



People, Performance and Development Committee
22 March 2017

Pay Exceptions Analysis 2016/17 Quarters 1 – 3

Purpose of the report:

This report provides data and analysis on pay progression for staff which falls outside of Surrey County Council's established policy on pay up to Quarter 3 for the financial year 2016/17 for review and comment by the Committee.

Recommendations:

It is recommended that the People, Performance and Development Committee review and comment on the analysis of pay exceptions for the period April 2016 to December 2016.

Introduction:

Members agreed that the People, Performance and Development Committee would receive a report providing analysis of exceptions to Surrey County Council's Pay Policy.

This report covers the following areas:

- all pay exceptions for staff on grades above and below PS13 for each directorate;
- for 2016/17 data only for Quarter 1 – Quarter 3;
- starting salary where an employee commences employment above the minimum of the pay band;
- permanent pay progression where an employee receives a permanent increase in pay within the pay band or to another pay band through a promotion; and
- temporary pay progression including honoraria payments, extensions to honoraria payments and recognition awards above the amounts stated in the Reward Policy.

Pay Exceptions Analysis for Starting Salary

1. This section includes details of pay exceptions above the pay band minimum.

Table 1 – Summary trend Starting Salary by Directorate – PS12 and below

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17 (Q1 - Q3)	
	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception
ASC	23	£2,303	22	£2,899	6	£3,856	5	£2,045
BUS	2	£2,264	26	£2,599	39	£2,941	6	£2,691
C&C	0	£0	4	£2,638	1	£1,185	1	£2,687
CEO	0	£0	14	£1,521	18	£3,109	0	£0
CSF	24	£3,064	21	£2,378	75	£3,636	74	£3,053
E&I	1	£1,210	7	£1,173	23	£1,887	0	£0
LDC	0	£0	0	£0	0	£0	7	£3,155
TOTAL	50	£2,210	94	£2,201	162	£2,769	93	£2,726

2. Table 1 shows the number of pay exceptions that are being paid above the pay band minimum for PS12 and below, along with the average pay increase for each financial year beginning from 2013/14. The data shows an overall increase per financial year for starting salary pay exceptions. It is to be noted that the number of starting salary pay exceptions in the Children, Schools and Families Directorate (CSF) is quite high, this is because they are mostly experienced social workers commanding a higher salary and needed to fill vacancies covered by locums. There is a reduction in the number of pay exceptions which reflects the slowing of recruitment activity in line with savings and preparation for service rationalisation.

Table 2 – Summary trend Starting Salary by Directorate – PS13 and above

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17 (Q1 - Q3)	
	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception
ASC	3	£664	1	£1,405	1	£3,082	1	£500
BUS	4	£10,044	3	£4,570	0	£0	2	£8,635
C&C	0	£0	0	£0	1	£3,002	1	£4,515
CEO	4	£6,705	0	£0	2	£7,579	0	£0
CSF	0	£0	0	£0	2	£4,612	1	£2,479
E&I	0	£0	0	£0	1	£8,107	0	£0
LDC	0	£0	0	£0	0	£0	0	£0
TOTAL	11	£5,804	4	£2,987	7	£5,276	5	£4,032

3. Table 2 shows the number of pay exceptions that are being paid above the pay band minimum for PS13 and above, along with the average pay increase for each financial year beginning 2013/14. The data shows that in 2013/14, 11 starting salary pay exceptions were approved and in 2015/16, seven starting salary pay exceptions were approved. In the current financial year (Q1 – Q3), five have so far been approved.

Pay Exceptions Analysis for Permanent Pay Progression
--

4. This section includes details of pay exceptions for permanent movement within pay band or into another pay band. The number of permanent salary progressions approved has been consistently low over the last five years.

Table 3 – Summary trend Permanent Pay Progression by Directorate – PS12 and below

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17 (Q1 - Q3)	
	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception
ASC	2	£604	2	£972	0	£0	3	£1,781
BUS	4	£866	6	£3,858	9	£1,506	0	£0
C&C	3	£2,554	1	£800	2	£643	0	£0
CEO	1	£2,599	4	£975	0	£0	1	£9,204
CSF	10	£1,618	7	£1,611	5	£1,647	3	£1,813
E&I	1	£1,325	0	£0	4	£2,548	0	£0
LDC	0	£0	0	£0	0	£0	1	£1,555
TOTAL	21	£1,594	20	£1,643	20	£1,586	8	£3,588

5. Table 3 shows the number of pay exceptions that are being moved within the pay band or to another pay band for PS12 and below, along with the average pay increase for each financial year beginning from 2013/14. The data shows that the total number of permanent pay progressions has been 21 in 2013/14 and then 20 in 2014/15 and 2015/16. It shows that currently in 2016/17 (Q1 – Q3), there has only been eight permanent pay progressions. A decline in the number of pay exceptions may be seen due to the introduction of pay progression.

