

Pay Policy Statement

Including LGPS Employer's Discretionary Policy

2020 – 2021

March 2020

Cyngor **Sir Gâr**
Carmarthenshire
County Council



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1. Leader's Introduction

1.1 Carmarthenshire Council recognises the public interest in public sector pay and is committed to being open, transparent and accountable and, as Leader, I want to ensure that our Council Taxpayers have access to information about how we pay people.



1.2 The Council is committed to taking an open and transparent approach to pay, which will enable the local taxpayer to readily access our pay policy statement, understand and take an informed view of whether local decisions on all aspects of remuneration are fair and make best use of public funds.

1.3 To assist with this, Carmarthenshire County Council has a cross party politically balanced Members' Pay Advisory Group that advises the Council on the content of its Pay Policy Statement.

1.4 As one of the major employers in Carmarthenshire, and the 3rd largest local authority in Wales, the County Council's ambition is to contribute to building a more prosperous local community by modelling good employment practice, including ensuring fairness in the way that it pays and rewards its existing and future employees.

1.5 The Council also wishes to be an attractive source of potential employment to job seekers across its community and is committed to using its resources to create meaningful and fairly remunerated employment opportunities for local people.

1.6 In addition to our existing provisions, we are intending to work with the local Credit Union to introduce a direct from pay savings facility to make it easier for our employees to save regularly and with minimum fuss.

1.7 This year's statement once again demonstrates how we are continuing to ensure that our employees can expect a reasonable wage. I am pleased to confirm that in the absence of a national pay agreement which has yet to be concluded, a Real Living Wage supplement which will ensure that our lowest paid receive the equivalent of £9.30 per hour (including fixed allowances) will be paid from 1st April. This means that there will be no delay to these employees receiving an increase to their pay.

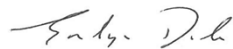
1.8 We are committed to providing quality services which offer value for money in a way that balances concern for our lower paid employees with job security and affordability. We continue to strive to deliver high-quality essential services to Carmarthenshire's citizens in an increasingly challenging financial climate.

1.9 Under the direction of our Chief Executive, Wendy Walters, work continues to be under way to identify further ways to reduce costs whilst keeping citizens at the heart of everything we do.

1.10 In light of the budget challenges facing the Council, a number of initiatives have been successful, such as the Council's TIC (Transform, Innovate & Change) team that applies the principles of lean systems thinking and process re-engineering, and has added value by helping the Council deliver over £19m of savings. There is still much to do, and whilst engaging with staff, Councillors and the public, we will now focus on delivering savings from analysing Routine Spend, maximise Income Generation potential, and continue to reduce waste, duplication and bureaucracy over the next couple of years, so that we can protect our frontline services.

1.11 The following information outlines the Council's operating basis and general position in respect of employment, pay and conditions of service and is pertinent to the current statutory requirements of the Localism Act and the Transparency Code.

Councillor Emlyn Dole



Leader Carmarthenshire County Council

2. Chief Executive's Introduction

- 2.1. Welcome to our ninth Pay Policy Statement that sets out how we are spending public funding appropriately and demonstrates our commitment to openness and transparency about pay and allowances.
- 2.2. This pay policy outlines the basis on which Carmarthenshire County Council can compete in labour markets at all levels and for all roles, enabling the Council to attract, retain, and fairly reward people with the knowledge, experience, skills and attributes that are essential to the effective delivery of services to residents, businesses, and other stakeholders in Carmarthenshire.
- 2.3. We are mindful of our obligations as an equal opportunities employer and want to ensure that people are treated fairly and with respect in all its activities and processes. The Council aims to be an organisation that recruits and retains a diverse and skilful workforce from the local community and beyond, and its approach to the pay and conditions of its workforce is intended to support this objective.
- 2.4. Over the last 10 years, the Council has bridged a £120m budget shortfall and the reductions in funding have been exacerbated by the requirement to fund pressures in a number of service areas including statutory social care (both for adults and children), the delivery of Waste Services, and our Education service provision. The amount therefore available for all other services has consequently fallen in real terms over the same period. Even looking forward to 2020/21 proposed budget allocation by Welsh Government, the Council is likely to receive a real term decrease in budget allocation due to significant pressures in the areas of Pay & Pension.
- 2.5. This year's Pay Policy Statement shows continued progress on pay issues and following our policy in previous years to pay the Real Living Wage as a Council, we are committed to ensure that our lowest paid receive the equivalent of this from 1st April without having to wait for pay negotiations to be completed.
- 2.6. I welcome the fact that the Living Wage and other developments have seen the multiple between the annual salary of our lowest paid Council employee and the Chief Executive as a ratio drop substantially within the last 12 months, from 1:10.28 to 1:8.52, due to the increase in pay of of our lowest paid staff and the decrease in the Chief Executive salary. This saving is in addition to the savings made in the cost of senior management in recent years, including the reduction in the number of Chief Officer posts together with jointly funded collaborative posts. As a council committed to fair pay, it is welcomed that our pay ratio is significantly below the 9-12:1 ratios found elsewhere.
- 2.7. Following discussions with our Pay Policy Advisory Panel, I have as, Chief Executive (and Head of Paid Service), taken the decision not to reinstate the post of Director of Regeneration, nor a second Assistant Chief Executive post,



which will help us minimise the cost of our senior salaries and save the Council some £300k.

