

County Council

Report Title:	Pay Policy Statement 2020/2021
Meeting Date:	19 March 2020
Lead Councillor(s):	Councillor Gordon Jones, Cabinet Member for Finance and Resources
Local Councillor(s):	All
Director:	Chris Bally, Director of Corporate Services and Deputy Chief Executive
Assistant Director or Head of Service:	Jeanette Bray, Head of HR, Performance and Change 07764 972133 jeanette.bray@suffolk.gov.uk
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Brief summary of report

1. The purpose of this paper is to seek the approval of the County Council to the proposed Pay Policy Statement 2020/2021

Action recommended

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| <ol style="list-style-type: none"> 2. That the Pay Policy Statement for 2020/2021 is approved. 3. That the Director of Corporate Services and Deputy Chief Executive is delegated authority to amend the Pay Policy Statement to reflect any legislative changes during 2020/2021. |
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Reason for recommendation

4. Section 38 (1) of the Localism Act 2011 requires the Council to produce a Pay Policy Statement each year. This statement is for the year 2020/2021.
5. The Pay Policy Statement:
 - a) must be approved by the County Council by the end of March each year;
 - b) may be amended during the financial year;
 - c) must be published on the Council's website;
 - d) must be complied with when setting the terms and conditions of Chief Officer employees.
6. The Pay Policy Statement must include the following information:
 - a) the policy on the level and elements of remuneration for Chief Officers;
 - b) the remuneration of the lowest paid employees;
 - c) the relationship between the remuneration of Chief Officers and other officers; and

- d) other aspects of Chief Officer remuneration, fees and charges and other discretionary payments.
- 7. Remuneration in this context is defined widely to include pay, charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and termination payments.

Alternative options

- 8. It is a requirement on the Council to produce a Pay Policy Statement; therefore, there are no alternative options.

Who will be affected by this decision?

- 9. The decision has no effect on any employees.

Main body of report

- 10. The Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to attract and retain high quality employees, dedicated to public service, whilst avoiding being unnecessarily generous or otherwise excessive.
- 11. Local authorities can determine their own pay structures to address local priorities and to compete in the local labour market.
- 12. The Pay Policy Statement covers the remuneration arrangements for staff from Chief Executive to Senior Manager level. This includes the Chief Executive, Deputy Chief Executive, Directors, Assistant Directors and Senior Managers. In line with guidance published by the Local Government Association, it does not include information relating to staff in schools.
- 13. The Pay Policy Statement only details remuneration levels for staff directly employed by the Council.

Chief Executive

- 14. The Chief Executive is the Council's Statutory Head of Paid Service (section 4(1) of the Local Government and Housing Act 1989). From 01 April 2019, the post has been paid £176,868 per annum.
- 15. The salary is a "spot salary" which means that it does not attract pay progression. Under current arrangements, any change to the pay level of the role of Chief Executive needs to be agreed by the Staff Appointments Committee. The Staff Appointments Committee meets on demand, includes one member of the Cabinet, and has representation from the larger political groups through the proportionality rules.
- 16. The salary does attract an annual pay award / cost of living increase which usually reflects the pay award agreed by Joint National Council (JNC) for Local Authority Chief Executives annually, but this increase has not yet been agreed or applied for 2020/2021.
- 17. There are no additional charges, fees, allowances, bonus, performance, or ex gratia payments in place for this role.

18. The Chief Executive has been appointed to the post of Returning Officer for the Council which attracts an allowance equivalent to £17.51 per seat whether contested or not for each election.
19. Other Conditions of Service are as prescribed by the Joint National Council (JNC) for Local Authority Chief Executives national conditions.

