

PAY POLICY STATEMENT 2021 - 2022

1. Introduction and Purpose

1.1 Under Section 112 of the Local Government Act 1972 the Council has the power ‘to appoint officers on such reasonable terms and conditions as the Authority thinks fit’. This Pay Policy statement sets out the Council’s approach to Pay Policy in accordance with the requirements of sections 38 to 43 of the Localism Act 2011 which requires English and Welsh Local Authorities to produce and publish a Pay Policy Statement for each financial year, detailing:

- a) The Council’s policies towards all aspects and elements of the remuneration of Chief Officers;
- b) The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers;
- c) The Council’s policy on the remuneration of its lowest paid employees (including the definition adopted and reasons for it);
- d) The relationship between the remuneration of its Chief Officers and other employees.

1.2 Local authorities are large, complex organisations with multi-million pound budgets. They have a very wide range of functions and provide and/or commission a wide range of essential services. The general approach to remuneration levels may therefore differ from one group of employees to another to reflect the specific circumstances at a local, Welsh or UK national level. It will also need to be flexible when required to address a variety of changing circumstances, whether foreseeable or not.

1.3 The Council recognises the role of trade unions in consultation and negotiation of pay at local, regional and national levels. The Council supports the National Joint Councils and Joint Negotiating Committees which govern the national agreements concerning pay and conditions of service which are applicable to all of the employee groups referred to in this pay policy statement.

2. Legislative framework

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2.1 In determining the pay and remuneration of all its employees, the Council will comply with all relevant employment legislation. This includes:

- a) The Equality Act 2010
- b) The Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000
- c) Agency Workers Regulations 2010
- d) Fixed Term Employees (Prevention of Less Favourable Treatment) regulations 2002, and, where relevant,
- e) The Transfer of Undertakings (Protection of Employment) Regulations 2006.

2.2 With regard to the equal pay requirements contained within the Equality Act, the Council has sought to ensure that there is no unlawful discrimination within its pay structures and that all pay differentials can be objectively justified through the use of a valid job evaluation scheme which directly relates basic pay to the requirements, demands and responsibilities of each role.

3. Scope of the Pay Policy

3.1 The Localism Act 2011 requires local authorities to develop and make public their pay policy on all aspects of chief officer remuneration (including on ceasing to hold office) and also in relation to the 'lowest paid' in the authority, explaining their policy on the relationship between remuneration for chief officers and other groups.

3.2 The provisions in the Localism Act 2011 which relate to pay policy statements only apply to employees directly appointed and managed by a Council. Employees who are appointed and managed by school governing bodies are therefore not required to be included within the scope of pay policy statements. This reflects the legal position whereby school employees are employed by the Council, but decisions about the appointment and management of such employees are the prerogative of the Head Teacher or Governing Body, as appropriate.

4. Broad Principles of the Council's Pay Policy

4.1 Transparency, accountability and value for money

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The Council is committed to an open and transparent approach to pay policy which will enable the tax payer to access, understand and assess information on remuneration levels across all groups of council employees. To this end, the following are provided as appendices to this policy:-

- a) Pembrokeshire County Council pay scales – NJC for Local Government Services employees (Appendix A)
- b) Pembrokeshire County Council pay scales – JNC’s for Local Authorities Chief Executives and Chief Officers (Appendix B)
- c) Pay Scales for employees subject to the Soulbury Agreement (Appendix C)
- d) Pembrokeshire County Council’s LGPS Discretionary policies published as required under the Local Government Pension Scheme (LGPS) (Amendment) Regulations 2018 (Appendix D)

Relevant national terms and conditions of service agreements are available on request from the HR Division.

4.2 Development of Pay and Reward Strategy

4.2.1 The primary aim of a reward strategy is to attract, retain and motivate suitably skilled employees so that the Council can perform at its best. The development of a pay and reward strategy is therefore a matter of striking a balance between setting remuneration at appropriate levels to ensure a sufficient supply of appropriately skilled individuals to fill the Council’s very wide range of positions, whilst also ensuring that the burden on the taxpayer does not become greater than can be fully and objectively justified.