- 2.8. Furthermore, we continue to provide the opportunity for our workforce to take advantage of a number of benefits such as the purchasing of additional annual leave and agile working which provide much needed flexibility for employees as well as assisting us to manage the continued financial burdens that we face in balancing our budget and thereby enabling us to protect jobs and essential services, which is one of my key priorities.

Wendy Walters

A handwritten signature in black ink, appearing to read 'Wendy Walters', with a horizontal line extending to the right from the end of the signature.

Chief Executive - Carmarthenshire County Council

3. Purpose

3.1. The purpose of the statement is to provide transparency regarding the Council's approach to setting the pay of its employees (excluding Teachers working in local authority schools) by identifying the methods by which salaries of all employees are determined. This requires English and Welsh Local Authorities to produce and publish a Pay Policy Statement for each financial year detailing:

- The Council's policies for all aspects and elements of the remuneration of its Officers and Chief Officers, which are included within Appendices A to L of this Pay Policy Statement;
- The approach to the publication of, and access to, information relating to all aspects of the remuneration of Chief Officers;
- The Council's policy on the remuneration of its lowest paid employees;
- The relationship between the remuneration of its Chief Officers and other employees.

3.2. This is Carmarthenshire County Council's ninth annual Pay Policy Statement and covers the period 1st April 2020 to 31st March 2021.

3.3. Once approved by the full Council, this policy statement will supersede the 2019/2020 Pay Policy Statement and will be subject to review in accordance with the relevant legislation prevailing at that time.

4. Legislative Framework

4.1. 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 (the 'statement') sets out the Council's approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011. It takes account of the "Pay Accountability in Local Government in Wales" Statutory Guidance issued by the Welsh Government in May 2017 which has regard to the Public Services Staff Commission Guidance published in December 2016.

4.2. Under Section 39 of the Localism Act, the Pay Policy Statement must be approved by a resolution of the Authority before it comes into force and be approved before 31st March immediately preceding the financial year to which it applies.

4.3. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment)

Regulations 2000, The Agency Workers Regulations 2010 and, where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the Council aims to ensure there is no pay discrimination within its pay structures and that 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.

- 4.4. In accordance with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the Authority also undertakes an equal pay audit and the report is published on our website: <https://www.carmarthenshire.gov.wales/home/council-democracy/equality-diversity/>

5. Scope of the Pay Policy

- 5.1. 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 Council, explaining their Policy on the relationship between remuneration for Chief Officers and other groups.
- 5.2. The provisions in the Localism Act 2011 which relate to Pay Policy statements only apply to employees directly appointed and managed by the Council. Employees who are appointed and managed by school Head Teachers/Governing Bodies are, therefore, not required to be included within the scope of Pay Policy statements. This reflects the unique employment legislation position whereby school employees are employed by the local authority but decisions about the appointment and management of such employees are mostly discharged by Head Teachers/Governing Bodies, as appropriate. However, all Governing Bodies within Carmarthenshire (including Voluntary Aided Schools) have formally agreed to adopt the pay structure and associated terms and conditions of employment for all locally employed ‘green book’ staff. Teachers are employed under nationally agreed Teachers Pay and Conditions.
- 5.3. In the interests of consistency, the pay-related data which is set out in this Pay Policy statement does not include data for employees who are appointed and managed by Head Teachers/Governing Bodies.
- 5.4. This document also includes the Council’s Local Government Pension Scheme Employers’ Discretions Policy which the Council is required to produce. The Policy is unchanged and for ease of reference is attached as Appendix G.

6. Terms and Conditions of Employment

6.1. The Council employs 7,914 employees (this figure includes teachers). Their employment is covered by a range of terms and conditions drawn from either:

- National Joint Council for Local Government Services (Green Book)
- Joint National Council for Chief Executives
- Joint National Council for Chief Officers
- Soulbury Committee
- School Teachers Pay and Conditions

6.2. The following are provided as Appendices to this policy:

- Carmarthenshire County Council's Pay Grades - Local Government Services Employees (Appendix A)
- Carmarthenshire County Council's JNC Chief Executive and Chief Officer Pay Grades (Appendix B)
- Officer Employment Procedure Rules (Appendix C)
- National Pay Grades - Soulbury (Appendix D)
- Local Government Services Employees - Acting Up and Honoraria Schemes (Appendix E)
- Market Supplement Scheme (Appendix F)
- LGPS Employer Discretions Policy (Appendix G)
- Severance Scheme (Appendix H)
- Flexible Retirement Policy (Appendix I)
- JNC Local Authority Chief Executives Conditions of Service (Appendix J)
- JNC Local Authority Chief Officers Conditions of Service (Appendix K)
- Sample Written Statement of Particulars (Appendix L)

6.3. A breakdown of staff numbers by pay band and gender is included in the Equal Pay Audit/Equalities Report which is published separately.

6.4. National Pay Awards

6.4.1. For all employee groups, any nationally agreed pay awards, negotiated by the local government employers in conjunction with the recognised trade unions will be applied, including to Chief Officers and the Chief Executive. The Council will pay these nationally agreed pay awards as and when determined unless full Council decides otherwise.

