

Pay and Reward Policy Statement For All Council Staff 2014-15

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Summary

Shropshire Council recognises the importance of managing pay fairly and in a way that motivates staff to make a positive contribution and support the delivery of the Council's objectives. The pay policy details our approach to managing pay and reward in a way which supports the aims and objectives of the organisation.

1.0 Introduction

- 1.1 Shropshire Council has a clear written policy on wages and salaries for all staff employed at the Council to ensure that all staff are rewarded fairly, without discrimination, for all the work they do.
- 1.2 When reviewing the pay policy, Trade Union Representatives will be consulted as appropriate and their views taken into account when deciding the respective elements of the pay policy.
- 1.3 Shropshire Council recognises that pay is not the only means of rewarding and supporting staff, and the Council endeavours to ensure that all staff have good working conditions, regular access to appropriate development and training opportunities, and other forms of financial and non-financial reward.
- 1.4 This policy aims aim to reflect:-
 - pay and grading underpinned by job evaluation (where a scheme exists)

- fairness and equality of opportunity
- the need to encourage and enable people to perform to the best of their ability
- the need to recruit and retain skilled, experienced, and qualified staff in a competitive market

1.5 Shropshire Council's employment offer includes a wider range of benefits alongside pay

- access to learning and development
- access to local government pension scheme
- flexible working where this fits business needs
- performance management which incorporates smart objectives and behaviours
- access to a range of benefits offered through 'Rewarding People'
- carrying out work which is of public value and contributes to making Shropshire a great place to live and work.

1.6 To make these principles work, Shropshire Council needs remuneration arrangements which:-

- are based on a clear and rational process for setting and reviewing the pay of employees;
- provide a pay framework and levels of remuneration which are sufficiently flexible and reasonably competitive, taking account of relevant benchmarking, and market related pay data at local and national level;
- enable the Council to recruit and retain employees with the required skills, knowledge and experience; and
- which are affordable by the Council and support the provision of good quality public services.

1.7 Shropshire Council will make this policy and any related procedures available to all staff, ensuring that any concerns, complaints or formal appeals about its application are managed promptly, fairly and objectively.

1.8 Shropshire Council wishes to ensure that development and promotion opportunities, where possible, are available to all employees.

1.9 Shropshire Council will not promote staff through the grading system nor use other pay mechanisms in order to assist in securing an employee's improved pension entitlement on retirement.

2.0 Legal Framework

2.1 The primary legislation governing equal pay is the Equalities Act 2010 and subsequent amendments. This requires employers to ensure that men and women in the same employment, carrying out equivalent work (as defined below), receive the same level of pay. The following terms are contained in Equal Pay Legislation:

- 'Like work' is defined as work which is the same or broadly similar

- 'Work rated as equivalent' is defined as work which has achieved the same or similar number of points under a job evaluation scheme.
- 'Work of equal value' is defined as work which is broadly equal in value when compared under headings such as effort, skill and decision making responsibility.

2.2 In addition, indirect discrimination has been incorporated into equal pay as a result of case law in the UK and Europe. Indirect discrimination may arise when the pay policy has a disproportionate impact on one particular sex.

2.3 Differences in pay may be justified where it is established that the difference is for a genuine and material reason which is not related to gender.

3.0 Definitions

3.1 For the purposes of this policy and in line with legislation, pay is defined by Article 141 of the Treaty of Rome as:

The ordinary basic or minimum wage or salary and any other consideration, whether in cash or kind, which the worker receives, directly or indirectly, in respect of his (or her) employment from his (or her) employer.

3.2 Pay therefore includes allowances, pensions, discretionary bonuses, annual leave and sick pay, as well as other non-financial benefits such as vocational training.

3.3 Chief Officer means the Head of Paid Service (Chief Executive), Director of Children's Services, Director of Adult Services, Director of Public Health, Director of Commissioning, Director of Resources and Support, Area Commissioners, Monitoring Officer, Section 151 Officer, and Heads of Service. For further details of the Council's delegations to officers including delegations to Chief Officers, see Part 8 of the Council's Constitution or follow the link below:

[http://www.shropshire.gov.uk/democracy.nsf/viewAttachments/MJOS-97REXG/\\$file/08-part-8-delegations-to-officers.pdf](http://www.shropshire.gov.uk/democracy.nsf/viewAttachments/MJOS-97REXG/$file/08-part-8-delegations-to-officers.pdf)

4.0 Principles

4.1 Pay Structures

4.1.1 Shropshire Council's pay structure is currently split across three sectors, described below. The pay range for a large proportion of staff will be based on the NJC framework for Local Government Services. (The Green Book). The national pay spine will apply for posts on Grades 1 to PO 22 / Band 14. Salaries in Shropshire Council have been reduced, as part of changes by the Council to staff terms and conditions of employment, except for those employees on the lowest pay levels, in two stages October 2011 and again in October 2012. In the latter there was a pay increase and a pay reduction wrapped into the change.

Current arrangements for these grades provide for individuals to receive annual incremental progression within the grade.

(NB. Incremental progression was frozen from 1 April 2011 until 31st March 2013 and reinstated from 1 April 2013.)

- 4.1.2 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by 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 in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of commissioning or providing high quality services to the community, delivered effectively and efficiently and at the times at which those services are required.
- 4.1.3 Following local negotiations in 2012, pay levels were reduced as one of Shropshire Council's measures to manage its budgets, while protecting the future employment of its current staff, and reducing the costs of redundancy on the public purse. The level of planned reduction was offset by implementing the 1% national cost of living increase for NJC staff. The approach taken also incorporated protection of employees on lower pay levels.
- 4.1.4 Equal Opportunity Considerations – pay and conditions will apply equally to employees working full-time and part-time in accordance with the Part-time Employment (Prevention of Less Favourable Treatment) Regulations 2000.

See Appendix A for current pay scales for Grade1 to PO22 / Band 14.