4.2.2 In this context, it needs to be recognised that at the more senior levels, remuneration levels need to be adequate to recruit from a suitably wide pool of talent (which will ideally include people from the private as well as the public sector, and from outside as well as within Wales), and to retain suitably skilled and qualified individuals once in post. It must be recognised that the Council will often be recruiting for talent in competition with other employers in the public and private sector.

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- 4.2.3 In addition, the Council is the major employer in Pembrokeshire. As such, the Council must have regard to its role in improving the economic wellbeing of the people of the county. The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial effect of the quality of life in the community as well as the local economy. The Council also has a role in setting a benchmark on pay and conditions for other employers in the area for the same reasons.
- 4.2.4 In designing, developing and reviewing its pay and reward strategy, the Council will seek to balance these factors appropriately to optimise outcomes for the Council as an organisation and also for the community it serves, whilst managing pay costs appropriately and maintaining sufficient flexibility to meet future needs.

4.3 Job Evaluation and Pay Grades

- 4.3.1 Job evaluation is a systematic way of determining the value / worth of a job in relation to other jobs within an organisation. It aims to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure and pay equity between jobs.
- 4.3.2 The Council applies the concept of job families and role profiles, and the methodology of job family allocation. The Scheme is Equal Pay compliant.
- 4.3.3 The 2018/19 NJC Pay Agreement for Local Government Services introduced a revised pay scale for April 1st 2019 and required local agreement on assimilation of our local grade structure. Local Agreement was reached with UNISON, GMB and UNITE Trade Unions on the Grade Structure at Appendix A.
- 4.3.4 In 2018/19 as the Authority proceeded on its journey of transformation, it became increasingly evident that a new level of work was required within the current NJC range in order to accommodate a senior level of work to ensure the continuation of services across the Council. CMT approved the creation of a Corporate Manager role profile to bridge the gap between the top of the NJC pay range and Head of Service pay ranges, with the pay range sitting between the current band 6 Head of Service grade and the NJC grade 12. The Corporate Manager pay range for 2021/22 is at Appendix A.

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4.4 Market pay supplements

- 4.4.1 The use of a job evaluation scheme enables the Council to set appropriate remuneration levels based on internal job size relativities within the Council. However, from time to time, in exceptional circumstances it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and qualifications, where these are in short supply.
- 4.4.2 It is the Council's policy to ensure that the requirement for any such market pay supplement is objectively justified by reference to clear evidence of relevant market comparators, using reliable data sources. It is the Council's policy that any such additional payments are kept to a minimum and reviewed regularly so that they can be withdrawn when no longer considered necessary.

4.5 Honoraria

- 4.5.1 There may be occasions when an employee is asked to carry out the full duties of an alternative post or duties which are additional to those of their substantive post for a period of time. In such circumstances, payments of Acting-Up allowances and Honoraria shall be in line with Section 4 of the Pay Structure Maintenance Policy.
- 4.5.2 Any honorarium payments in relation to JNC chief officers shall be approved by the Senior Staff Committee.

4.6 Pay and performance

- 4.6.1 The Council expects high levels of performance from all its employees and has an annual appraisal scheme in place to review, evaluate and manage performance on an ongoing basis.
- 4.6.2 No performance-related pay is currently applicable to any employee group.

4.7 Local Government Pension Scheme

- 4.7.1 Subject to certain eligibility rules, employees are automatically enrolled into the Local Government Pension Scheme (LGPS) on commencement. Employees not eligible for automatic enrolment have the right to opt in to scheme membership. Employees'

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contribution rates are set by the LGPS regulations and range from 5.5% to 12.5% of pensionable pay depending on actual salary level. The Council's employer contribution rate is set by the actuaries appointed by the Dyfed Pension Fund following each triennial fund valuation.

4.7.2 The Council has since November 1st 2017 provided a 'Shared Cost AVC' arrangement as provided under regulation 16 of the LGPS Regulations 2013.

4.7.3 Under the LGPS regulations, employing authorities have a number of discretionary powers on which they are required to prepare a written policy statement. Pembrokeshire County Council's written policy statement is attached at Appendix D as updated in compliance with Local Government Pension Scheme (LGPS) (Amendment) Regulations 2018.

