**YPO - Statement of Pay Policy 1st Jan 2019 to 31st December 2019**

**1. Introduction**

1.1 Sections 38 – 43 of the Localism Act 2011 require that local government employers produce a policy statement that covers a number of matters concerning the pay of their staff and principally senior officers.

This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of the Local Government Transparency Code 2014.

1.2 YPO is a formally constituted joint committee of 13 Local Authorities with Wakefield Council as lead authority. All YPO employees are local government officers and employed by Wakefield Council on behalf of YPO.

A management agreement is in placed signed by all 13 Authorities this states that:

1. The management committee shall determine the size, scope and conditions of service of the Board of Directors of YPO, after receiving appropriate professional advice from the lead authority
2. The Management Committee shall appoint annually an appointments committee with responsibility for the appointment and disciplinary procedures of the Board of Directors and appraising the performance of the Managing Director
3. The Board of Directors shall make arrangements to establish and appoint all other staff in accordance with the approved budget and officer delegation scheme, and to ensure all HR policies and procedures are in accordance with best practice.

1.3 This policy is to be considered by Management Committee on the 30th November 2018 and if agreed will be made public on the first working day of January 2019

1.4 This pay policy is in addition to the data on pay and rewards for senior staff which is published separately in line with the Local Government Transparency Code 2014). It should be noted that some of the requirements to publish data under the Local Government Transparency code may differ from the data requirements of the Code of Practice and the Accounts and Audit Regulations and both are complied with as stated. The transparency information relevant to people is attached at Appendix B

**2. Definition of officers covered by the Policy Statement**

2.1 This policy statement covers the following posts, which are referred to as “Chief Officers” throughout the statement in line with the Localism Act.

As YPO do not have a Statutory Chief Officer this definition is expanded to include YPO Directors:

* + Managing Director
	+ Executive Director
	+ Executive Director
	+ Executive Director

Deputy Chief Officers (as defined in the Local Government and Housing Act 1989 as posts reporting to a Chief Officer (statutory or non-statutory ) which in YPO are posts which are part of the Senior Leadership Team:

* + Head of Logistics
	+ Head of Procurement Services
	+ Head of Trading
	+ Head of Marketing
	+ Head of Sales and Customer Experience
	+ Head of Finance
	+ Head of HR
	+ Head of Business Change and IT

**3. Policy on remunerating Chief Officers**

3.1 The policy on remunerating Chief Officers is set out at schedule A at the end of this policy statement. It is YPO’s policy to establish a remuneration package for each officer post that is sufficient to attract and retain staff with the appropriate skills, knowledge, experience, abilities and qualities that are consistent with the requirements of the post in question at the relevant time.

**4. Policy on remunerating the lowest paid in the workforce**

4.1 YPO applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of internal decisions, these are then incorporated into contracts of employment.

4.2 The lowest pay point in YPO (not including apprentices) is spinal column point 6 within Grade 1, this relates to an annual salary of £16,394 and can be expressed as an hourly rate of pay of £8.52 This pay point and salary was determined by the pay scale for employees employed on Local Government Services Terms and Conditions from 1st April 2018. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.

 \* a new national pay spine comes into effect from the 1st April 2019 which will see a revised structure with a minimum spinal column point of 1 in Grade 1 at £17,364 expressed as an hourly pay rate of £9 per hour

4.3 From the 1st April 2014 YPO implemented the living wage to pay a contractual supplement to YPO employees. This is reviewed annually and is currently paid to a minimum of £8.75 per hour on base pay only but not on enhancements such as overtime. YPO did not seek accreditation to the living wage foundation and therefore the supplement will be reviewed annually when figures are released in November each year and a decision taken before the 1st April as to if the increases proposed should be adopted. There are currently 16 people at YPO in receipt of the living wage supplement.

 The living wage supplement does not apply to apprentices, however we will continue to review apprentice pay rates on an annual basis.

**5. Policy on the relationship between Chief Officer Remuneration and that of other staff**

5.1 The highest paid salary in YPO is £126,109 which is the substantive salary of the Managing Director. The average salary in YPO (not including apprentices) is £25,788. The ratio between the two salaries, the ‘pay multiple’ is 4.9:1

 The median salary is £21,074. The ratio between the highest and median salary points is 6:1

YPO does not have a policy on maintaining or reaching a specific ‘pay multiple’, however we are conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the organisation as expressed in this policy statement.

5.2 YPO’s approach to the payment of other staff is to pay that which needs to be paid to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time (in accordance with an agreed job evaluation scheme), and to ensure that YPO meets any contractual requirements for staff including the application of any local or national collective agreements, regarding pay.

**6. Policy on other aspects of Chief Officer Remuneration**

6.1 Other aspects of Chief Officer remuneration that covered by this policy statement are defined as recruitment, pay increases, additions to pay, lease car, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an LGPS pension or a redundancy/severance payment. These matters are addressed in Appendix A of this policy statement

**7. Approval of Salary Packages for Chief Officers (Directors)**

7.1 YPO will ensure that any salary package for appointment at Director level will be considered by the appointments committee.