4.2 Pay Range – Grades 1 to 10

- 4.2.1 For the majority of its staff, Shropshire Council operates a Grade 1 to 10 pay structure, ranging from spinal column point (SCP) 5 to SCP 34. On 1 October 2013 scp 4 was removed from the NJC national pay spine. The Shropshire grading structure has been developed through the local application of the National Joint Council (NJC) Job Evaluation Scheme. The NJC Scheme is designed for application within local authorities and provides a mechanism for reviewing the duties and responsibilities of the posts to determine the appropriate grade.
- 4.2.2 Salary on recruitment in all pay ranges should be set at a level within the range consistent with attracting and securing the appointment of good calibre people. Flexibility exists to pay a higher incremental point or a higher salary within the range for both recruitment and retention purposes. Such practice must be made within budgetary arrangements and taking account of equality implications.
- 4.2.3 The lowest remuneration for Council employees is Grade 1, SCP 5 £12,435 p.a. These are, in essence, the council's "lowest paid employees", by the fact that this grouping comprises the lowest paid workers in the council. These jobs have been objectively evaluated against their job content in the course of the implementation of Job Evaluation in Shropshire Council. (The Council also employs apprentices who are not included within the definition of 'lowest paid' as they are temporary training posts).

4.3 Pay Ranges – Principal Officer (PO)

- 4.3.1 Shropshire Council has operated a PO pay scale, ranging from SCP 33 to SCP 57, across 22 grades. This means that each grade overlaps with the pay scale of the grade above and below. These cover posts requiring a high level of technical/professional competence or have management responsibilities.
- 4.3.2 Work is almost now complete to implement a new pay structure for PO graded posts based on a 4 band, 5 increment pay structure with each band abutting (rather than overlapping) each other. This pay structure uses existing spinal column points and has been developed by carrying out a benchmarking job evaluation exercise on approximately 100 jobs using the Monks JE Scheme. Implementation of the new bands is being carried out as part of restructuring activities with a deadline of completing all PO posts by summer 2014/15.
- 4.3.3 A number of posts which were evaluated under the NJC Job Evaluation Scheme were identified as operating above Grade 10. These posts are currently being paid at Grade 11 (scp 35 - 37). These posts have also been compared against the Monks JE Scheme, in order to moderate their grade and also to ensure that the two schemes interlink correctly and will be assimilated onto the new PO band with other posts when their service area is restructured.

4.4 Pay Ranges – Senior Pay Band (Currently under Review)

- 4.4.1 The Senior Manager Pay bands were revised in December 2010. The bands were determined following an assessment of median base pay for Public Sector Managers carried out by Price Waterhouse Coopers in September 2010. The rates have been reduced by 2.7% with effect from 1 January 2012, and were further reduced in October 2012, in line with changes made to other Council staff (see paragraph 4.1.3 above).

Shropshire Council is going through significant changes to its operating model to move to a commissioning organisation. The current grades are shown below and are subject to review, in line with service redesign:

Grade	Pay Range	Job Title
SP 1	£99,000	Chief Executive
SP 2	£97,000	Director
SP 3	£85,000 to £90,000	Area Commissioner
SPB 4	£66,882 to £81,214	Head of Service
SPB 5	£53,811 to £62,105	Service Manager

- 4.4.2 A re-structure took place in January 2013 which saw new appointments made to SP1, SP2, SP3 and SPB4 grades.

4.5 Other Pay Schemes

4.5.1 Shropshire Council has a small number of employees on other nationally determined pay scales and conditions, including:

- Soulbury (teaching staff now in school support roles)
- NJC for Youth Workers
- Craft Workers

4.5.2 These pay schemes are used to give greater flexibility to meet particular service needs and assist in recruitment and retention of appropriately qualified and experienced staff within the respective sectors.

4.6 Salary Progression

Grade 1 to PO22/PO band 14 (scp 1 to scp 57)

4.6.1. Incremental progression within the evaluated grade is due on the 1st April each year based on performance at work, or 6 months after appointment if less than 6 months in the new grade by 1st April, i.e. an increment is paid after 6 months if the employee is appointed between 1st October and 31st March. A 2 year freeze of incremental progression was implemented following consultation with the trade unions between 1 April 2011 and 31 March 2013. The freeze was lifted from 1 April 2013.

4.6.2 Posts are usually advertised within salary bands which contain several annual increments, and where the top of the salary band advertised represents the maximum incremental point within that pay range. Appointments are normally made at the minimum of the pay range, unless there is an objectively justifiable reason e.g. the candidate's previous experience or difficulties in recruiting at the lowest pay point. However, the advice of Human Resources must be sought in these cases, to ensure equality issues have been considered.

4.6.3 Incremental progression (for posts on NJC for Local Government Services terms and conditions) within the pay range for the job takes place until the maximum SCP of the job is achieved.

4.6.4 **Accelerated Increments** -The salary of an employee may be accelerated within the grade on the grounds of special merit or ability, by up to two increments, provided that the maximum of the grade is not exceeded. The additional benefit of increments granted in this way is not carried over on the regrading of the post or on the employee's promotion to a higher graded post.

4.6.5 Additional Increments

4.6.5.1 Up to two additional increments may be granted to employees (graded on an NJC grade) beyond the normal maximum of the grade of the post to which they are appointed.

4.6.5.2 The award of up to two additional increments may only be made to employees who have consistently achieved a high level of performance and who have made a significant contribution to the Council's work.

- 4.6.5.3 All employees who have completed 35 years of service will be considered, but not automatically accepted for the additions. (Currently under review).
- 4.6.5.4 At any one time, the number of employees receiving additional increments shall not exceed 3% of the number of full time employees employed under the conditions of service to which the scheme applies.