4.8 Other employee benefits

4.8.1 The Council offers staff benefits in line with its statutory obligations and employment good practice, such as expense reimbursement for eye tests for users of display screen equipment at work, and salary sacrifice schemes including childcare vouchers and Cycle to Work and Car Salary Sacrifice Scheme.

5. Chief Officer remuneration

5.1 Definitions of Chief Officer and Pay Levels

5.1.1 For the purposes of this statement, 'chief officers' are as defined within section 43 of the Localism Act. The following **18 posts** falling within the definition are as follows:-

- a) the head of paid service (i.e. the chief executive);
- b) the monitoring officer;
- c) the statutory and non-statutory chief officers (i.e. the 4 directors of county services);
- d) the 'deputy chief officers' (i.e. the 12 heads of service 'posts' currently in the structure)

5.1.2 No bonus or performance-related pay mechanism is applicable to chief officers' pay.

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

5.2 Recruitment of Chief Officers

5.2.1 The Council's policy and procedures with regard to the recruitment of chief officers are contained within the Governance Arrangements - Officers as set out in Part 2 (Section 10) of the Constitution. The determination of the remuneration to be offered to any newly appointed chief officer shall be in accordance with the pay structure and relevant policies in place at the time of recruitment. Any salary package¹ in relation to a chief officer below £100,000 must be approved by the Senior Staff Committee and any post with a salary package of £100,000 or over must be first approved by Council prior to any advertisement.

5.3 Additions to Salary of Chief Officers

5.3.1 The Council subsidises the cost of lease cars for chief officers through a car leasing allowance. The level of the allowance from April 2020 for the chief executive and directors is set at £8,186 per annum and for heads of service at £5,734 per annum². Business mileage is reimbursed in accordance with the appropriate rates approved by the HMRC. Other reasonable travel and subsistence expenses incurred by a chief officer whilst on Council business are also reimbursed on production of receipts and in accordance with JNC conditions and local conditions.

¹ 'Salary package' in this context means the gross salary of the post (at the top point of the relevant grade), plus the value of contractual allowances payable by the authority to the employee, the authority's contribution to the employee's pension, and any benefits in kind to which the employee is entitled as a result of their employment.

² This will increase in line with % uplift of JNC salary review, the pay review has not been finalised at date of publication.

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- 5.3.2 The cost of two subscriptions to professional bodies or associations is met by the Council for the chief executive and each director.
- 5.3.3 The cost of one subscription to a professional body or association is met by the Council for each head of service.
- 5.3.4 The Council has a duty to appoint an Acting Returning Officer for specified elections and referendums. The Council's chief executive has been appointed to this role for Pembrokeshire. The Acting Returning Officer is personally responsible for a wide range of functions related to the conduct of elections and is paid for discharging those responsibilities in accordance with prescribed fees. Such fees are paid separately from basic salary.
- 5.3.5 The Council's policy is not to permit an employee occupying any post on its agreed establishment to be paid other than via the Council's payroll, and it does not operate arrangements designed to minimise the tax payments of individuals.

5.4 Payments on termination of employment

- 5.4.1 The Council's approach to statutory and discretionary payments on termination of employment of chief officers (and all other employees) by reason of redundancy or in the interests of the service, is set out in its policy under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. Please refer to Appendix D.
- 5.4.2 The Authority will comply with the Welsh Government's guidance that Full Council should be given the opportunity to vote before 'large severance packages' (defined as those valued at £100,000 or more) are approved for staff leaving the organisation, taking into consideration any statutory or contractual entitlements due to the employee and the consequences of a non-approval by Council, in which failure to fulfil statutory or contractual obligations may enable the employee to claim damages for breach of contract.
- 5.4.3 The legislation implementing the £95k cap on exit payments came into force on 4 November 2020. However, on 12 February 2021 HM Treasury published a Treasury Direction disapplying the cap with immediate effect, along with guidance on how exit

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payments which were capped during the period when it was in force should now be handled.

5.5 The Independent Remuneration Panel for Wales (the 'Panel')

5.5.1 Section 63 of the Local Government (Democracy) (Wales) Act 2013 amended the Local Government (Wales) Measure 2011 by inserting section 143A. This enables the Panel to take a view on anything in the Pay Policy Statements of local authorities that relates to the salary of the head of paid service. Section 39 of the Local Government (Wales) Act 2015 further amended the Measure extending this function to include Chief Officers of Principal Councils. However, this function ceased on 31 March 2020.

