

Governance Committee: Pay Policy Statement 2017/18

Background

- 1 The Localism Act requires each local authority to produce a Pay Policy Statement (the 'statement') explaining its approach to the pay of its 'chief officers' and its 'lowest paid' employees and the relationship between the two. The statement has to be published and accessible to the public. The statement must be approved annually before 31 March each year prior to the financial year to which it relates.

Changes required to the Pay Policy Statement from 1 April 2017

Legislative changes

- 2 As last year, legislative changes are expected shortly. At the time of updating the Pay Policy Statement final regulations are awaited on the Government's consultation relating to exit payments in the public sector. These are expected to be implemented in 2017. In order to enable the relevant policies to be updated to reflect the new legislation, and to deal with any legislative changes in subsequent years, the Committee is asked to recommend to the County Council that authority be delegated to the Director of Transformation, Customer and Support Services and the Director of Law and Assurance to make any necessary changes required by legislation.

Incremental progression

- 3 As agreed by the Governance Committee, changes to the wording of the pay policy statement relating to incremental progression have been made and approved by the Director of Law and Assurance.

Scheme of Delegation and Chief Operating Officer

- 4 As agreed by the Governance Committee, changes to the wording of the pay policy statement relating to Chief Operating Officer and Scheme of Delegation have been made and approved by the Director of Law and Assurance.

Other amendments

- 5 The pay determination arrangements for all staff are **set out at Appendix 1**. The summary of arrangements has been updated to reflect the amendments below and include arrangements for new staff groups who have transferred into the authority under TUPE/COSOP arrangements.

Scope of the Pay Policy Statement

- 6 Paragraph 3.2 has been amended to remove superfluous text.

Grading Structure

- 7 Paragraphs 4.1, 4.3 and 4.5 have been amended or added to, to describe the arrangements in place for the different staff groups including new staff groups that have transferred into the authority under TUPE/COSOP arrangements.

Pay Progression

- 8 Paragraph 5.7 has been added to include arrangements for new staff groups that have transferred into the authority under TUPE/COSOP arrangements.

Local Pay Arrangements

- 9 Paragraphs 6.4 and 6.12 have been added to include arrangements for new staff groups that have transferred into the authority under TUPE/COSOP arrangements.

Other elements of the Remuneration Package

- 10 Paragraph 9.1 has been amended to describe arrangements in place for staff groups covered by the Allowances and Enhancements Policy, staff groups covered by nationally determined arrangements and new staff groups that have transferred into the authority under TUPE/COSOP arrangements. Superfluous text has also been removed.
- 11 Paragraph 9.3 has been amended to remove the reference relating to Teachers and NHS schemes being 'now closed to new entrants' as some members can still join these schemes as new starters. Paragraph 9.5 has been amended to include Teachers' Pension Scheme abatement provisions.

Termination of Employment

- 12 Paragraph 10.1 has been added to include arrangements for new staff groups that have transferred into the authority under TUPE/COSOP arrangements.

Pay Protection

- 13 Paragraph 11.3 has been added to include arrangements for new staff groups that have transferred into the authority under TUPE/COSOP arrangements.

Employment Tax

- 14 Paragraph 13.1 has been amended to reflect that where staff are employed through a Contract for Services, treatment of income tax and national insurance will be in accordance with relevant HMRC legislation.

Publication of information on the remuneration of staff

- 15 The County Council publishes information relating to the remuneration of staff over a level defined by government guidance in the Annual Report and

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Accounts and on the West Sussex Data Store (Finance section) on the County Council's website. Paragraph 14 has been amended to reflect the additional pay ratio reporting requirements requested by Governance Committee. The authority will also publish annually the pay ratio between the highest paid salary and the lowest salary.

- 16** As at 31 March 2016 the Chief Operating Officer's taxable earnings were 6.46 times the median full-time equivalent taxable earnings of all other staff (excluding staff in schools and casual workers). As at 31 March 2016 the Chief Operating Officer's taxable earnings were 11.29 times the lowest full-time equivalent taxable earnings of all other staff (excluding staff in schools and casual workers). The pay multiples between the highest paid salary and the median earnings from 31 March 2014 to 31 March 2016 are **set out at Appendix 2**.

Recommended

- (1) That the proposed revisions to the Pay Policy Statement, as set out in Appendix 1, be approved; and
- (2) That authority to approve any subsequent changes to the wording of the Pay Policy Statement relating to changes to legislation be delegated to the Director of Transformation, Customer and Support Services and the Director of Law and Assurance and that the Scheme of Delegation be amended accordingly.