Deputy Chief Executive, Executive and Corporate Directors

20. The salary structure for Directors is set locally through the Staff Appointments Committee and ranges from £153,000 to £105,000 per annum from 01 April 2019. New appointments to this level are on a “spot salary” basis and do not attract pay progression.
21. Director’s salaries do attract an annual pay award / cost of living increase which usually reflects the pay award agreed by Joint National Council (JNC) for Local Authority Chief Officers annually, but this increase has not yet been agreed or applied for 2020/2021.
22. Except for the Director of Fire & Public Safety / Chief Fire Officer’s post, roles are evaluated at Director level through the nationally recognised Hay job evaluation framework. The Chief Fire Officer’s post is evaluated in accordance with the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services.
23. In the main, other Conditions of Service are as prescribed by the Joint National Council (JNC) for Local Authority Chief Officers national conditions. The Chief Fire Officer has conditions as set under the National Joint Council for Brigade Managers of Fire and Rescue Services.

Assistant Directors, Senior Managers and equivalent

24. The salary ranges for Assistant Directors and Senior Managers from 01 April 2019 are as follows:
 - a) Assistant Director - £73,717 per annum - £104,815 per annum
 - b) Senior Manager - £59,852 per annum - £69,714 per annum
 - c) NHS Public Health Consultant grade: £79,860 per annum - £107,668 per annum
 - d) Deputy Chief Fire Officer: £99,604 per annum
25. Assistant Directors, Senior Managers and equivalent salaries do attract pay progression, so from 01 April 2020, where not appointed on a Spot Salary and if the eligibility and performance criteria have been met, individual’s salaries will increase by one spinal point.
26. Assistant Directors and Senior Managers’ salaries do attract an annual pay award / cost of living increase as agreed by Joint National Council (JNC) for Local Authority Chief Officers or equivalent annually, but this increase has not yet been agreed or applied for 2020/2021.
27. Roles are evaluated through the Hay job evaluation framework, except for those senior staff within the Fire and Rescue Service and Public Health. The Fire and Rescue Service roles are evaluated in accordance with the National Joint Council

for Brigade Managers of Fire and Rescue Services and the NHS roles were evaluated under the Agenda for Change job evaluation process.

28. Other Conditions of Service are as prescribed both by the Joint National Council (JNC) for Local Authority Chief Officer's national conditions as well as local arrangements within the Council. Senior staff within the Fire Service have conditions as set under the National Joint Council for Brigade Managers of Fire and Rescue Services: Scheme of Conditions of Service.
29. Further information relating to Officer remuneration is updated annually and is available in the Council's Statement of Accounts and Transparency data.

Salary Structure

30. The salary structure for the rest of the workforce was determined through the Council's Single Status Agreement in 2002. There are eight grades with salaries ranging, from 01 April 2019, from £17,364 per annum to £60,514 per annum.
31. All annual salaries and annual allowances are paid pro rata to part time employees based on the hours contracted to work.
32. Apprentices are paid at the bottom of the grade below the role the apprentice is working towards (or two grades below if the apprenticeship is more than 2 years in duration. Where the apprenticeship is more than two years and the Apprentice successfully meets the requirements of their apprenticeship and any competencies relating to the job, they can move up one grade halfway through the two-year period).
33. For the purposes of the Pay Policy Statement 2020/2021, the lowest paid full time equivalent basic pay of £17,364 per annum is used to determine the local definition of 'lowest paid'.
34. The salaries associated with the eight Single Status grades do attract an annual pay award / cost of living increase as agreed through National Joint Council (NJC) pay negotiations.
35. Posts up to and including Grade 8 are evaluated using the NJC Job Evaluation Scheme, which is recognised by employers and trades unions nationally. This scheme allows for robust measurement against set criteria resulting in fair and objective evaluations and satisfies equal pay requirements.
36. Individuals employed on the eight Single Status grades do attract pay progression, so from 01 April 2020, where not appointed on a Spot Salary and if the eligibility and performance criteria have been met, individual's salaries will increase by one spinal point. The collective agreement entered with Unison, in respect of all Single Status and JNC employees from 01 April 2019, agreed to review our existing payscales for implementation by 01 April 2021.
37. In all other cases employees will be on protected salaries / grades which have been transferred from other organisations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Pay progression and annual pay award / cost of living increases will have been agreed as part of the transfer measures. In the absence of an agreement on annual pay award / cost of living increases the Council will award an annual increase equivalent to the percentage increase agreed through the (NJC) pay negotiations.