Table 4 – Summary trend Permanent Pay Progression by Directorate – PS13 and above

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17 (Q1 - Q3)	
	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception
ASC	3	£9,030	1	£10,250	1	£22,423	0	£0
BUS	4	£3,213	9	£5,315	1	£9,065	1	£6,597
C&C	3	£7,230	1	£7,067	0	£0	0	£0
CEO	2	£6,862	2	£7,708	4	£7,594	1	£10,483
CSF	5	£3,304	1	£3,401	0	£0	4	£3,135
E&I	1	£4,390	4	£6,241	1	£5,000	1	£10,000
LDC	0	£0	0	£0	0	£0	0	£0
TOTAL	18	£5,671	18	£6,664	7	£11,021	7	£7,554

6. Table 4 shows the number of pay exceptions that are being moved within the pay band or to another pay band for PS13 and above, along with the average pay increase for each financial year beginning from 2013/14. The data shows that the total number of permanent pay progressions has stayed steady at 18 and decreased in 2015/16 to seven. This financial year currently has seven permanent pay progressions. The current average pay exception is lower than the last financial year 2015/16.

Pay Exceptions Analysis for Temporary Pay Progression

7. This section includes details of pay exceptions for temporary pay progressions like honoraria, extensions to honoraria and recognition awards.

Table 5 – Summary trend Temporary Pay Progression by Directorate – PS12 and below

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17 (Q1 - Q3)	
	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception
ASC	1	£550	4	£836	0	£0	1	£4,200
BUS	0	£0	5	£1,762	4	£1,636	1	£2,458
C&C	1	£2,600	0	£0	0	£0	0	£0
CEO	2	£2,400	5	£2,318	1	£1,496	0	£0
CSF	3	£1,667	3	£472	9	£1,560	1	£2,688
E&I	0	£0	0	£0	0	£0	4	£3,161
LDC	0	£0	0	£0	0	£0	0	£0
Total	7	£1,804	17	£1,347	14	£1,564	7	£3,127

8. Table 5 shows the number of pay exceptions that are receiving a temporary pay progressions, along with the average pay increase for each financial year beginning from 2013/14. The data shows that the total number of temporary pay progressions has been seven in 2013/14 and then 17 in 2014/15 and 14 in 2015/16. It shows that currently in 2016/17(Q1 – Q3), there has only been seven temporary pay progressions. The average pay exception has been highest this year with £3,127 compared to previous financial years.

Table 6 – Summary trend Temporary Pay Progression by Directorate – PS13 and above

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17 (Q1 - Q3)	
	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception
ASC	2	£5,000	2	£9,344	1	£9,750	2	£2,700
BUS	0	£0	1	£12,000	1	£1,398	0	£0
C&C	0	£0	0	£0	0	£0	0	£0
CEO	5	£1,596	2	£1,020	0	£0	0	£0
CSF	0	£0	0	£0	0	£0	0	£0
E&I	0	£0	0	£0	3	£3,592	0	£0
LDC	0	£0	0	£0	0	£0	0	£0
Total	7	£3,298	5	£7,455	5	£4,913	2	£2,700

9. Table 6 shows the number of temporary pay progressions for PS13 and above, along with the average pay increase for each financial year beginning from 2013/14. The data shows that the total number of temporary pay progressions in 2013/14 is 7 and in 2014/15 and 2015/16 have had five temporary pay progressions. This financial year currently has two temporary pay progressions and the average pay exception is at its lowest. The average increase this financial year is £2,700 compared to 2015/16 which was £4,913.

Percentage of Pay Exceptions by Directorate
--

10. This section is the percentage of expenditure on pay exceptions according to the directorates in each financial year.