6.4.2. In advance of the National Pay negotiations, the Council will ensure that it's lowest paid continue to receive the equivalent of the Real Living Wage of £9.30 per hour via the payment of a supplement with effect from 1st April

2020. This will be adjusted when the outcome of the pay negotiations is confirmed.

6.4.3. The calculation of the Real Living Wage takes account of all pay including allowances such as the Council's weekend working supplement and term time allowance so many of our lower paid employees are in receipt of total pay higher than the Real Living Wage.

6.5. Job Evaluation

6.5.1. 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. The Council completed a job evaluation exercise in 2010/2011 in relation to posts governed by NJC employee conditions of service. The grading structure, which was consulted upon with the recognised trade unions and based on the outcome of the job evaluation exercise, has been in place since 2011/12 and modified only to add Grade O in 2016/17.

6.5.2. The Council uses the Greater London Provincial Council (GLPC) Scheme for evaluating all NJC jobs. This is a recognized scheme within local government and was developed in conjunction with trade unions.

6.5.3. All NJC jobs are allocated a grade which maps across to the Council's pay structure which is based upon the nationally negotiated pay spine. This determines the salaries of the large majority of the Council's non-teaching workforce.

6.5.4. The pay and grading structure is based on the NJC for Local Government Services (LGS) nationally agreed pay spine as revised during 2019.

6.5.5. All other pay-related terms and conditions are the subject of national and/or locally negotiated arrangements and referred to the Executive Board and/or Full Council as appropriate.

6.5.6. The senior manager grade (O) was introduced during 2016/17 to address the differential between the top of this locally agreed grading structure and the bottom of the JNC Chief Officer pay scales. This is to provide the Authority with greater flexibility in the reallocation of responsibilities following the reduction in the number of Head of Service posts. It is intended that a small number of posts will fall into this grade. Any proposal to apply Grade O to any post must be agreed and authorised by the Chief Executive via the Assistant Chief Executive.

6.6. Starting Salaries

6.6.1. The Council's practice is that all appointments to jobs with the Council are made at the minimum of the relevant pay grade, although this can be varied where justified.

6.6.2. Generally, all new employees will start at the bottom of the salary scale. The Appointments Panel 'A' (for Corporate Directors) will determine the starting salary of Directors and Panel 'B' (for Heads of Service) will determine the starting salary of Heads of Service within agreed pay scales.

6.7. Other Pay-Related Terms and Conditions

6.7.1. All other pay-related allowances are the subject of national and/or locally negotiated agreements.

6.7.2. The terms and conditions of employment relating to annual leave, hours of work, overtime payments, weekend working arrangements and sick pay for all employee groups (with the exception of teaching staff) are set out in our relevant People Management policies.

6.7.3. On the 17th February 2020, a collective agreement has been signed by trade unions to introduce a Winter Maintenance Retainer Payment of £120 per week and a Winter Maintenance Allowance equivalent to SCP23 to replace normal overtime provisions. This is to recognise the undertaking of out of hours' duties on a rota basis, thereby ensuring service continuity of winter gritting during adverse weather conditions

6.8. Acting Up and Honoraria Payments

6.8.1. There may be occasions when an employee is asked to carry out duties which are a higher responsibility to those of their substantive post, for a period of time, or to 'act up' into a more senior job within the Council, covering the full range of duties of the higher job. In such circumstances an additional payment may be made in line with the Council's policy on payment of acting up or honoraria. The schemes can be found at Appendix F.

6.8.2. The Chief Executive must approve any acting up or honoraria payments proposed for Chief Officers, or where the acting up or honoraria payments would result in the total pay package exceeding £100,000, then approval must be sought from full Council in consultation with the Independent Remuneration Panel.

6.8.3. Payment of honoraria will only apply to situations of more than four weeks duration and will normally be for the maximum period of up to 12 months, and subject to three monthly interval review unless otherwise agreed.

6.9. Market Supplement Scheme

6.9.1. The use of job evaluation enables the Council to set appropriate remuneration levels based on internal job size relativities within the Council. However, in exceptional circumstances it may be necessary to take account of the external pay market in order to attract and retain employees with a competitive salary where the experience, skills and capacity are in short supply.

6.9.2. The Council has a Market Supplement Scheme to ensure that the requirement for any market pay supplements is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources. It is the Council's policy that any such additional payments are kept to a minimum and reviewed on a regular basis so that they can be withdrawn where no longer considered necessary for recruitment and retention. The principles underpinning this Market Supplement Scheme are equally applicable to all other employee groups within the Council and may be implemented accordingly.

6.9.3. Currently the Council pays the following market supplements in recognition of the significant recruitment and retention difficulties the service faces:

- Approved Mental Health Practitioners – £1000 allowance p.a. for 33 sessions on day rota and £1500 p.a. allowance for 24 sessions on out of hours rota.

6.10. Local Government Pension Scheme (LGPS)

6.10.1. Subject to qualifying conditions, employees have a right to join the Local Government Pension Scheme (or the Teachers' Pension Scheme, where applicable) and are contractually enrolled into the LGPS. The Authority operates within the auto-enrolment framework set out within the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010.

6.10.2. The employee contribution rates, which are defined by statute currently range between 5.5% and 12.5% of actual pensionable pay depending on the full time equivalent salary levels. The employer contribution rate is set by actuaries who advise the Dyfed LGPS Fund and is reviewed on a triennial basis in order to ensure that it is appropriately funded. The employer's contribution rate effective is 18%.