The Welsh Government issued amended guidance to the Panel which can be found at [Amended WG Guidance](#). This sets the basis on which the Panel will carry out the function contained in the legislation.

6. Publication

6.1 Upon approval by full Council, this statement will be published on the Council's website.

6.2 In addition, for posts where the full time equivalent pay is at least £60,000 per annum, as required under the Accounts and Audit (Wales) Regulations 2014, the Council's Annual Statement of Accounts will include a note setting out the total amount of:

- a) Salary, fees or allowances paid to or receivable by the person in the current and previous year;
- b) Any bonuses so paid or receivable by the person in the current and previous year;
- c) Any sums payable by way of expenses allowance that are chargeable to UK income tax;
- d) Any compensation for loss of employment and any other payments connected with termination;

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- e) Any benefits received that do not fall within the above, and
- f) The ratio of the remuneration of the chief executive to the median remuneration of all the Authority’s employees (see also clause 7.5 below).

7. Pay relativities within the Council

- 7.1 The lowest paid persons employed under a contract of employment with the Council are employed in accordance with the minimum spinal column point (spinal column point 1) of the pay spine set by the NJC for Local Government Services. The NJC Pay Settlement for 2019 agreed a revised pay spine. The value of spinal column point 1 April 1st 2020 is currently £9.25, as comparators the current Living Wage (over 25’s) rate from April 1st 2021 will be £8.91 per hour, The Foundation Living Wage as of November 2020 is £9.50.
- 7.2 The NJC and JNC Settlements for 2020/21 were finalised in August 2020 at 2.75%. The current pay negotiations for 2021/22 have only recently started, a Trade Union NJC pay claim was tabled on 15th February 2021 for 10%, seeking to make up ground on austerity and citing local government sector as the lowest paid in the public sector, a number of additional uplifts in terms and conditions are put forward in a separate claim. With the announcement in the Government’s December 2020 Spending Review of a public sector pay ‘pause’ and the announcement by the National Employers that they will not be able to respond to the unions’ claim until after the elections on 6 May we are currently unlikely to have any agreement prior to late summer of 2021.
- 7.3 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out in this pay policy statement.
- 7.4 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.
- 7.5 The current pay arrangements within the Council define the multiple between the lowest paid employee (full time equivalent) and the salary level for the post of chief executive as 1:7.9. The multiple between the lowest paid employee and the average

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chief officer as 1:4.5. The figures excludes apprentices, teachers and other employees appointed and managed by schools.

- 7.6 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

8. Accountability and Decision Making

- 8.1 Within the Constitution of the Council, the setting of salary grades in relation to chief officers is determined by the Senior Staff Committee for posts below £100k per annum, with Council determining salaries of £100k or over per annum. Other terms and conditions for chief officers are determined by the Senior Staff Committee, subject to Council approval.

9. Re-employment

- 9.1 It is not the practice of the Council to re-engage chief officers who have retired from the Council's employment; neither is it the practice of the Council to engage on a permanent basis chief officers who have retired from the employment of another Council.

10. Reviewing the Policy

- 10.1 This policy outlines the current position in respect of pay and reward within the Council and it will be reviewed at least annually to ensure that it meets the principles of fairness, equality, accountability and value for money for the citizens of Pembrokeshire.

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Appendix A

Pembrokeshire County Council pay scales applicable to employees covered by the NJC for Local Government Services as at 01.04.2020