Table 7 – Percentage Pay Exceptions by Directorate

Directorate	2013/14	2014/15	2015/16	2016/17 (Q1 - Q3)	Total Percentage
ASC	30%	20%	4%	10%	14%
BUS	12%	32%	25%	8%	21%
C&C	6%	4%	2%	2%	3%
CEO	12%	17%	12%	2%	11%
CSF	37%	20%	42%	68%	41%
E&I	3%	7%	15%	4%	8%
LDC	0%	0%	0%	7%	1%
Total	100%	100%	100%	100%	100%

11. Table 7 indicates that the Children, Schools and Families (CSF) and Adult Social Care (ASC) directorates have had the most pay exceptions in 2013/14 whilst Environment & Infrastructure (E&I) had 3%. In 2014/15, Business Services (BUS) had the most pay exceptions with 32%. 2015/16 had CSF had the highest with 42% and BUS with 25%. Customers & Communities (C&C) had the least that year with only 2% of pay exceptions. In the current year, Quarter 1 – 3, CSF have had 68% of pay exceptions and the Chief Executive's Office (CEO) had the least with 2% of pay exceptions. It is to be noted that Legal, Democratic and Cultural Services (LDC) had its first pay exceptions in 2016/17. The breakdown of pay exceptions by directorate since the beginning of the financial year 2013/14 is as follows: CSF - 41%, BUS - 21%, ASC - 14%, CEO - 11% E&I - 8%, C&C - 3% and LDC - 1%.

Total Additional Pay Awarded – 2016/17 (Q1 – Q3)

12. This section is the total cost of the additional pay awarded in Quarter 1 – 3 of 2016/17, according to Directorate and pay exception type.

Table 8 – Total additional pay awarded by Starting Salary – PS12 and below

Directorate	Total Additional Pay Awarded - 2016/17 (Q1 - Q3)			
	Starting Salary - PS12 and Below			
	Q1	Q2	Q3	Total
ASC	£0	£6,035	£4,188	£10,223
BUS	£5,863	£0	£10,283	£16,146
C&C	£0	£2,687	£0	£2,687
CEO	£0	£0	£0	£0
CSF	£98,028	£62,323	£65,563	£225,914
E&I	£0	£0	£0	£0
LDC	£4,031	£14,366	£3,690	£22,087
No.	33	29	31	93
Average Cost	£3,270	£2,945	£2,701	£2,979
Total	£107,922	£85,411	£83,724	£277,057

13. Table 8 shows that CSF has the highest total additional pay awarded for PS12 and below. This is because of the recruitment of social workers for which the demand is high. The total for 2016/17 Q1 is £108K, in 2016/17 Q2 is £85K and for 2016/17 Q3 is £84K and the total for three quarters is £277K.

Table 9 – Total additional pay awarded by Pay Progression – PS12 and below

Directorate	Total Additional Pay Awarded - 2016/17 (Q1 - Q3)						Total
	Permanent Pay Progression - PS12 and Below			Temporary Pay Progression - PS12 and Below			
	Q1	Q2	Q3	Q1	Q2	Q3	
ASC	£0	£0	£5,342	£0	£4,200	£0	£9,542
BUS	£0	£0	£0	£2,458	£0	£0	£2,458
C&C	£0	£0	£0	£0	£0	£0	£0
CEO	£0	£9,204	£0	£0	£0	£0	£9,204
CSF	£3,305	£2,133	£0	£0	£2,688	£0	£8,126
E&I	£0	£0	£0	£12,143	£500	£0	£12,643
LDC	£0	£1,555	£0	£0	£0	£0	£1,555
No.	1	4	3	4	3	0	15
Average Cost	£3,305	£3,223	£1,781	£3,650	£2,463	£0	£2,902
Total	£3,305	£12,892	£5,342	£14,601	£7,388	£0	£43,528

14. Table 9 shows that E&I has the highest total additional pay awarded for PS12 and below for pay exceptions both permanent and temporary. The total for 2016/17 Q1 is £18K, in 2016/17 Q2 is £20K and for 2016/17 Q3 is £7K and the total for three quarters is £44K.

Table 10 – Total additional pay awarded – PS12 and below

Directorate	Total Additional Pay Awarded - 2016/17 (Q1 - Q3)			
	Total per Directorate - PS12 and Below			
	Q1	Q2	Q3	Total
ASC	£0	£10,235	£9,530	£19,765
BUS	£8,321	£0	£10,283	£18,604
C&C	£0	£2,687	£0	£2,687
CEO	£0	£9,204	£0	£9,204
CSF	£101,333	£67,144	£65,563	£234,040
E&I	£12,143	£500	£0	£12,643
LDC	£4,031	£15,921	£3,690	£23,642
No.	38	36	34	108
Average Cost	£3,311	£2,936	£2,620	£2,968
Total	£125,828	£105,691	£89,066	£320,585

15. Table 10 shows that CSF has the highest total additional pay awarded for PS12 and below with £234K and this is followed by LDC with £24K. The total for 2016/17 Q1 is £126K, in 2016/17 Q2 is £105K and for 2016/17 Q3 is £89K. The total across the three quarters is £321K.