6.10.3. Employees who are active members of the LGPS have the opportunity to join the salary sacrifice shared cost Additional Voluntary Contributions (AVC) Scheme, which assists employees who wish to increase pension benefits at retirement by paying into the LGPS AVC Scheme.

6.11. Other Employee Benefits

6.11.1. The Council is responsible for supporting the health, safety, wellbeing and welfare of its employees in order to ensure that they can perform at their best. As part of this approach and in common with other large employers the Council provides a small number of non-pay benefits such as eye test reimbursement for users of display screen equipment at work, childcare vouchers via a salary sacrifice scheme (following the Government's closure of such schemes, this benefit is now only available for those who joined the scheme prior to October 2018) and participation in the Cycle to Work scheme.

6.11.2. The Council was awarded the Platinum Corporate Health Standard in February 2020 because of the work it does to support the health and wellbeing of our staff. We are the only Council in Wales to hold this award and have done so continuously since 2009.

6.11.3. We support Health & Wellbeing initiatives and have invested in Health and Wellbeing Coordinators who work across the Authority to promote healthy lifestyle choices, such as encouraging activity, improving diet, giving advice, motivation and health education for all staff.

6.11.4. We have recruited a team of volunteer departmental Health and Wellbeing Champions who work with colleagues to raise awareness of key health topics, support health initiatives and events.

6.11.5. An in-house team of medical experts within our Occupational Health Centre, give advice in support of positive mental and physical health, and as an authority we have recently re-signed the 'Time to

Change' pledge to assist with improving public attitudes and behaviour towards people with mental health problems and reduce the stigma that people with mental health problems report in their personal relationships, social lives and at work.

6.11.6. Additionally, we have secured funding to deliver bespoke Mental Health training to our managers and general awareness raising sessions fro all staff.

7. Decision Making Including Consideration of Value for Money

7.1. The Council has agreed that a politically balanced Pay Policy Advisory Panel be established to consider the Council's Pay Policy prior to its submission to County Council for approval.

7.2. The Local Government and Housing Act 1989 provides that:

(1) It shall be the duty of every relevant authority—

(a) to designate one of their officers as the head of their paid service; and

(b) to provide that officer with such staff, accommodation and other resources as are, in his opinion, sufficient to allow his duties under this section to be performed.

(2) It shall be the duty of the head of a relevant authority's paid service, where he¹ considers it appropriate to do so in respect of any proposals of his with respect to any of the matters specified in subsection (3) below, to prepare a report to the authority setting out proposals.

(3) Those matters are—

(a) the manner in which the discharge by the authority of their different functions is co-ordinated;

(b) the number and grades of staff required by the authority for the discharge of their functions;

(c) the organisation of the authority's staff; and

(d) the appointment and proper management of the authority's staff.

¹ Reference to he/him is directly quoted from legislation and not intended to be exclusive

(4) It shall be the duty of the head of a relevant authority's paid service, as soon as practicable after he has prepared a report under this section, to arrange for a copy of it to be sent to each member of the authority.

(5) It shall be the duty of a relevant authority to consider any report under this section by the head of their paid service at a meeting held not more than three months after copies of the report are first sent to members of the authority; and nothing in section 101 of the M1Local Government Act 1972 or in section 56 of [F1, or Schedule 10 or 20 to,] the M2Local Government (Scotland) Act 1973 (delegation) shall apply to the duty imposed by virtue of this subsection.

(6)Under the Local Authorities (Standing Order) (Wales) (Amendment) Regulations 2014 any decision to determine or vary the remuneration of those to be appointed as Chief Officers, where salaries are £100,000 or more, must be referred to the IRPW and ratified by full Council.

7.3. Since 2002, the Council has reduced the number of senior posts - see paragraph 8.2. These reductions have been made possible by reviewing and amalgamating roles and responsibilities to deliver value for money.

7.4. This principle is applied to all posts which become vacant or via restructuring if appropriate, to ensure that the service can be provided as effectively and cost efficiently as possible.

8. Collective Bargaining Arrangements with Trade Unions

8.1. The following trade unions are part of the national machinery for pay bargaining and terms and conditions:

NJC for Local Government Services

UNISON

GMB

UNITE

JNC for Chief Officers

UNISON

GMB

Soulbury Committee

Association of Educational Psychologists (AEP)

PROSPECT

NEU

Teachers

NAHT

NASUWT

NEU

UCAC

ASCL

8.2. Trade union recognition is for the purposes of consultation and negotiation on a collective basis in relation to relevant matters, which are not determined by national negotiating bodies, which both parties agree are both appropriate and beneficial to be determined by agreement. Negotiations are conducted with the aim of reaching agreement and avoiding disputes. Recognition also relates to representation on individual trade union member basis.

9. Senior Pay Remuneration

9.1. The Chief Executive

9.1.1. Wendy Walters was appointed Chief Executive of Carmarthenshire County Council in June 2019 after 16 years of service with the Authority. Mrs Walters has previously served the Council as Director of Regeneration and Policy, Assistant Chief Executive and Head of Economic Development, as well as in other senior management positions. Prior to joining the Council, she has worked in the private and voluntary sectors.

9.1.2. Mrs Walters was born, raised, and has spent much of her life living in Carmarthenshire, and is a proud fluent Welsh speaker.