Patricia Arculus

Chairman of the Governance Committee

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Background Papers

None

West Sussex County Council Pay Policy Statement

For financial year 1 April ~~2016-2017~~ - 31 March ~~2017~~ **2018**

As approved by the County Council on **17 February 2017**

1. Aim of the Pay Policy

- 1.1 The County Council's pay policy aims to ensure value for money whilst enabling the County Council to deliver high quality services to the residents of West Sussex. The County Council seeks to set pay rates that are competitive, but will determine pay at an appropriate level in accordance with relevant legislation, affordability, and other relevant factors.

2. Governance Arrangements

- 2.1 The Governance Committee determines the terms and conditions of employment for all staff, including the application of any discretions under the pension schemes. A summary of the arrangements for determining terms and conditions of service for staff can be found in Appendix A.
- 2.2 The Scheme of Delegation provides for a senior officer to manage, review and apply the County Council's Human Resources strategy and policies, and to determine the appropriate pay and conditions for the appointment of staff. The responsibilities of specific members of the Cabinet are as described in this Statement.

3. Scope of the Pay Policy Statement

- 3.1 This pay policy statement meets the statutory duty to provide the County Council with a description of the policy on staff remuneration for annual approval. It provides information on remuneration arrangements for staff directly employed by the County Council, excluding staff in schools.
- 3.2 The County Council defines its lowest paid employees as those staff paid on the first spinal column point of the County Council's pay grades for National Joint Council (NJC) for Local Government Services staff. ~~This definition is adopted as it refers to the lowest level of pay for staff on non-casual contracts of employment.~~
- 3.3 The relationship between the remuneration of the lowest paid employees and that of the Council's senior officers is as described in this statement and by reference to the published data referred to.

4. Grading Structure

- 4.1 **For staff on NJC, Hay and Strategic Management Grades**, the County Council uses established formal job evaluation procedures to identify the relative worth of jobs within the council, and to allocate jobs to the

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appropriate pay grade. **NJC and Hay** pay grades are published on the County Council's website.

- 4.2 There is no pay range (minimum or maximum) associated with the roles of staff on the Strategic Management grades. The salary for each role is determined with reference to job evaluation and taking into account relevant factors, including market pay levels and the skills and experience of the role holder.
- 4.3 For staff appointed on Uniformed Fire Fighters, Chief Officer, Teachers (Centrally Employed), Soulbury and Youth Worker terms and conditions, grading is established using a national framework.**
- 4.4 Salaries for Consultants in Public Health are determined in accordance with a local pay framework and length of service.
- 4.5 Salaries for Spurgeons and Crime Reduction Initiative (CRI) staff who have transferred into the authority under TUPE arrangements are those determined in accordance with a local pay framework.**

5. Pay Progression

- 5.1 All staff, with the exception of staff on Strategic Management grades, Uniformed Fire Fighters and staff employed on an NHS Consultant Contract are eligible for annual incremental increases to base pay until they reach the top of the grade for their role. There is no further base pay progression once the employee reaches the maximum of the grade, with the exception of a small number of staff who retain an entitlement to an additional long service increment, in accordance with the rules of a scheme which is no longer current.
- 5.2 Incremental progression is subject to satisfactory performance. An increment may be withheld where an individual is on a formal stage of the disciplinary policy or performance improvement procedure. ~~For staff on Chief Officer or Hay pay grades if a PDR rating of "Unacceptable" or "Some improvement required" is given the individual will not automatically receive an increment until performance improves to "Good".~~
- 5.3 For some staff increments may be accelerated within an employee's grade at the discretion of the Director on the grounds of special merit or ability.
- 5.4 Pay progression for Uniformed Fire and Rescue Service roles is based on assessment against national standards.
- 5.5 Pay progression for newly qualified social workers is determined by the Continuous Professional Development (CPD) and Pay Progression Policy. Progression is subject to satisfactory completion of an Assessed and Supported Year (AYSE).
- 5.6 Staff employed on an NHS Consultant Contract are eligible for pay progression by fulfilling the required number of years' service, subject to

meeting the criteria set out in the Terms and Conditions – Consultants (England) 2003.

5.7 Pay progression for Spurgeons and Crime Reduction Initiative (CRI) staff who have transferred into the authority are those applicable at time of transfer.