The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

Salary packages for all other senior posts will be determined via the job evaluation process.

**8. Flexibility to address recruitment issues for vacant posts (Directors)**

8.1 In the vast majority of circumstances the provisions of this policy will enable YPO to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. The appointments committee will have delegated powers to make decisions to increase the stated salary without referral to the full management committee.

**9. Amendments to the policy**

9.1 It is anticipated that this policy will not need to be amended during the period it covers (January 2019 – end December 2019), however if circumstances dictate that a change of policy is considered to be appropriate during the year then a revised draft policy will be presented to the Management Committee for consideration.

**10. Policy for future years**

10.1 This policy statement will be reviewed each year and will be presented to Management Committee in November each year for consideration in order to ensure that a policy is in place for YPO prior to the start of each financial year.

**Pay Policy Statement – Appendix A**

**Recruitment**

All posts will be advertised and appointed to at the appropriate approved salary for the post in question level unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under YPO’s policy and any variation will be approved through the appropriate decision making process. If the salary is to be over £100,000 then the appointments committee / JCC will have to approve the terms of the appointment

**Essential Car Users**

YPO operate an essential car user scheme that is governed by the essential car user policy which defines the eligibility. This is agreed on a case by case basis and there is no automatic right even though existing employees undertaking the same role have may have a car or car user payment. From the 1st January 2018 any new employees (with the exception of those travelling more than 10,000 business miles) will only have access to a car user payment.

The policy itself has been subject to a full review to ensure it is environmentally friendly and cost effective.

For a position to be deemed eligible it must comply with the following criteria:

1. The role requires regular use of a car and regular business travelling (regular is determined as in excess of 5000 miles per year)
2. Market conditions dictate high levels of competition and the inclusion of a car as part of the overall remuneration package is required to secure candidates in a competitive market. This is a criterion that must be agreed at Board level and will be determined via a business case supported by market factor evidence and considered on a case by case basis.

**Pay Increases**

YPO will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations.

**Additions to pay**

YPO would not make additional payments beyond those specified in the contract of employment, other than the Living wage supplement for those earning less than £8.75 per hour (as at October 2018)

**Performance Related Pay**

YPO does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

**Earn-Back (Withholding an element of base pay related to performance)**

YPO does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

**Bonuses**

YPO does not pay bonus payments to officers

**Termination payments**

YPO applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers (although on occasion there may be circumstances, as with any member of staff, where a negotiated agreement is made with an individual). YPO also applies the appropriate Pensions regulations when they apply. YPO has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred by YPO regarding senior officers and their termination payments are published in the authority accounts as required under the Accounts and Audit (England) Regulations 2011

**Transparency**

YPO meets its requirements under the Localism Act and the Local Government Transparency Code 2014 in order to ensure that it is open and transparent regarding senior officer remuneration.

**Re-employment of staff in receipt of an LGPS Pension or a redundancy/severance payment**

YPO is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. YPO will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post. YPO will therefore consider all applications for candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by YPO.

Clearly where a former employee left YPO on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist. YPO will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

**Election Fees**

Section 68 Electoral Administration Act 2006 amended S29 RPA 1983 details the expenses that can be paid to the returning officer, and the Charges Order specifies what constitutes a Returning Officer’s services.

This role is undertaken by officers at Wakefield and therefore does not apply to any senior officer at YPO

**Expenses**

Travel and other expenses are reimbursed through normal procedures and are the same for all officers regardless of grade or seniority.

Honoraria and Ex Gratia Payments arrangements would be in accordance with relevant terms and conditions and relevant legislation

**Pay Policy Statement – Appendix B**

**Summary of staff data requirements of the Local Government Transparency Code**

The revised code outlines information that each Local Authority must publish and additional information that is recommended for publication, following the principle that all data held and managed by local authorities should be made available unless there are specific sensitivities (e.g. protecting vulnerable people, commercial or operational considerations)

The information concerning staff that must be published is outlined below::

**Organisation Chart**

* Publish an organisation chart covering staff in the top three levels of the organisation. The following information must be included for each member of staff included in the chart:
* grade
* job title
* local authority department and team
* whether permanent or temporary staff
* contact details
* salary in £5,000 brackets, consistent with the details published for Senior Salaries
* salary ceiling (the maximum salary for the grade)

**Senior Salaries**

* Local authorities must place a link on their website to the following data or must place the data itself on its website:
* the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
* details of remuneration and job title of certain senior employees whose salary is at least £50,000
* employees whose salaries are £150,000 or more must also be identified by name.
* a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and ‘benefits in kind’,

**Pay Multiple**

* Publish the pay multiple on their website defined as the ratio between the highest paid salary and the median salary of the whole of the authority’s workforce. The measure must:
* cover all elements of remuneration that can be valued (eg. All taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year
* exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.

**Trade Union Facility Time**

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|  YPO will publish the following information: * total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)
* total number (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union duties
* names of all trade unions represented in the local authority
* a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill).
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