9.1.3. As Chief Executive, Mrs Walters has overall responsibility to deliver the Council's key corporate and partnership priorities as set out in the Corporate Strategy (2018 – 2023), working with Elected Members and providing strategic leadership, advice and direction to the Council in delivering its vision.

9.1.4. Mrs Walters leads the Corporate Management Team and delivers the Authority's statutory obligations as the Head of Paid Service, as well as being the Council's principal policy advisor.

9.1.5. She plays a key role in several regional collaborations, securing and delivering EU and external funding programmes and multi-million pound

regeneration developments for Carmarthenshire. Her role also includes being Clerk to the Lieutenancy, the Proper Officer for the Coroner Service, and Returning Officer for Parliamentary, National Assembly, County Council and other elections.

- 9.1.6. As Chief Executive, Mrs Walters works within the national conditions of service covered by the JNC for Chief Executives. The four Corporate Director posts are covered by the JNC for Chief Officers. Together with Head of Administration and Law (Monitoring Officer) and the Assistant Chief Executive (People Management) these posts constitute the Council's Corporate Management Team (CMT).
- 9.1.7. The Chief Executive has overall corporate management and operational responsibility for all staff and ensures the provision of professional and impartial advice in the decision-making process to the Executive Board, Scrutiny committees, the Full Council and other committees. The Chief Executive is also required to represent the Authority on partnership and external bodies (as required by statute or the council) and provides these services, on a politically neutral basis. The Chief Executive is the senior officer who leads and takes responsibility for the Council.
- 9.1.8. The Council is a large organisation with an annual revenue budgeted spend in excess of £550m, and a 5 year capital investment programme of over £250m, delivering a wide and diverse range of services which the citizens of the County depend upon. Responding to the ongoing reductions in public service spending requires authorities to significantly change the way that they manage their services. The Council also spends over £50m a year operating and improving its housing stock.
- 9.1.9. The role of the Chief Executive is a full-time and permanent position, and the post holder is selected on merit, against objective criteria, following public advert. The Chief Executive is appointed by full Council.
- 9.1.10. The salary of the current Chief Executive as Head of Paid Service with effect from the 1st April 2019 is £ 147,900.
- 9.1.11. The Council has a statutory duty to appoint a Returning Officer for specified Elections and Referenda. The Chief Executive undertakes this role. The Returning Officer is personally responsible for a wide range of functions in relation to the conduct of Elections and Referenda and is paid for discharging these functions in accordance with prescribed fees.
- 9.1.12. Fees for local elections were agreed by the Policy and Review Committee in April 1999. Fees for non-local elections are set and

reimbursed by the Cabinet Office or Welsh Government over which the Council has no jurisdiction.

9.1.13. Expenses in relation to car mileage, public transport, overnight accommodation and parking etc. are claimed back in accordance with the Council's Travel and Subsistence Policy.

9.1.14. The Chief Executive is an active member of the Local Government Pension Scheme as detailed in the Authority's published Statement of Accounts. There have been no increases or enhancements to the pension outside of standard arrangements.

9.1.15. Details of the Chief Executive's pay, including any additional payments are published in the Statement of Accounts. This document is published separately.

9.2. Chief Officers – Senior Staff

9.2.1. Employees defined by the Localism Act as Chief Officers, including Service Directors, work within the national conditions of service covered by the JNC for Chief Officers.

9.2.2. All other employees, other than a small number covered by national terms and conditions for Soulbury staff or the JNC for Youth and Community Workers (whose pay is also determined through national bargaining), work within the national conditions of service covered by the NJC for Local Government Employees.

9.2.3. The Council has 22 Chief Officer posts within the substantive structure at Carmarthenshire County Council which fall within the statutory definition of Section 43, as at 31st March 2020 are:

- Chief Executive (1 post)
- Corporate Directors (4 posts)
- Assistant Chief Executive (1 post)
- Heads of Service (16 posts)

9.2.4. In addition to the substantive structure the following posts are shared regionally with our partners:

- Head of Regional Collaboration (funded by CCC & 5 Regional Partners)
- Head of Integrated Services (funded by CCC/Health)

- Head of Commissioning (funded CCC/Pembs)
- Programme Director, Swansea Bay City Deal (funded by Regional Partners)

9.2.5. The Council does not permit an employee occupying any post on the Council's agreed establishment to be paid other than via the Council's payroll, except in the cases of jointly funded / shared posts when they may be on the payroll of another local authority or the Health Board.

9.3. Pay

9.3.1. The Pay Advisory Group recommends that Senior Officer Remuneration be subject to the relevant National Pay Awards only.

9.3.2. For the purposes of this statement, senior management means 'Chief Officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2019² (not including 2020/21 national negotiations). These details are available on the Council's website.

- Chief Executive as the head of paid service - fixed salary point of £147,900 (includes national pay award).
- Corporate Directors as statutory and non-statutory chief officers - the salary of the posts fall within a range of four incremental points between £119,149 rising to a maximum of £128,196 per annum;
- Assistant Chief Executive as direct report to the Head of Paid Service - The salary of the posts fall within a range of four incremental points between £101,045 rising to a maximum of £107,075 per annum;
- Heads of Service (including the Monitoring Officer) as direct reports to statutory and non-statutory chief officers - the salary of the posts fall within a range of four incremental points between £88,478 rising to a maximum of £94,373 per annum.