4.6.6 Honoraria

- 4.6.6.1 An employee, who for any reason other than the annual leave of another employee is called upon at the request of their Directorate to undertake the full duties and responsibilities of a higher graded post for a continuous period of at least four weeks, is entitled to be paid in accordance with the grading of the post temporarily occupied. The salary to be paid in such circumstances is the salary that would apply if the employee were promoted to the higher graded post. Once the qualifying period of four weeks has been satisfied the higher salary will be paid with effect from the first day on which the employee was required to undertake the full duties and responsibilities of the higher post.
- 4.6.6.2 In any case where there is no automatic entitlement to a higher salary the Council may consider granting an honorarium (of an amount dependent upon the circumstances of each case) to an employee who performs duties outside the scope of his post over an extended period or where the additional duties and responsibilities involved are exceptionally onerous.

4.6.7 Ex Gratia Payments

- 4.6.7.1 The principal purpose of the ex-gratia payments scheme is to maintain the goodwill of staff who have suffered personal loss during the course of their duties and where no provision exists for the claim to be referred to the council's Insurers.

4.7 Senior Pay Band

- 4.7.1 New appointments will normally commence on the bottom of the salary band or on an 'entry salary' within the bottom 10% of the salary band. However, this may be adjusted to take account of previous experience and remuneration.
- 4.7.2. Any additional payment within the Senior Pay Band will be based on performance in relation to the achievement of objectives and on meeting the behavioural competences set.
- 4.7.3 Progression within Senior Pay Band was frozen for 2 years until 1 April 2013, pending the implementation of a Performance Related Pay Scheme. Decisions have been made not to proceed with implementing such a scheme given the amount of change and service redesign that is taking place across the organisation. As outlined in 4.4.2 a re-structure took place in January 2013 which saw new appointments made to SP1, SP2, SP3 and SP4 grades. In April 2013, a 2.4% pay increase was applied to those on SPB5 in recognition of performance and in the absence of a formal Performance Related Pay Scheme. This restructure and the restoration of incremental progression for NJC grades meant that the only group of staff to have no pay progression at all were Service Managers on SPB5. Therefore an increment equivalent to the value of the average incremental increase (2.4% was applied to all those on SPB5 (only those

with the headroom in grade received the increase with the value capped at the top of the grade). Payment was made in recognition of Performance and in the absence of a formal Performance Related Pay Scheme.

4.8 Pay Review

4.8.1 Grades 1 to PO22/PO Band 14 are reviewed in line with the National Pay Award for Local Government staff.

4.8.2 Shropshire Council's Senior Pay Bands are locally determined and not subject to national pay negotiations by the JNC for Chief Executives and Chief Officers in Local Authorities.

4.9 Market Supplement

4.9.1 Basic pay may be supplemented by a market supplement which reflects the current national or regional rate for the nature of the post, as long as market evidence on demand for these skills supports it. This market supplement will apply to a relatively small number of people, and will be subject to review, e.g. Children's Safeguarding Social Workers.

4.9.2 Any Market Supplements are reviewed annually and can be adjusted or removed in line with market changes.

4.10 Recruitment and Retention Payments

4.10.1 The Head of Human Resources has delegated powers under Shropshire Council's Constitution to introduce and maintain employee benefits, other than the provision of cars, where these are likely to assist with recruitment and retention and where the costs can be found within existing budgets.

4.11 Pay Data

4.11.1. Shropshire Council will obtain up to date local, regional and, if appropriate, national pay data to inform decision making on local pay awards and market levels, alongside, other relative factors e.g. labour turnover rates.

4.12 Allowances

- **Sick pay (Currently Under Review)**

- **Short term sick pay**

- If an employee has already had one or more periods of sickness absence in the previous twelve months, the Council does not pay sick pay for the first three working days of sickness. Currently this policy is suspended and therefore employees receive pay for the first three days.

- **Long term sick pay**

- During 1st year of service 1 month's full pay

- During 2nd year of service 2 months' full pay

- During 3rd year of service 4 months' full pay

- During 4th and 5th years of service 5 months' full pay

After 5 years of service 6 months' full pay

- **Overtime**

Additional hours / overtime, which are not eligible for an enhancement (for night, weekend or public holiday work), will be paid at plain time.

- **Subsistence**

Subsistence payments for reimbursement of the cost of breakfast and evening meal are made when an employee is required to stay away from their home overnight on Council business, on production of appropriate receipted evidence of such expenditure.

- **Annual Leave**

All staff are eligible to receive 25 days annual leave plus bank holidays per year, with 5 days extra awarded to those staff with 5 years local government service, giving a maximum entitlement of 30 days a year.

- **Office Hours / Annualised Hours**

From 1 October 2011, the public opening hours for Shropshire Council are 7am to 7pm, Monday to Friday and 8am to 1pm on a Saturday. All staff are subject to Annualised Hours, i.e. they are contracted to work a set number of hours over a year, not a fixed working week, with working patterns being made in line with the Flexible Working Hours policy.

- **Callout/Standby**

Payments are made to reflect the unsociability of working in particular circumstances, where an employee is recalled to work at short notice. These are locally agreed.

- **Relocation**

Shropshire Council may provide relocation assistance to new recruits as part of the employment package; this is offered on an exceptional basis to attract candidates to hard to fill roles. The Council does not make payments to employees to reflect the costs of increased travel to work if the employee's work location changes. Approval of relocation assistance is delegated to the Head of Human Resources.

- **Salary Protection**

Shropshire Council operates salary protection arrangements in a range of circumstances including:

- where an employee has been at risk of redundancy and is successfully redeployed to another post at a lower salary
- Where an employee has been redeployed to another lower graded post due to a disability or health related issue
- Where as a result of a restructuring or grading review/ job evaluation process the grade of the post is reduced

In these circumstances the employee will receive pay protection (based on the level of pay but not hours of work). Protection normally applies for a period of up to 12 months.