Pay relationships

38. The idea of publishing the ratio of the pay of an organisation's top earner to that of its median earner (the person in the middle of all earners) has been recommended to support the principles of Fair Pay (Will Hutton 2011) and for transparency.
39. The current pay ratio when measured against the median average is 1:6.8. This means that the Chief Executive (top earner) earns nearly seven times more than the Council's median earner (for which the rate is £25,972 per annum); and when measured against the lowest paid it is 1:10.2 (for which the rate is £17,364 per annum).
40. These multipliers are monitored each year.

Allowances, fees and benefits in kind

41. Access to the Council's Relocation scheme may be granted in certain cases when it is necessary for a new starter to move to the area. This requires authorisation from the Chief Executive and / or Staff Appointments Committee for Chief Officer appointments and Directors for all other posts.
42. Other allowances and benefits typically follow nationally agreed rates. Locally agreed arrangements are detailed on askHR for staff.

Pay on appointment across the organisation

43. All new external appointments will be made at the lowest spinal column point of the relevant grade, save in exceptional circumstances. The decision as to whether exceptional circumstances exist will be made by the relevant Assistant Director.

Pensions

44. Under Automatic enrolment rules staff who are between 22 years old and State Pension age and whose earnings exceed the equivalent of £10,000 per annum in any given period of pay will be automatically put into a pension scheme. The Council will pay the relevant employer contribution for the time these individuals are in the scheme, in addition to the contributions made by employees.
45. The Council pays into the following pension schemes:
 - a) Local Government Pension Scheme
 - i) The Local Government Pension Scheme changed from a Final Salary scheme to a Career Average Revalued Earnings scheme on 01 April 2014. All benefits accrued before April 2014 are protected in that they will continue to be based on the employee's final salary. Individuals can opt to pay half contributions for half a pension in the 50/50 scheme and will still receive full ill health and death benefit cover and the Council will continue to contribute the full rate of employer's contributions. The Local Government Pension Scheme determine these terms.
 - b) Fire-fighters Pension Scheme 1992

- c) Fire-fighters Pension Scheme 2006
- d) Fire-fighter Pension Scheme 2015
 - i) The Fire-fighters Pension Scheme 2015 is a Career Average Revalued Earnings scheme. Fire-fighters who are members of the 1992 Scheme and were aged 45 or over at 01 April 2012 are protected from the changes and remain in their current Final Salary scheme.
- e) Teachers' Pension Scheme
 - i) The Teachers' Pension Scheme became a Career Average Revalued Earnings scheme on 01 April 2015. Teachers' who were within 10 years of their normal pension age at 01 April 2012 are protected from the changes and remain in the Final Salary scheme.
- f) NHS Pension Scheme
 - i) The NHS Pension Scheme became a Career Average Revalued Earnings scheme on 01 April 2015. NHS Pension Scheme members who were within 10 years of retirement at 01 April 2012 are protected from the changes and remain in the Final Salary scheme until they retire.

Severance and Termination Arrangements

- 46. The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out in accordance with regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006; the Council's Pension arrangements are in accordance with decisions taken at the County Council meeting on 14 September 2006 (CC06/30) and the Organisational Change Management Policy.
- 47. The Pay Policy Statement determines that staff, paid £50,000 per annum or more whilst in employment and who left the Council for reason of redundancy, or staff who received a discretionary payment of any value, will not ordinarily be re-employed by the Council within 12 months of leaving.
- 48. Re-employment includes interim and consultant roles or any form of worker, engaged directly or indirectly through an agency, contract for services or similar.
- 49. The purpose of this is to ensure management take all reasonable steps to minimise redundancies, to maximise redeployment opportunities for current staff and to proactively manage people costs.
- 50. Exceptions to this will be considered by the Head of HR, Performance and Change in the following circumstances:
 - a) Roles which are typically hard to fill.
 - b) Situations where the individual has been reskilled and is applying for a different role based on these new skills.
 - c) Where an employee has been made compulsory redundant.
- 51. If the Head of HR, Performance and Change approves the candidate for short listing, a full selection process must be completed.