9.3.3. Following appointment and on completion of a satisfactory probationary period, progression through the incremental scale of the relevant grade is subject to satisfactory performance assessed on an annual basis. The Council does not pay bonus or performance related pay to any of its staff.

9.3.4. Details of Chief Officers' pay are published in the Statement of Accounts.

9.4. Additions to Salary of Chief Officers

² At the time of publication pay negotiations had not been concluded so 2019/2020 salaries are quoted.

9.4.1. Chief Officers are remunerated in accordance with their contracts of employment, which provide for a four-point incremental salary scale and pension contributions. However, the salary for the Chief Executive is a fixed-point salary.

9.4.2. Where Chief Officers (and all other employees) use their private vehicles on Council business, the Council pays the standard HMRC mileage rate of 45 pence per mile. The Council also reimburses any other reasonable expenses, incurred by the Chief Officer whilst on Council business, on production of receipts and in accordance with JNC conditions and other local conditions.

9.4.3. In addition to the above, the Chief Officers who undertake the following roles receive an additional allowance of 10% of basic salary:

- Deputy Chief Executive
- JNC Heads of Service fulfilling a statutory role

9.5. Changes to Chief Officer Remuneration

9.5.1. Any determination of the level, or changes to the level, of remuneration to be paid to a Chief Officer at appointment, where the salary is £100,000 and over will be determined by Full Council in line with the requirements of the Local Authorities' (Standing Orders) (Wales) Regulations (Amendment) Regulations 2014.

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

9.6. Recruitment and Appointment of Chief Officers

9.6.1. The Council's Policy and Procedure relating to the recruitment of Chief Officers is contained within the Officer Employment Procedure Rules as set out in the Council's Constitution. (Appendix C).

- 9.6.2. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the approved pay structure and relevant Council policies in place at the time of recruitment.
- 9.6.3. Any salary that exceeds the threshold of £100,000 must be approved beforehand by Full Council.
- 9.6.4. Where the Council remains unable to recruit Chief Officers under a contract of employment or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider temporary internal acting up arrangements in line with the Council's Payment of Acting Up and Honoraria Policy or external interim appointments. Internal acting up arrangements can be appointed up to a maximum of 12 months in line with the Standing Order Regulations.
- 9.6.5. Any appointments or severance payments above £100k and any amendments to this Pay Policy will require the approval of Full Council. This may be affected by the Public Sector Exit Payment Cap and Recovery Regulations (set out in the Small Business, Enterprise and Employment Act 2015), which have yet to be published. The Pay Policy will be updated accordingly following any such legislative changes.

9.7. Joint Appointments

- 9.7.1. The Welsh government has introduced a Local Government and Elections (Wales) Bill which includes a greater general power of competence, a power for local authorities to make an application to merge voluntarily, and powers to facilitate regional working through corporate joint committees.
- 9.7.2. The Bill will see local authorities able to request the creation of a corporate joint committee for any service they wish. Welsh ministers, however, will only be able to create a corporate joint committee in a limited number of functional areas that are set out in the Bill. These are: improving education, strategic planning for the development and use of land and the function or preparing a strategic development plan, transport, and economic development.
- 9.7.3. The aim is to reduce complexity for councils using different kinds of regional working arrangements, and to ensure that the decisions are made as close to the local people as is possible for effective and efficient democracy. The Bill meanwhile requires a principle council to appoint a Chief Executive and make provisions about their role. This will replace the

term ‘head of paid service’ and updates the role to reflect modern management practices.

9.8. Independent Remuneration Panel

9.8.1. Section 143A of the Local Government (Wales) Measure 2011 refers to the Independent Remuneration Panel in Wales (“the IRP”) and sets out their functions in relation to salaries of heads of paid service. The IRP may make recommendations about any policy in this Pay Policy Statement which relates to the salary of the Council’s head of paid service and any proposed change to the salary of the Council’s Head of Paid Service. The Council, will, as required, consult the IRP in relation to any change to the salary of the head of paid service which is not commensurate with a change of the salaries of the Council’s other staff, and will have regard to any recommendation received from the IRP when deciding whether or not to proceed with making the change.

9.8.2. The Council is required to identify in this pay policy statement whether any such referral has been made to the IRP, and if so, the nature of the referral, the IRP’s decision and the Council’s response. No referral has been made to the IRP during 2019/2020.

9.8.3. An authority which chooses not to follow the advice of the Panel may become subject to a Ministerial direction to reconsider their position. The Act also provides that authorities will be able to reduce (but not increase) the salary payable to their head of paid service in advance of a recommendation from the IRP, so long as the contract under which the salary is payable does not prevent the authority from changing the salary after receiving a recommendation.

9.8.4. The Local Government (Wales) Act 2015 extends the power of the IRP, under section 143A of the Local Government (Wales) Measure 2011 to cover salaries payable to chief officers (using the Localism Act definition) as well as the head of paid service.

10. Talent Management

10.1. Our strategic approach to supporting talent management across the Council is underpinned by our People Strategy and the standards which we aim to achieve as an Investors in People employer (re-accredited in 2018 under the new and more stretching Generation 6 Standard).

10.2. We aim to support a workforce that is innovative, skilled, motivated, well informed, high performing, proud to work for Carmarthenshire County Council and committed to delivering high quality services to the public.