- **Car Allowances**

Employees using their cars, motor cycles or cycles for the efficient performance of their duties, which have been agreed by their line manager, will be eligible to receive an allowance in line with HMRC Approved Mileage rates as follows

Cars

Up to 10,000 miles (in each financial year April to March) – 45p per mile

Over 10,000 miles (in each financial year April to March) – 25p per mile

Motor Cycle 24p per mile

Cycles

45p per miles for the first 10,000 miles (for cycles, reimbursement above 20p per mile is liable for income tax)

4.13 Termination of Employment

- 4.13.1 In relation to the termination of employment, the Council will have due regard to making any appropriate payments where it is in the Council's best interests. Any such payments will be in accordance with contractual or statutory requirements and take into account the potential risks and liabilities to the Council, including any legal costs, disruption to services, impact on employee relations and management time. This is consistent with the risk management practices of well governed organisations in private, public and voluntary/charitable sectors.
- 4.13.2 Where a severance package (not including employee statutory entitlements) exceeds £100,000, the decision to award such a package will be made by full Council.
- 4.13.3. Shropshire Council has adopted a policy preventing any employee who has retired early from being re-employed or re-engaged by the authority other than in exceptional circumstances.

5.0 Notice Periods

- 5.1 The contractual period of notice required to be given to an employee to terminate their employment, and that required of them on resignation, will be clearly stated in the terms of their appointment. The following local scheme on contractual notice periods has been adopted for NJC employees:-

Those graded up to and including Grade 8	1 month
Those on Grade 9 to P08 (scp 29-43) inclusive	2 months
Those graded P09 (scp 41-44) and above	3 months

- 5.2 The contractual notice period for Chief Officers is 3 months.
- 5.3. The statutory provisions relating to minimum periods of notice to be given by the employer to any employee are as contained in the Employment Rights Act 1996

Period of continuous employment - Minimum notice

One month or more but less than 2 years	Not less than 1 week
Two years or more but less than 12 years	1 week for each year of continuous service
12 years or more	Not less than 12 weeks

- 5.4 The employer's obligation to the employee under the contractual notice agreed must always be read against any additional notice required to be given to the employee under the statutory grade. Therefore an employee with one month's contractual notice entitlement, with 5 years' service, will be entitled to five weeks statutory notice on the termination of their employment by the Council and an additional week's notice for each additional year's service up to a maximum of 12 weeks' notice.

6.0 Pensions

- 6.1 All Council employees are entitled to join the Local Government Pension scheme (LGPS) which is offered by Local Government Employers. If staff are eligible for membership of the LGPS, they will automatically become a member of the "scheme". in accordance with the Auto Enrolment Regulations. Employees have the right to decide to opt out of the "scheme" by following the required process. The benefits and contributions payable under the Fund are set out in the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) and Local Government Pension Scheme (Miscellaneous) Regulations 2012. Appendix B provides details of Shropshire Council's Pensions and Retirement Policy and Appendix C details of the Council's Redundancy and Compensation Policy.
- 6.2 The current level of contribution to the scheme by employees effective from 1 April 2013 is as follows, based on full time equivalent pensionable pay:

Band	Full-time equivalent salary	Contribution rate
1	£0 - £13,700	5.5%
2	>£13,701 - £16,100	5.8%
3	>£16,101 - £20,800	5.9%
4	>£20,801 - £34,700	6.5%
5	>£34,701 - £46,500	6.8%
6	>£46,501 - £87,100	7.2%
7	More than £87,100	7.5%

- 6.3 A new LGPS Scheme for 2014 is being introduced from April 2014. This will see a number of changes to the current scheme which include (but are not limited to):
- Moving from a final salary based scheme to a career average scheme.

- Contribution Rates – how these are calculated and the level of contributions will change.
- What is included in Pensionable pay
- Employees may opt for retirement from age 55 onwards at a full cost to themselves on termination of pensionable employment, without employer consent.

7.0 Senior Pay

7.1 The salary levels of Chief Officers on appointment is set by elected members, at the relevant committee of the council. The salary details for Chief Officers are published at:

<http://www.shropshire.gov.uk/opendata.nsf/open/C9FDB1C9DB74769980257829003B6C52>

This information has been published since October 2010 in the interests of openness and transparency, and shows levels of remuneration for Chief Officers for the previous financial year. The definition of Chief Officer is contained in paragraph 3.3 above.

7.2 Under Regulation 4 of the Accounts and Audit (Amendment No2) (England) Regulations 2009 [SI 2009 No.3322] the Council has a legal requirement to report the remuneration of senior employees as part of its published salaries information. This requirement has now been reinforced under section 38 (1) of the Localism Act 2011, which requires the Council to produce a pay policy statement on an annual basis.

7.3 The relationship between the rate of pay for the lowest paid Council employees and the chief officers' is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement. 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 'Review of Fair Pay in the Public Sector' 2010. The Government supports 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 organisation. The Hutton report 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 paid salary and the median average salary of the authority's workforce.

7.4 The remuneration of the most senior manager within Shropshire Council, the Chief Executive is £99,000. The median basic remuneration for a full time equivalent employee of Shropshire Council is £18,273 per annum. The mean basic pay, based on 4,793 posts ranging in pay from the Chief Executive remuneration to Grade 1 (SCP 5 - £12,435), is £20,653. The current pay multiple from top to bottom of the organisation is 1:8. The ratio from the median pay to the Director of Operations pay is 1:6, which is well within the limits outlined in the Hutton Review.

- 7.5 Chief Officers do not receive bonuses.
- 7.6 The Section 151 Officer (Head of Governance and Assurance) and The Monitoring Officer (Head of Legal and Democratic Services) receive a responsibility allowance of £15,000 per annum.
- 7.7 All Chief Officers are eligible for the same Car Allowance as outlined for all employees in section 4.9 above
- 7.8 Chief Officers are currently entitled to 30 days annual leave.
- 7.9 The Council will, have regard to the specific legal requirements which apply to the termination of employment of the Head of Paid Service, the Section 151 Officer and the Monitoring Officer as its Statutory Officers.