6. Local Pay Arrangements

- 6.1 The pay arrangements for staff on Strategic Management, Chief Officer, and Hay pay grades are determined locally and are approved by the Governance Committee. There is no automatic annual base pay increase for these staff.
- 6.2 The total sum available for any pay increase for those whose pay is determined locally, is decided annually by the Chief **Executive** Operating Officer, in consultation with the **Director of Finance, Performance and Procurement (S151 Officer)** ~~Executive Director Corporate Resources and Services~~, who will make a recommendation to the Cabinet Member for Finance. This is based on consideration of appropriate market and other relevant information, including the performance of the County Council, affordability and following consultation with the staff concerned and relevant Trade Unions.
- 6.3 The annual pay award for Public Health staff previously employed by the West Sussex Primary Care Trust (PCT) is determined locally in accordance with 6.2 above.
- 6.4 The annual pay award for staff who transfer into the authority such as Spurgeons and Crime Reduction Initiative (CRI) are those applicable at time of transfer and can be determined locally in accordance with 6.2 above.**
- 6.5 Any annual base pay increases for staff on Strategic Management grades are determined by affordability, reference to market benchmarking information and overall corporate performance.
- 6.6 The County Council has determined that it will not operate an "Earn-back" scheme (a scheme whereby a proportion of base pay is put "at risk" subject to successful delivery of performance objectives).
- 6.7 Chief Executive Operating Officer**
The Chief **Executive's** ~~Operating Officer's~~ base salary is determined annually, by the Chairman, the Leader and the Cabinet Member for Finance.
- 6.8 Strategic Management grades**
Any individual pay award is determined annually by the Chief **Executive** ~~Operating Officer~~ based on delivery of corporate **outcomes** objectives set by members and individual objectives set by the relevant line manager.

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- 6.9 In cases of individual poor performance the Chief **Executive** ~~Operating Officer~~ may withhold an annual pay award (even if corporate **outcomes objectives** have been met).
- 6.10 In exceptional circumstances, and as approved by the Chief **Executive** ~~Operating Officer~~, an unconsolidated additional payment may be made to recognise exceptional performance.
- 6.11 **Staff on Chief Officer and Hay pay grades**
(This refers to staff on specific pay grades below the Strategic Management grades). Any annual base pay award is applied as a percentage increase to each grade.
- 6.12 Public Health, Spurgeons and Crime Reduction Initiative (CRI) grades. Any annual base pay award is applied as a percentage increase to each grade.**

7. Market Supplements

- 7.1 The County Council may pay a market supplement, in addition to base salary, in order to recruit or retain staff with special skills experience or knowledge.
- 7.2 Market supplements are applied, reviewed and withdrawn in accordance with the County Council's market supplement policy, which is published on the County Council's website.

8. Remuneration on Appointment and Promotion

- 8.1 It is the County Council's policy to appoint at the minimum of the relevant pay range, unless:
- the individual is deemed to be immediately capable of performing the role at the optimum level required for the post;
 - the market value for the individual's experience and/or skills demands a higher entry point;
 - appointment above the minimum of the grade is required to ensure pay parity with other employees performing the role, with similar skills and experience; or
 - nationally determined arrangements apply to remuneration on recruitment and promotion.
- 8.2 The Governance Committee has delegated the authority to determine salaries on appointment for staff on Strategic Management grades, to the Chief **Executive** ~~Operating Officer~~, member Appointing Committee or Executive Director, as relevant. A number of relevant factors will be taken into account, including market pay levels, the skills and experience of the appointee and the specific requirements of the role.

- 8.3 The County Council has decided that the existing arrangements for determining senior salaries are robust and transparent. Therefore the County Council has decided that a vote on salary packages above a defined threshold prior to appointment would not add to democratic accountability, but would cause delay or place an appointment at risk.
- 8.4 In exceptional circumstances, and subject to the Pensions Discretions Policy, additional pension may be awarded in order to appoint or retain an employee. The decision to award additional pension is made by the Director of Finance, Performance and Procurement (S151 Officer), following consultation with the Cabinet Member for Finance. The Pensions Discretions Policy is published on the County Council's website.

9. Other elements of the Remuneration Package

9.1 Allowances and Enhancements

The County Council pays allowances to staff for additional responsibilities and duties as required to deliver services. The Allowances *and Enhancements* Policy is published on the County Council's Website.

~~An additional Special Responsibility Allowance may be paid to staff in the Strategic Management, Chief Officer grades, and Hay grade staff, as appropriate to reflect additional responsibilities of particular post holders over and above the job role.~~

~~Allowances for Uniformed Firefighters, **Teachers (centrally employed by the County Council), Soulbury and Youth Workers** are determined in accordance with national arrangements, and as amended locally. Further information can be found on the Fire Brigade Union website. A link is available from the County Council's website.~~

Details of pay supplements for Public Health staff who transferred into the authority from the West Sussex PCT are set out in the NHS terms and conditions of service handbook, the Consultant Contract or as locally agreed. (The applicable terms are those in place as at the date of transfer to the County Council).