10.3. Key to delivering this is our ability to successfully recruit, retain and develop our employees to realise their full potential. The following provides an overview of our strategic approach to talent management:

10.3.1. Supporting a Learning Culture

10.3.2. In modernising our approach to learning all our employees will have the opportunity for more effective learning experiences, allowing them to access knowledge based resources in a more agile way, whilst maximising digital tools and skills for improved personal, team and organisational performance.

- i. Performance Management - Our 'Helping People Perform' (Appraisal) process which, as well as placing an emphasis on performance, seeks to put in place personal development plans, developing the skills necessary not only for current roles, but with a future focus to support career development and succession planning. We have a supportive framework for Mentoring and Coaching at all levels and collaborate with key partners in providing this support.
- ii. Career Development – In addition to operating internal and external secondment opportunities, we encourage effective Career Development Conversations – providing potential future leaders and managers with the means to identify effective learning opportunities e.g. shadowing /attachments to projects that support organisational improvement such as our Transform, Innovate and Change programme, Internal Reviewers for Investors in People as well as those that offer both experiential and qualification opportunities e.g. Future Leaders Programme, Academi Wales Summer School.
- iii. Succession Planning – Our Work Ready Programme has successfully supported Apprentices and Graduates to gain permanent employment in key service areas. Some of our most critical and effective areas for succession planning include occupations within social care. Our Workforce Development programme equips newly qualified social workers with the advanced knowledge, skills and qualifications they need as they progress to experienced practitioners and, in some cases to more senior practice roles. Our Language Skills Strategy not only supports statutory requirements for Welsh Language but ensures that we are planning for future skills

development to sustain excellent service provision. During 2019/2020, the Council recruited 12 Graduate Trainees who will hopefully go on to play key roles within the Council or in its community in the future.

11. Performance Related Pay

- 11.1. The Council does not apply any bonuses or performance related pay to its staff.

12. Support for Lower Paid Staff

- 12.1. All employees, regardless of whether they are over the statutory age of 25, are to be paid at a minimum of the voluntary Real Living wage rate, and this on-going principle was a recommendation of the cross-party Pay Policy Advisory Panel that met on 21st February 2020.
- 12.2. This Authority pays supplements for weekend working (8%) and term time working (4%) which increase the pay of mainly lower paid employees.
- 12.3. With the above-mentioned supplements, the large majority of our lower graded posts now attract a total remuneration higher than the Real Living Wage.

13. Off Payroll Arrangements

- 13.1. Where the Council is unable to recruit to a job under a contract of employment or where there is a need for specialist support for a specific project, the Council will, where necessary, consider engaging individuals under a contract for services. These will be sourced through the relevant procurement process contained within the Council's Contract Procedure Rules, ensuring the Council is able to demonstrate value for money from competition in securing the relevant service.
- 13.2. Where the contract for service is to provide cover for a vacant post, in addition to ensuring adherence to Contract Procedure Rules, decision making in relation to the appointment will be in line with the Council's rules in relation to appointments i.e. Council will determine appointments at Chief Executive Level, Appointments Committee A will determine appointments at Director level, Appointments Committee B will determine appointment at Heads of Service.

13.3. With effect from April 2017, the UK Government introduced “Intermediaries Legislation” known as IR35 that reformed tax rules of off payroll working in the public sector. The Council is compliant with this revised legislation.

14. Exit Policy

14.1. Early Retirement, Voluntary Redundancy and Compulsory Redundancy

14.1.1. The Council’s approach to statutory and discretionary payments on termination of employment of employees, prior to reaching normal retirement age, is set out within its Employers Discretions Policy (Local Government Pension Scheme) statement. This discretionary policy has been updated and is included as Appendix G and agreement to the implementation of this revised Policy is sought by County Council as part of its considerations on the Pay Policy.

14.1.2. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made in accordance with the Scheme of Delegation as contained within the Council’s Constitution.

14.1.3. The Council operates a Severance Scheme for all its employees, payments under which are authorized in accordance with the above discretionary policy. Our current Severance Scheme is attached at Appendix H.

14.1.4. The Authority will comply with the Welsh Government’s guidance that full Council should be given the opportunity to vote before large severance packages beyond a particular threshold are approved for Chief Officers leaving the organisation. The guidance states that “as with salaries on appointment, the Welsh Ministers consider £100,000 is the right level for that threshold to be set. Members must be made aware of any statutory or contractual entitlements due to the employee and the consequences of a non-approval by Council, in which failure to fulfil the statutory or contractual obligations may enable the employee to claim damages for breach of contract”. When calculating the value of a severance package, the following payments will be included:

- a. Salary paid in lieu of notice
- b. Lump sum redundancy/severance payment
- c. Cost to the Council of the strain on the pension fund arising from early access to an unreduced pension.

14.2. Flexible Retirement

14.2.1. Chief Officers and all other eligible Council employees are permitted to take flexible retirement in accordance with the provisions of the Local Government Pension Scheme and the Council's Flexible Retirement Scheme.

14.3. Exit Cap and Recovery Provisions

14.3.1. The UK Government intends to introduce Regulations that will impose a cap of £95,000 on exit payments for public sector workers. It also intends to develop regulations to enable the recovery of exit payments made to employees who leave the public sector and return within 12 months, although the timetable for these regulations remains unclear. The minimum salary to which the recovery provisions will apply is £80,000 per annum. If and when the UK Government introduces these Regulations, Council policies will be updated as appropriate to take this into account.