8.0 Accountability and Decision Making on Remuneration and Reward

- 8.1 The Council's Cabinet has powers delegated to it in accordance with Section 3 of the Constitution, to make decisions on major policy matters affecting the council as a whole and to make decisions which have significant service or resource implications across the Council as a whole This includes significant locally determined changes to staff terms and conditions and remuneration.
- 8.2 The Employees' Joint Consultative Committee which consists of Trade union representatives and Members is constituted to agree changes to employee terms and conditions, such as changes to allowances, mileage, and annual leave, subject to ratification by Cabinet and, where the decision has significant financial implications, by full Council.
- 8.3 In accordance with the Council's constitution the Head of Paid Service (Director of Operations) has delegated powers to approve the grading and regrading of posts (covered by NJC for Local Government Service, Soulbury and Youth and Community Worker Conditions of Service) where the grade maximum is PO17 or above (or equivalent). Chief Officers have authority to approve changes to the grading of posts (covered by NJC for Local Government Service, Soulbury and Youth and Community Worker Conditions of Service), taking account of job evaluation outcomes for posts covered by these schemes and subject to financial provision for the current and future years being available, and the proposed maximum of the grade being below PO 17 (or equivalent).
- 8.4 New appointments that are made which have a remuneration package with a value of over £100,000 will be subject to approval of full Council.

9.0 Review of the Policy

- 9.1 This policy will be subject to annual review and amendment, taking account of legislation, external best practise, internal data on recruitment and retention and external pay data etc.

Shropshire Council
Current Grades, Salary Scales and Hourly Rates

A list of grades and the salary points within each grade are given in Column A. Individual salary points are listed in Column B.

Columns C and D give the current annual salary and hourly rates for each salary point for all staff subject to the Terms and Conditions changes introduced in 2011/12. These rates are with effect from either 1 October 2011, 1 January 2012, or 1 February 2012, depending on your staff group/working hours.

Further pay reductions are expected with effect from 1 October 2012.

Column E shows the anticipated overall percentage reduction (that is, both reductions). Column F gives the resultant annual salary figures with effect from 1 October 2012.

Note that it is the council's firm intention to look again how the second pay reduction may be reduced and all staff will be kept updated regarding this.

Column A	Column B	Column C	Column D	Column E	Column F
Grades and SCP	SCP	Annual Full-time salary	£ Hourly salary	Total % reduction (both reductions)	Anticipated Full-time salary with effect from 01/10/2012
Grade 1 = 4 - 5	4	£12,145	6.2954	0.0%	£12,145
Grade 2 = 5 - 7	5	£12,312	6.3820	0.0%	£12,312
	6	£12,489	6.4737	0.0%	£12,489
	7	£12,787	6.6282	0.0%	£12,787
Grade 3 = 8 - 10	8	£13,057	6.7682	1.50%	£12,991
	9	£13,453	6.9734	2.00%	£13,317
	10	£13,597	7.0481	3.00%	£13,458
Grade 4 = 11 - 13	11	£14,335	7.4306	5.40%	£13,937
	12	£14,633	7.5851	5.40%	£14,227

Column A
Grades and SCP
Grade 5 = 14 - 17
Grade 6 = 18 - 21
Grade 7 = 22 - 25
Grade 8 = 26 - 28
Grade 9 = 29 - 31

Column B	Column C	Column D
SCP	Annual Full-time salary	£ Hourly salary
13	£15,027	7.7893
14	£15,300	7.9308
15	£15,621	8.0972
16	£15,996	8.2916
17	£16,376	8.4886
18	£16,698	8.6555
19	£17,321	8.9784
20	£17,955	9.3071
21	£18,610	9.6466
22	£19,091	9.8959
23	£19,653	10.1872
24	£20,295	10.5200
25	£20,938	10.8533
26	£21,621	11.2074
27	£22,338	11.5790
28	£23,068	11.9574
29	£23,981	12.4307
30	£24,784	12.8469

Column E	Column F
Total % reduction (both reductions)	Anticipated Full-time salary with effect from 01/10/2012
5.40%	£14,610
5.40%	£14,876
5.40%	£15,187
5.40%	£15,552
5.40%	£15,921
5.40%	£16,234
5.40%	£16,841
5.40%	£17,457
5.40%	£18,093
5.40%	£18,561
5.40%	£19,107
5.40%	£19,732
5.40%	£20,357
5.40%	£21,021
5.40%	£21,718
5.40%	£22,428
5.40%	£23,315
5.40%	£24,097

Column A
Grades and SCP
Grade 10 = 32 - 34
PO1 = 33 - 36
PO2 = 34 - 37
PO3 = 35 - 38
PO4 = 36 - 39
PO5 = 37 - 40
PO6 = 38 - 41
PO7 = 39 - 42
PO8 = 40 - 43
PO9 = 41 - 44
PO10 = 42 - 45
PO11 = 43 - 46
PO12 = 44 - 47
PO13 = 45 - 48
PO14 = 46 - 49
PO15 = 47 - 50
PO16 = 48 - 51

Column B	Column C	Column D
SCP	Annual Full-time salary	£ Hourly salary
31	£25,567	13.2528
32	£26,322	13.6441
33	£27,097	14.0459
34	£27,863	14.4429
35	£28,447	14.7456
36	£29,201	15.1365
37	£30,018	15.5600
38	£30,897	16.0156
39	£31,914	16.5428
40	£32,752	16.9772
41	£33,616	17.4250
42	£34,473	17.8693
43	£35,333	18.3150
44	£36,201	18.7650
45	£37,015	19.1869
46	£37,909	19.6503
47	£38,779	20.1013
48	£39,641	20.5481

Column E	Column F
Total % reduction (both reductions)	Anticipated Full-time salary with effect from 01/10/2012
5.40%	£24,857
5.40%	£25,591
5.40%	£26,345
5.40%	£27,090
5.40%	£27,657
5.40%	£28,390
5.40%	£29,185
5.40%	£30,039
5.40%	£31,029
5.40%	£31,843
5.40%	£32,683
5.40%	£33,517
5.40%	£34,352
5.40%	£35,197
5.40%	£35,988
5.40%	£36,857
5.40%	£37,703
5.40%	£38,541

Column A
Grades and SCP
PO17 = 49 – 52
PO18 = 50 – 53
PO19 = 51 – 54
PO20 = 52 – 55
PO21 = 53 – 56
PO22 = 54 – 57