52. Staff paid less than £50,000 per annum whilst in employment, and who left the Council for reason of redundancy may be re-employed by the Council after a month and a day of leaving.

Recovery of exit payments

53. The Small Business, Enterprise and Employment Act 2015 requires that where a person returns to any part of the public sector (not just the area they left) after they have received a public sector exit payment within the previous 12 months, they will be required to repay the exit payment, net of tax paid. This will apply to all public sector employees and office holders earning over £80,000 per annum.
54. It is expected that this may come into force during 2020/2021 and will be reflected in the Pay Policy Statement at that time.

Public Sector Pay Cap

55. S41 of the Enterprise Act 2016 places a £95,000 cap on exit payments to individuals in the Public Sector. The cap includes all payments in relation to all exits, including pension strain costs.
56. It is expected that this may come into force during 2020/2021 and will be reflected in the Pay Policy Statement at that time.

Decision Making

57. Decisions on salary structures are made as follows:
 - a) Decisions relating to the Chief Executive, Designated Officers and Director's basic salaries are approved by Staff Appointments Committee which is a public committee. All papers pertaining to Staff Appointments Committee are available on the Council website for public scrutiny except for Part 2 papers which are shared with committee members under confidential cover.
 - b) Decisions affecting other staff at a senior level are made by the relevant Director.
 - c) The Constitution defines that the salary and grading structures of all posts below that of Senior Manager level is delegated to the Head of HR, Performance and Change, subject to observance of appropriate procedures and rights of appeal.

Gender Pay Reporting

58. By 30 March each year public sector organisations, who employ 250 or more people, are required to produce a Gender Pay Gap report, which includes six specific measures. The report must be published, on the organisation's website and on a dedicated government site.
59. The six measures are:
 - a) Mean gender pay gap
 - b) Median gender pay gap

- c) Mean bonus gap
 - d) Median bonus gap
 - e) Bonus proportions
 - f) Quartile pay bands
60. The Council is reporting
- a) A mean gender pay gap of 17.4%
 - b) A median pay gap of 21.5%
 - c) SCC do not pay any form of bonus payments to staff
 - d) SCC do not pay any form of bonus payments to staff
 - e) SCC do not pay any form of bonus payments to staff
 - f) Quartile pay bands

	Male	Female
Lower quartile	14.0%	86.0%
Lower middle quartile	24.1%	75.9%
Upper middle quartile	34.8%	65.2%
Upper quartile	46.8%	53.2%

61. The full Gender Pay Gap report is provided alongside this report, as Appendix 1.

Disclosure

62. This Pay Policy Statement will be published on the Council's website.

Review

63. The Pay Policy Statement will be reviewed during 2020/2021 with any necessary legislative changes which must be made, being delegated to the Director of Corporate Services and Deputy Chief Executive for approval.

Conclusion

64. In conclusion, it is recommended that:
- a) That the Pay Policy Statement for 2020/2021 is approved.
 - b) That the Director of Corporate Services and Deputy Chief Executive is delegated authority to amend the Pay Policy Statement to reflect any legislative changes during 2020/2021.

65. Sources of further information

- a) The Council's Statement of Accounts are available at the following link:
<https://www.suffolk.gov.uk/council-and-democracy/budget-council-tax-and-finance/council-accounts/>
- b) The Council's Transparency Data relating to staff salaries is available at the following link:
<https://www.suffolk.gov.uk/council-and-democracy/council-data-and-transparency/>

- c) Details relating to the Staff Appointments Committee are available at the following link:
<https://www.suffolk.gov.uk/council-and-democracy/the-council-and-its-committees/committees/staff-appointments-committee/>
- d) askHR is accessible at the following link:
<https://askhr.suffolk.gov.uk/corporate/>
- e) The Pay Policy Statement 2019/2020 was agreed by Council on 21 March 2019 and is available at the following link:
<https://committeeminutes.suffolk.gov.uk/HomePage.aspx>