Spurgeons and Crime Reduction Initiative Staff who have transferred into the authority are covered by the applicable terms in place at time of transfer.

The Director of Law *and*, Assurance ~~and Strategy~~ is the Returning Officer for County Council elections and is eligible to receive election fees for carrying out these duties.

9.2 Annual Leave

Annual leave entitlements vary according to the terms and conditions of employment. Annual Leave entitlements are published on the County Council's website.

9.3 Pension Scheme

Membership is determined by the relevant conditions of service and is subject to the rules of the scheme. The County Council operates the following pension schemes: Local Government Pension Scheme (LGPS), the Teachers' Pension Scheme (TPS) (~~now closed to new entrants~~), the Teachers' Pension Scheme 2015, the Fire Fighters Pension Scheme (now closed to new entrants) (FPS), the New Fire Fighters Pension Scheme (NFPS) (now closed to new entrants), the Firefighters' Pension Scheme 2015, the NHS Pension Scheme (~~now closed to new entrants~~) and the 2015 NHS Pension Scheme.

9.4 Abatement of Pension

Staff who are employed or re-employed by the County Council and who are in receipt of pension either under the Local Government Pension Scheme (LGPS), or the Fire Fighters Pension Scheme (FPS and NFPS) are subject to the rules on abatement of pension for the relevant scheme. The Abatement of Pension Policy is published on the County Council's website.

9.5 Staff in receipt of an NHS **or Teachers'** pension are subject to the **relevant** NHS Pension Scheme Regulations on abatement.

10. Termination of Employment

10.1 Redundancy

The County Council's policy on redundancy, redundancy payments and re-employment is determined by the Governance Committee and is available on the County Council's website.

The County Council's policies on severance payment are as approved by the Governance Committee and set out in the following: the Redundancy Policy, the Policy on Purchase of Award of Additional Pension Membership and the policy for Compensation for Early Termination of Employment which are published on the County Council's website. The Protocol for Mutual Terminations and Settlement Agreements is as approved by the Governance Committee.

The County Council has determined that a vote by the Council on severance payments above a defined threshold is not required. This is due to the fact that the Governance Committee determines all pay policies including those affecting severance payments. All severance payments are paid in accordance with those County Council policies and in compliance with employment legislation.

Public Health staff who transferred into the authority from the West Sussex PCT will continue to have access to the Redundancy Scheme as detailed in the NHS terms and conditions of service handbook or the Consultant Contract, as relevant. (The applicable terms are those in place as at the date of transfer to the County Council).

Spurgeons and Crime Reduction Initiative Staff who have transferred

into the authority are covered by the applicable terms in place at time of transfer.

10.2 **Early Termination of employment (for reasons other than redundancy)**

In exceptional circumstances, and subject to the Pensions Discretions Policy, a lump sum compensation payment may be awarded in cases of early termination of employment. The decision to award additional pension is made by the ~~Executive Director Corporate Resources and Services~~ **Director of Finance, Performance and Procurement (S151 officer)** following consultation with the Cabinet Member for Finance. The Pensions Discretions Policy is published on the County Council's website.

10.3 **Settlements of employment-related claims**

In exceptional circumstances, and specifically so as to settle a claim or potential dispute, the Director of Law ~~and~~ Assurance ~~and~~ Strategy can agree payment of a termination settlement sum, in consultation with the Cabinet Member for Finance, if above the limit set out in the Scheme of Delegation. The reasons for the claim being settled and the sum being agreed will be set out in the report to the Cabinet Member.

11. Pay Protection

11.1 The County Council's pay protection policy is approved by the Governance Committee. The policy provides a mechanism for assisting employees to adjust to a reduction in pay as a result of organisational change, job evaluation or redeployment as a result of ill health or disability.

11.2 Public Health staff who transferred into the authority from the West Sussex PCT continue to be covered by the West Sussex PCT Pay Protection Policy. (The applicable terms are those in place as at the date of transfer to the County Council).

11.3 *Spurgeons and Crime Reduction Initiative Staff who have transferred into the authority are covered by the applicable terms in place at time of transfer.*

12. Remuneration of staff on a Contract for Services

12.1 The County Council will pay individuals on a Contract for Services at a rate consistent with pay of directly employed staff performing a comparable role. However the County Council may reflect market factors in pay levels, whilst ensuring value for money.