14.3.2. Welsh Ministers will have the power to relax the cap in relation to exit payments made by authorities that wholly or mainly exercise devolved functions – this includes (but is not limited to) exit payments made to staff of NHS bodies, local authorities, fire and rescue services, National Park authorities and sponsored bodies in Wales. This power will come into effect when the cap is introduced although until the regulations are finalised it is difficult to be clear on how Welsh Ministers will decide to operate this waiver in practice.

14.4. Re-employment

14.4.1. Employees who voluntarily leave the Council's employment under the Council's Severance Scheme cannot usually be re-employed in any capacity including on a casual basis, until at least 1 year has elapsed. Under no circumstances should an employee be re-appointed into the same or similar job to the one in which s/he was employed at the time of leaving. All such appointments should be made via the usual Authority's recruitment procedures.

14.4.2. However, in exceptional circumstances only, employees may be re-employed by the Council prior to 1 year, subject to the agreement of the Chief Executive and Leader of the Council. In approving a re-employment, the Authority will need to be satisfied that:

- The employee is not being re-employed in a role or capacity, which is broadly similar to the role which they left voluntarily
- The rate of pay applied to the work undertaken by the re-engaged employee should be that appropriate to the work to be done and not the grading which applied to the employee prior to the end of their current contract
- The employment should be for a fixed term, not exceeding one year, unless there are exceptional circumstances; and
- the arrangement must provide financial / operational advantage to the Council.

14.4.3. This will be operated entirely at the Council's discretion and the decision in respect of each application will be final.

14.4.4. Other restrictions on re-employment may apply and reference should will be made to the appropriate Conditions of Service when any re-employment is being considered.

15. Pay Relativities within the Council

15.1. Lowest Paid Employees

The Council's definition of lowest paid persons for the purposes of this statement is:

- Those employed under a contract of employment with the Council who are employed on full time 37 hours per week equivalent salaries; and
- Employees whose total remuneration is equivalent to Spinal Column Point (SCP) 1 of the nationally negotiated pay spine used within the Council's local grading structure.

15.2. This definition is adopted to correlate with the National Joint Council (NJC) for Local Government Services recognition of lower paid employees within the national pay spine.

15.3. The relationship between the rate of pay for the "lowest paid" employees and the Council's Chief Officers is regulated by the processes used for determining pay and grading structures as set out in this Pay Policy Statement.

15.4. 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, as included within the Hutton “Review of Fair Pay in the Public Sector” (2010).

15.5. Will Hutton was asked by the UK Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organization.

15.6. Hutton concluded that the relationship to median earnings was a more relevant measure and the Government’s Code of Recommended Practice on Data Transparency recommends the publication of the ratio between the highest rate of pay and the median average pay of the whole of the Council’s workforce (but excluding teachers and other employees appointed and managed by schools, in the case of local authorities).

15.7. 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 earlier in this policy statement.

15.8. As part of its commitment to pay transparency, and following the recommendations of the Hutton “Review of Fair Pay in the Public Sector” (2011), the Council publishes the following information on an annual basis:

- The multiple between the annual salary of the lowest paid Council employee and the Chief Executive (full-time equivalent basis) as a ratio
- The multiple between the annual salary of the lowest paid Council employee and the average Chief Officer (full-time equivalent basis) as a ratio
- The multiple between median earning of Council employees and the Chief Executive (full-time equivalent basis) as a ratio
- The multiple between median earning of Council employees and the average Chief Officer (full-time equivalent basis) as a ratio.

15.9. The information for this Pay Policy is as follows (please note these ratios may change following the introduction of National Pay Awards which are yet to be agreed):

15.9.1. Multiple of Salary Ratio

- The multiple between the annual salary of the lowest paid Council employee and the Chief Executive (full-time equivalent basis) as a ratio
1:8.52

- The multiple between the annual salary of the lowest paid Council employee and the average Chief Officer (full-time equivalent basis) as a ratio **1:5.74**
- The multiple between median earning of Council employees and the Chief Executive (full-time equivalent basis) as a ratio **1:7.27**
- The multiple between median earning of Council employees and the average Chief Officer (full-time equivalent basis) as a ratio **1:4.90**

15.9.2. The median salary in the Council is £20,344 all staff managed by schools have been excluded from the calculation).

15.9.3. All other pay related allowances are subject to either nationally or locally negotiated rates, that are determined in accordance with collective bargaining machinery and/or Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money against the ability to recruit and retain appropriately skilled and experienced employees that can deliver high quality services to the public.

15.9.4. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary subject to the qualifying criteria within the Council's Recruitment Salaries Guidance and/or Market Supplement Scheme.

16. Publication

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

16.2. In addition, for posts where pay is at least £60,000 per annum, as required under the Accounts and Audit (Wales) (Amendment) 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
- e) any benefits received that do not fall within the above

- f) The Authority will present this statement to Full Council before it is formally adopted and before the end of each financial year, i.e. 31 March.

(If you require this information in an alternative format (for example large print), please contact People Management on Ext: 6184 or email: PMBusinessSupportUnit@carmarthenshire.gov.uk)