Column B	Column C	Column D
SCP	Annual Full-time salary	£ Hourly salary
49	£40,492	20.9892
50	£41,365	21.4418
51	£42,231	21.8906
52	£43,361	22.4764
53	£43,918	22.7651
54	£44,776	23.2099
55	£45,644	23.6598
56	£46,511	24.1092
57	£47,344	24.5410
58	£48,220	24.9951
59	£49,083	25.4424
60	£49,705	25.7648

Column E	Column F
Total % reduction (both reductions)	Anticipated Full-time salary with effect from 01/10/2012
5.40%	£39,369
5.40%	£40,217
5.40%	£41,059
5.40%	£42,158
5.40%	£42,700
5.40%	£43,533
5.40%	£44,378
5.40%	£45,221
5.40%	£46,030
5.40%	£46,882
5.40%	£47,721
5.40%	£48,325

Pensions and Retirement Policy

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1.0 Statement of Purpose/Objective

In supporting one of our core values of promoting diversity, the Council no longer applies compulsory retirement at 65. We also provide for early and flexible retirement as part of enhancing the Council's employment policies. Shropshire Council's retirement policy meets the requirements of the Employment Equality (Age) Discrimination Regulations 2006.

2.0 Scope

This policy applies to all Shropshire Council employees, other than those employed by schools, for whom a separate policy will apply.

3.0 Roles and Responsibilities

3.1 The Responsibilities of Managers

3.1.1 It is the Council's responsibility to ensure that all employees approaching retirement age are aware of Shropshire Council's retirement policy. They are also required to be aware of the flexible retirement provisions.

3.2 The Responsibilities of Employees

3.2.1 Employees are responsible for deciding whether or not they wish to be a member of the pension scheme and for taking the necessary actions to request the transfer in of any other scheme membership as outlined in this policy. They are also responsible for following the relevant processes outlined below in respect of pension transfers, early retirement or flexible retirement.

4.0 Pensions

4.1 Joining the Pension Scheme and Contribution Rates

4.1.1 Employees will automatically become a member of the pension scheme, unless one of the following apply:

- Unless in a post in which the employee is required to join another public sector scheme, e.g. teachers
- Employed as a casual worker (unless they have mutuality of obligation, whereby the employer is obliged to provide work and the employee obliged to take it)
- Whereby the offer of employment, and subsequent contract does not exceed three months
- Where the employee has written to Shropshire Pension Fund to confirm they do not want to be a member of the pension scheme.
- Employees over the age of 75

4.1.2 Effective from 1st April 2011, employees' pension contribution rate will be based on their full time equivalent pensionable pay according to the following table:

Band	Full-time equivalent salary	Contribution rate
1	Up to £12,900	5.5%
2	>£12,901 -£15,100	5.8%
3	>£15,101 - £19,400	5.9%
4	>£19,401 - £32,400	6.5%
5	>£32,401 - £43,300	6.8%
6	>£43,301 - £81,100	7.2%
7	>£81,100	7.5%

The contribution band will be assessed using the full time equivalent salary plus any permanent pensionable extra payments.

For term time staff, the FTE will be based on the full time working across the term time weeks only, plus any permanent pensionable extras.

Any fee earning staff will be assessed on the previous year's earnings to 31st March.

The salary figures detailed in the table above will increase on 1st April each year by the rise in the Consumer Price Index.

4.1.3 In addition to pensionable contributions, an employee is able to purchase additional scheme pension in steps of £250 per annum, up to a maximum of £5,000. Advice on this is available from the Pensions team (see paragraph 11.1 below).

4.2 Re-assessment of bandings

4.2.1 The Council will re-assess bandings for all employees every April, with the exception of the following:

- Promotion or permanent/long term honoraria payments
- Down-grading or demotion
- A re-grading exercise

All of the above will prompt an immediate reassessment.

4.2.2 The Council will not re-assess pension contribution bandings after a back dated pay award.

4.2.3 All employees who are members of the scheme shall be informed of their current or new pension contribution banding after every annual reassessment.

4.2.4 Any appeal against a decision regarding an employees pension contribution banding, or any other decision relating to an employees rights or liabilities under the scheme, will be as detailed in paragraph 9.1 below.

4.3 Transferring Pension into the Shropshire Pension Fund

4.3.1 Employees may choose to transfer other pension rights into the Shropshire Pension Scheme. Advice on this is available from the Pensions team (see paragraph 11.1 below).

4.3.2 The request to transfer pension rights should normally be made within 12 months of the employee starting employment with Shropshire Council.

4.3.3 In exceptional circumstances, where an employee can show good cause, they may seek an extension to the first twelve months by up to a further 12 months before making a decision on making an application to transfer their pension rights subject to confirmation from their Corporate Director that they are not likely to retire, or be subject to ill-health retirement in the near future. In all instances, the employee should write to the Corporate Head of Organisation Development requesting an extension to the twelve months, detailing any extenuating circumstances.

4.3.4 Any appeal against a decision not to allow an employee to transfer pension rights, or any other decision relating to an employee's rights or liabilities under the scheme, will be as detailed in paragraph 9.1 below.

4.3.5 Relevant employees (those who have AVC contracts taken out prior to 13th November 2001) at retirement may request to transfer in AVCs (Additional Voluntary Contributions). Requests should be made within 1 month of retiring; however this may be extended to 3 months to allow for administrative procedures.

4.4 Certificates of “Protection of Pension Benefits”

4.4.1 With effect from 1st April 2008 a Certificate of Protection of Pension Benefits will no longer be issued. Existing certification issued prior to this date will still apply.

4.5 Augmentation

4.5.1 The local Government Pension Scheme Regulations permit employers to give added years pension benefits (augmentation) to employees.

4.5.2 Augmentation will be considered only in exceptional circumstances and is not an automatic entitlement. The Corporate Head of Organisation Development, in consultation with the Corporate Head of Finance and Commerce, has discretion to approve augmentation after taking into account all the financial implications.

