

Factors and Dimensions:

In the Hay Guide Charts, the key requirements of any job are regarded as universal, and are termed factors.

The three Hay universal factors are:

- Know How (technical knowledge, management of breadth, human relation skills)
- Problem Solving (thinking environment and thinking challenge)
- Accountability (the freedom to act, the magnitude of accountability and the impact of actions)

The effectiveness of the Guide Charts lies in the scoring system and the relationship between the factors within the overall job profile.

Points:

Each of the Guide Charts for the three factors includes a points system so that after the job evaluation has been carried out the factors can be scored. The overall score is then translated into a pay point or pay grade.

Continued commitment to Hay Job Evaluation

Since the original job evaluation process, Hay Group have periodically been asked to carry out job evaluation audits of the Council's pay and grading structure. In view of the new policy and the large cross organisation project that implementing it will involve, the Council has worked closely with the Hay Group on a consultancy basis on all the main aspects of this. Specific outcomes from this work are set out below:-

Job Profiles

In order to ensure consistent evaluation and to focus authors of job documentation to consider the three factors required to evaluate a post, a new Job Profile template has been developed (see Appendix 1 Job Profile template). This combines the job description and person specification into one document and is also used where necessary for recruitment advertising and contracts of employment. This new Job Profile will be used by future Hay panels when evaluating posts. Each council post will have a Job Profile written for it by the service manager and this will be used to commence the evaluation process. Service managers should refer to the re-evaluation process managers guide and will receive support as necessary from the HR or Corporate Improvement teams.

Job Evaluations

The evaluation of a post uses the information provided within the Job Profile to apply the three factors which translate into points. All posts are evaluated by a panel of 3 to 5 staff who are trained in applying the Hay Evaluation Process. In view of the number of evaluations that would be required for a complete re-evaluation of all posts, Hay were invited to train a larger number of Hay job evaluators including officers from a number of corporate support services. Future Hay panels will be drawn from this larger corporate resource.

Right of review

If the post relates to an existing post holder who is not happy with the resultant grade then he or she is entitled to have the outcome reviewed. This request must be in writing and be within 30 calendar days of notification of the outcome. The review panel will be composed of different Hay job evaluators to the original one and will be asked to evaluate the job a second time. The review panel will take into account any additional information provided by the service manager.

A Staff Side or recognized CDC union representative can attend the review panel as an observer and contribute towards discussion.

Salary Protection

In circumstances where a staff member's salary is reduced as a result of the job evaluation process he or she will be entitled to have their salary protected for a period of 3 years, as shown below.

Salary protection will be for a period of 3 years and will be paid based on the actual salary at the outset (i.e. with no pay awards applied). This will be at 100% of the difference between the new grade and old grade in year one, 75% in year two and 50% in year three.

The 3 years' salary protection period is a maximum and this may be amended in response to changing legislation and / or case law.

Please see Employment Stability Policy section 8;

<http://intranet.chichester.gov.uk/index.cfm?articleid=17682&detailid=17739&startat=E>

Appendices

Appendix 1: Job Profile template

July 2017