2021 Pay Review discussions are yet to be concluded ref. paragraph s.7.2

shaded SCP are currently not in use

01-Apr-2020							
Grade	SCP	£ per annum	£ per hour	Grade	SCP	£ per annum	£ per hour
2	1	17,842	9.25	8	25	29,576.59	15.33
3	2	18,198	9.43	8	26	30,450.99	15.78
3	3	18,562	9.62	8	27	31,345.94	16.25
4	4	18,933	9.81	8	28	32,233.70	16.71
4	5	19,312	10.01	8	29	32,909.80	17.06
4	6	19,698	10.21	8	30	33,782.15	17.51
5	7	20,092	10.41	9	31	34,728.47	18.00
5	8	20,493	10.62	9	32	35,744.67	18.53
5	9	20,903	10.83	9	33	36,922.19	19.14
5	10	21,322	11.05	9	34	37,890.09	19.64
6	11	21,748	11.27	9	35	38,889.85	20.16
6	12	22,183	11.50	10	36	39,880.36	20.67
6	13	22,626.58	11.73	10	37	40,876.01	21.19
6	14	23,079.71	11.96	10	38	41,880.90	21.71
6	15	23,541.05	12.20	10	39	42,821.06	22.20
6	16	24,011.65	12.45	11	40	43,856.78	22.73

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6	17	24,491.49	12.69	11	41	44,862.71	23.25
7	18	24,981.61	12.95	11	42	45,859.38	23.77
7	19	25,480.97	13.21	11	43	46,844.75	24.28
7	20	25,990.61	13.47	12	44	47,793.14	24.77
7	21	26,510.53	13.74	12	45	48,782.62	25.29
7	22	27,040.72	14.02	12	46	49,743.33	25.78
7	23	27,741.47	14.38	CM 1	57	60,537	31.38
7	24	28,672.39	14.86	CM 2	58	62,497	32.39
				CM 3	59	64,456	33.41
				CM 4	60	65,435	33.92
				CM 5	61	66,416	34.43

Appendix B

Pembrokeshire County Council pay scales applicable to the post of chief executive and JNC chief officers as at 01.04.2020

Chief Executive				
141,766.00				
Directors				
113,147	115,982	118,805	121,640	124,462.00
Heads of Service: band 1				
98,100	100,553	103,004	105,461	107,910
Heads of Service: band 2				
88,871	91,089	93,308	95,534	97,753
Heads of Service: band 3				
80,788	82,805	84,826	86,846	88,871
Heads of Service: band 4				
75,022	76,892	78,765	80,644	82,521
Heads of Service: band 5				
69,246	70,978	72,710	74,438	76,171
Heads of Service: band 6				
57,707	59,154	60,591	62,036	63,474

Notes:

1. The figures shown reflect the implementation of the 2020 national pay awards for chief executives and chief officers.
2. The Chief Officer salary band 1, band 4 and band 6 are not currently in use.
3. In post are 4 Directors; 11 Chief Officers with 1 Chief Officer acting as Interim Chief Executive, & 1 vacant Chief Officer post.

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Appendix C - National pay scales for posts within the scope of the Soulbury Agreement SOULBURY PAY AGREEMENT: September 2020

Education Improvement Professionals

SCP	01.09.20	SCP	01.09.20
1	36,419	36	79,174
2	37,723	37	80,402
3	38,955	38	81,642
4	40,203	39	82,866
5	41,443	40	84,089
6	42,684	41	85,318
7	43,988	42	86,546
8	45,243	43	87,773
9	46,705	44	89,006
10	48,009	45	90,236
11	49,295	46	91,468
12	50,541	47	92,705
13	51,951	48	93,930
14	53,209	49	95,160
15	54,598	50	96,392
16	55,854		
17	57,114		
18	58,350		
19	59,625		
20	60,283		
21	61,549		
22	62,653		
23	63,867		
24	64,956		
25	66,121		
26	67,257		
27	68,419		
28	69,597		
29	70,777		
30	71,596		
31	73,124		
32	74,311		
33	75,498		
34	76,714		
35	77,927		

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Assistant Educational Psychologists

SCP	01.09.20
1	30,166
2	31,399
3	32,630
4	33,856

Educational Psychologists - Scale A

SCP	01.09.20
1	38,197
2	40,136
3	42,075
4	44,012
5	45,951
6	47,889
7	49,714
8	51,538
9	53,247
10	54,959
11	56,554

Senior and Principal Educational Psychologists

SCP	01.09.20
1	47,889
2	49,714
3	51,538
4	53,247
5	54,959
6	56,554
7	57,209
8	58,433
9	59,646
10	60,880
11	62,090
12	63,323
13	64,557
14	65,790
15	67,061
16	68,318
17	69,585
18	70,850