4.5.3 Augmentation will also be permitted in accordance with the Council’s Redundancy and Compensation Policy

5.0 Retirement

For information on all aspects of retirement please refer to the “Shropshire Fund Pension Scheme Booklet – a guide to your pension” available from the Pensions Team(01743 – 252130) or look on their website www.shropshire.gov.uk/pensions.nsf

5.1 Early Retirement on Compassionate or Exceptional Grounds

5.1.1 Early release of pension under regulation 30 of the LGPS (Benefit, Membership and Contribution) Regulations 2007 may be requested in certain circumstances by employees who are aged 55 or over but under 65. The circumstances where permission for early retirement in exceptional circumstances will be granted will be very limited.

5.1.2 Sympathetic consideration will be given to early payment of pension on compassionate grounds, e.g. where there is a need by a member of staff to provide long term care, which can be evidenced, to a dependant relative or partner. In such cases, the full pension will be payable, with no reduction for early release of the pension. The additional pension costs will be met from the particular budget to which their salary costs are attributed, as a lump sum when the employee leaves.

5.1.3 Release of pension in the circumstances of voluntary redundancy or efficiency is covered in the Redundancy and Compensation Policy.

5.1.4 Employees should obtain information about potential pension benefits in these cases from the Pensions team before submitting a formal request.

5.1.5 Early retirement requests will be considered initially by the appropriate Corporate Director and then passed for further consideration to the Corporate Head of Organisation Development, the Corporate Head of Finance and Commerce, and the Chief Executive as Head of Paid Service for submission for final approval, by the Early Retirement Panel.

5.1.6 Any appeal against a decision not to grant early retirement, or any other decision relating to an employees rights or liabilities under the scheme, will be as detailed in paragraph 9.1 below.

5.2 Early retirement on the grounds of ill health

5.2.1 With effect from 1st April 2008, a three tiered ill health retirement scheme will apply. Extra membership on the grounds of ill health retirement will be awarded on the following basis:

- If there is no reasonable prospect of the member of the scheme obtaining any gainful employment before the age of 65, extra membership of 100% of the period to the age of 65 will be awarded.
- If the member of the scheme is likely to be able to obtain “gainful” employment before the age of 65, but cannot do so within a period of three years of the estimated date of leaving, extra membership of 25% of the period to the age of 65 will be awarded
- If the member of the scheme is likely to obtain “gainful” employment within a period of three years of the estimated date of leaving, no extra membership will be awarded, and only accrued benefits will be payable. This payment is reviewable after a period of 18 months, once a further medical opinion of an Occupational Health Physician has been obtained. In the event of the employee obtaining gainful employment, the benefit will cease to be paid.

In this instance, “gainful” is defined as “paid employment for not less than 30 hours per week for a period of not less than 12 months”

5.2.2 The process for ill health retirements can be found within the Council’s policy on “Caring about Sickness”, Section 9

5.3 Flexible Retirement

5.3.1 Under the flexible retirement arrangements, employees who are members of the Local Government Pension Scheme, may request a reduction in their hours or move to a lower graded post and also draw their pension whilst continuing to work, under regulation 18 of the pension scheme regulations. This will be subject to management consent and will only be considered where there is a justifiable

business case and the cost, if any, of early release of pension is managed within the section's budget.

5.3.2 To be considered for this, employees must:

- be aged 55 or over
- work in a post or area of work where there are difficulties in recruiting; there are skill shortages or work of a particular nature which requires their skills;
- get authorisation for early release of their pension.

5.3.3 Employees who request a reduction in their hours or in the grade of their post should use the procedure outlined in the "Flexible Working Framework".

5.3.4 Early release of pension before age 65 may mean pension benefits are reduced. Employees should therefore obtain information on their pensionable benefits, which would apply in these circumstances before submitting a request. This is available from the Pensions team (see paragraph 11.1 below).

5.3.5 The decision to permit an employee to receive immediate payment of their pension under flexible retirement will be authorised by their Corporate Director, in discussion with the Corporate Head of Organisation Development.

6.0 Working beyond the age of 65

6.1 Job applicants over the age of 65

There will be no upper age restriction for job applicants to the Council. Where a job applicant aged 65 or over is appointed, they will receive the standard contractual terms which apply to the post.

6.2 Existing employees working beyond age 65

6.2.1 The Employment Equality (Age) Regulations 2006 state that employees have the right to request not to be retired. As Shropshire Council does not apply a compulsory retirement age, an employee can continue in their post beyond the age of 65 if they wish to do so.

6.2.2 Performance of all employees will continue to be reviewed through the normal annual performance appraisal mechanisms. When being appraised, no employee should be treated differently because of their age.

6.3 Implications for employees in the Local Government Pension Scheme (LGPS) who work beyond age 65

6.3.1 Employees in the LGPS who continue to work beyond 65

6.3.1.1 Employees over the age of 65 can remain in the scheme to the eve of their 75th birthday and their LGPS benefits earned up to age 65 will be increased to compensate for their late payment. Benefits must be paid from age 75, even if employment continues beyond that age.

6.3.2 Employees formerly in the LGPS who after a break in service are re-employed at 65 or above

6.3.2.1 Employees under the age of 75 can re-join and remain in the scheme up to that age and benefits must be paid from age 75, even if employment continues beyond that age. Any LGPS pension already in payment will not be affected, but any part of that pension resulting from added years given in early retirement cases may be subject to adjustment. Details are available from the pension section in individual cases.

6.3.3 Employees appointed at 65 or above with no previous reckonable service

6.3.3.1 Employees under the age of 75 can join and remain in the scheme up to that age and benefits must be paid from age 75, even if employment continues beyond that age.

7.0 Pre-retirement Courses

7.1 Employees who have indicated that they wish to retire will have the opportunity of attending a Pre-Retirement Course, to better prepare them for that change.

7.2 Further details are available from the appropriate Training Co-ordinator, to whom nominations should also be returned.