13. Employment Tax

13.1 The Council encourages the direct employment of staff and pays them via the payroll system in order to ensure that appropriate deductions for income tax and national insurance contributions are made. However in

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exceptional circumstances staff may be employed through a Contract for Services ***in accordance with the relevant legislation.***

14. Publication of information on the remuneration of staff

- 14.1 The County Council publishes information relating to the remuneration of staff over a level defined by Government guidance in the Annual Report and Accounts and on the West Sussex Data Store on the County Council's website. In addition the County Council will publish ~~annually the pay ratio between the highest paid salary and the median average salary of the whole of the authority's workforce~~ ***the pay ratio between the highest paid salary and the lowest salary.***

Pay determination arrangements

Staff on Strategic Management Grades

The terms and conditions for staff on Strategic Management pay grades are in accordance with the Scheme of Conditions of Service agreed by the National Joint Negotiating Committee for Chief Officers, and as amended locally. Pay is determined locally.

The terms and conditions for the Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire officer are determined locally. Pay is determined locally in accordance with the arrangements for staff on strategic management grades.

Staff on Chief Officer pay grades

The terms and conditions for Chief Officers are as set out by the Joint Negotiating Committee (JNC) for Chief Officers, and as amended locally. Pay is determined locally.

Hay Grade Staff

The terms and conditions for Hay grade staff are as set out by the National Joint Council for Local Government Services, and as amended locally. Pay is determined locally.

NJC Staff

The terms and conditions for NJC staff are determined by the National Joint Council (NJC) for Local Government Services, and as amended locally.

National Joint Council For Local Authorities' Fire and Rescue Services

The terms and conditions for operational Firefighters are determined by the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service, and as amended locally.

Teachers (*Centrally Employed*)

The terms and conditions for Teachers ***who are employed directly by the Authority*** are as set out in the School Teachers Pay and Conditions Document, ***and as amended locally.***

Soulbury Staff

The Soulbury Committee determines the national salary framework for Soulbury staff and terms and conditions, as amended locally.

Youth Workers

The terms and conditions for Youth Workers are as determined by the Joint Negotiating Committee (JNC) for Youth and Community Workers, and as amended locally.

Protected Terms and Conditions

The terms and conditions for staff who transfer into the County Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006 are protected under those regulations. The County Council also has regard to the Cabinet Office Statement of Practice which relates to staff transfers in the Public Sector.

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Agenda for Change

The terms and conditions for staff that transferred into the authority from the West Sussex PCT are determined by the NHS terms and conditions of service handbook, as amended locally. The applicable terms are those in place as at the date of transfer to the County Council (1 April 2013).

Consultants

The terms and conditions for Consultants in Public Health that transferred into the authority from the West Sussex PCT are as determined by the Terms and Conditions – Consultants (England) 2003, as amended locally. The applicable terms are those in place as at the date of transfer to the County Council (1 April 2013).

Spurgeons

The applicable terms are those in place as at the date of transfer to the County Council. Pay is determined locally.

Crime Reduction Initiative (CRI)

The applicable terms are those in place as at the date of transfer to the County Council. Pay is determined locally.

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(see paragraph 16, page 444)

Pay Multiples

Data as at	Chief Operating Officer/Executive Taxable Earnings (Highest Paid)	Median/ Lowest Taxable Earnings of All Staff*	Median/ Lowest Pay Ratio	Comments
31/03/16	£153 717	£23 763.51	1: 6.46	As specified in the Local Government Transparency Code 2015, the 'pay multiple' compares the taxable earnings of the highest paid member of staff to the median full time equivalent taxable earnings of all staff* at the specified date.
31/03/16	£153 717	£13 614	1:11.29	Full-time equivalent lowest taxable earnings of all staff* at the specified date.
31/03/15	£152 666	£23 580	1: 6.47	As specified in the Local Government Transparency Code 2015, the 'pay multiple' compares the taxable earnings of the highest paid member of staff to the median full time equivalent taxable earnings of all staff*, at the specified date.
31/03/14	£119,366	£19,696	1: 6.06	As specified in the 2014 Code, the 'pay multiple' now compares the taxable earnings of the highest paid member of staff to the median equivalent actual taxable earnings of all staff*, at the specified date. The pay multiple publication for previous years compared basic salary.

* Excludes staff based in schools and casual workers

Notes: The variation in the median pay level for all other staff between 2014 and 2015 is due to the way the median has been calculated. The calculation has taken into account guidance available at the time of publishing. The variation in earnings for the Chief Operating Officer post between the dates is due to the fact that there were different individuals in post.