8.0 Links to Other Policies

8.1 This policy links to Shropshire Council's Flexible Working Framework and to the Council's Redundancy and Compensation Policy.

9.0 Pensions Appeals

9.1 In accordance with Regulation 58 of the Local Government Pension Scheme (Administration) Regulations 2008, the Council is required to draw all employees' attention to the fact that, if they are dissatisfied with any decision relation to their rights or liabilities under the Scheme, they may make an application to the Treasury and Exchequer Manager, the person appointed for resolving disputes. An appeal must be made within six months of the event. Standard forms and guidelines are available from the Pension Team for this purpose.

If employees remain dissatisfied, they may apply for a reconsideration of the decision to the Corporate Head of Legal and Democratic Services. The final level of appeal would be to the Pensions Ombudsman.

In all instances, all initial concerns, or matters whereby an employee is not in agreement, should be referred to the Pensions Team or the Pensions Manager

10.0 Monitoring and Review

10.1 Human Resources will work with Managers to monitor the application of this policy. Shropshire Council may review any aspect of the procedure in the light of changing circumstances at any time, in consultation with the trade unions.

10.2 The policy will be reviewed at regular intervals, in conjunction with changes to legislation, and any changes to the regulations as informed by the LGPS that may impact upon it. The policy will be reviewed no later than 2 years after its implementation, in consultation with the trade unions.

11.0 Further Advice on Pensions

11.1 Advice and information on the Local Government Pension Scheme (LGPS) is available from the Pensions team who can be contacted on 01743 252130 or at pensions@shropshire.gov.uk. Further useful information can also be found at www.shropshire.gov.uk/pensions.nsf

Redundancy and Compensation (Abstract from Redundancy Policy)

1. Scope

The Policy applies to all Council employees, except those employed directly by schools, (please refer to the Schools Personnel Handbook a copy should be located in each school and in the Children & Young Peoples HR Team) It applies to employees whose appointments are subject to the following national conditions of service:-

- JNC for Chief Executives
- JNC for Chief Officers
- NJC for Local Government Services
- JNC for Youth & Community Workers
- The Soulbury Committee

Where National conditions of service contain additional provisions, these will be taken into account.

6. Redundancy and Compensation

6.1 Redundancy and compensation payments

6.1.1 All employees who are made redundant, whether that be following a call for volunteers in a particular area of service or who are compulsorily redundant, and have a minimum of 2 years continuous service with the Council and related employers, (local authorities and other specified public employers covered by the Redundancy Payments Modification Orders) will be entitled to receive an additional compensatory payment if their employment with the Council is terminated on grounds of redundancy. This paragraph does not apply where service has been augmented under Paragraph 6.3 .

6.1.2 Employees will receive the following entitlement:

Service	Entitlement
For service between ages 16 – 21	½ week's pay for each completed year of service multiplied by 1.5
For service between ages 22 – 40	1 week's pay for each completed year of service multiplied by 1.5
For service from age 41 and above.	1 ½ weeks' pay for each completed year of service multiplied by 1.5

A component of the above lump sum will be made up of the statutory entitlement listed at 6.1.1

The additional compensatory payment is calculated taking account of any local government service, and service covered by the Redundancy Payments Modification Orders.

6.1.3 "Service" is the equivalent of any continuous service with the Council and related employers (local authorities and other specified public employers covered by the Redundancy Payments Modification Orders) up to a maximum of 20 years in total.

6.1.4 "A week's pay" is equivalent to the employee's actual level of contractual earnings.

6.1.6 The total amount of service counted will be up to a maximum of 20 years. The total compensatory payment will not exceed the equivalent of 75 weeks pay.

6.1.7 In all cases, a week's pay will be calculated on the employee's actual level of contractual earnings.

6.1.8 For employees in Shire Services who have a contractual entitlement to "qualifying hours" and who, at any time during the 52 weeks immediately preceding the date on which notice to terminate employment is served, have worked qualifying hours in addition to contractual hours, a week's pay shall be 1/52nd of the aggregate of the contractual qualifying hours relating to the 52 weeks multiplied by the basic hourly rate of pay to which the employee is entitled on the date that dismissal is served.

6.2 Payment of Pension

6.2.1 Any employee who is subject to these redundancy provisions, who is aged 55 and over at the date of termination and is a member of the pension scheme, will be eligible to receive immediate payment of their pension.

6.2.2 In these cases, the employing service will meet any additional strain on pension fund.

6.3 Purchasing Additional Pension Benefits

6.3.1 If the employee is a member of the Local Government Pension scheme, there will be an option to purchase additional pension benefits under regulation 12 of the LGPS (Benefits, Membership and Contribution) Regulations 2007 as an alternative, but not as well as additional compensation under section 6.1 of the LGPS (Early Termination of Employment (Discretionary Compensation))

Regulations 2006 . The additional service cannot exceed 10 years and will be the period which can be purchased by the notional additional compensation i.e. the excess over the statutory payment calculated in accordance with paragraph 6.1. This will be at no extra cost to the Council and the calculation will take into account any additional pension costs met by the Council resulting from the early payment of pension benefits. The employee must be an active member of the LGPS and any decision to purchase additional pension benefits must be made before their employment is terminated.

6.4 Early Retirement on Grounds of Efficiency

- 6.4.1 Early release of an employee's pension will be considered where the employee is aged 55 or over and is a member of the Shropshire pension scheme. In all cases, the employing service must be able to demonstrate that the retirement will result in efficiencies for the service.
- 6.4.2 In situations where early retirement is granted on the grounds of efficiency of the service, there will be no entitlement to redundancy pay, as there is no redundancy and employees will receive the early release of their pension benefits only.
- 6.4.3 In these cases, the employing service will meet any additional strain on the pension fund.
- 6.4.4 Any decisions regarding retirement on the grounds of efficiency will be taken by the Early Retirement Panel.

Review of Policy

The policy will be reviewed at regular intervals, in conjunction with changes to legislation that may impact upon it.