Table 11 – Total additional pay awarded by Starting Salary – PS13 and above

Directorate	Total Additional Pay Awarded - 2016/17			
	Starting Salary - PS13 and above			
	Q1	Q2	Q3	Total
ASC	£500	£0	£0	£500
BUS	£17,269	£0	£0	£17,269
C&C	£4,515	£0	£0	£4,515
CEO	£0	£0	£0	£0
CSF	£0	£2,479	£0	£2,479
E&I	£0	£0	£0	£0
LDC	£0	£0	£0	£0
No.	4	1	0	5
Average Cost	£5,571	£2,479	£0	£4,953
Total	£22,284	£2,479	£0	£24,763

16. Table 11 shows that BUS has the highest total additional pay awarded for PS13 and above with £17K. The total for 2016/17 Q1 is £23K, in 2016/17 Q2 is £2K and for 2016/17 Q3 is £0K. The total across the three quarters is £25K.

Table 12 – Total additional pay awarded by Pay Progression – PS13 and above

Directorate	Total Additional Pay Awarded - 2016/17						
	Permanent Pay Progression - PS13 and above			Temporary Pay Progression - PS13 and above			Total
	Q1	Q2	Q3	Q1	Q2	Q3	
ASC	£0	£0	£0	£5,400	£0	£0	£5,400
BUS	£0	£6,597	£0	£0	£0	£0	£6,597
C&C	£0	£0	£0	£0	£0	£0	£0
CEO	£0	£0	£10,483	£0	£0	£0	£10,483
CSF	£10,860	£0	£1,678	£0	£0	£0	£12,538
E&I	£0	£0	£10,000	£0	£0	£0	£10,000
LDC	£0	£0	£0	£0	£0	£0	£0
No.	3	1	3	2	0	0	9
Average Cost	£3,620	£6,597	£7,387	£2,700	£0	£0	£5,002
Total	£10,860	£6,597	£22,161	£5,400	£0	£0	£45,018

17. Table 12 shows that CSF has the highest total additional pay awarded for PS13 and above with £13K for pay progression. The total for 2016/17 Q1 is £15K, in 2016/17 Q2 is £7K and for 2016/17 Q3 is £22K and the total for three quarters is £45K.

Table 13 – Total additional pay awarded – PS13 and above

Directorate	Total Additional Pay Awarded - 2016/17			
	Total per Directorate - PS13 and above			Total
	Q1	Q2	Q3	
ASC	£5,900	£0	£0	£5,900
BUS	£17,269	£6,597	£0	£23,866
C&C	£4,515	£0	£0	£4,515
CEO	£0	£0	£10,483	£10,483
CSF	£10,860	£2,479	£1,678	£15,017
E&I	£0	£0	£10,000	£10,000
LDC	£0	£0	£0	£0
No.	9	2	3	14
Average Cost	£4,283	£4,538	£7,387	£4,984
Total	£38,544	£9,076	£22,161	£69,781

18. Table 13 shows that BUS has the highest total additional pay awarded for PS13 and above with £24K. The total for 2016/17 Q1 is £39K, in 2016/17 Q2 is £9K and for 2016/17 Q3 is £22k. The total across the three quarters is £70K.

Comparison of Pay Exceptions 2016/17 (Q1 – Q3)

- Annex 1 breaks down each type of pay exception type by governance, directorate and quarter with the number of pay exceptions, the average cost of each pay exception, the sub-total of pay exceptions cost by governance and then the total of the sub-totals added together.
- Annex 1 shows that the number of starting salaries has decreased from 37 in Q1 to 30 in Q2 and 31 in Q3. However, the total cost per quarter was the least in Q3 with £84K whilst Q2 had £88K and Q1 had £130K. There has been an increase in permanent pay progressions every quarter. From four permanent pay progressions in Q1 and six in Q2.

3. Overall, the number of pay exceptions in 2016/17 in the first three quarters has been 122 with a total cost of £390K.

Conclusion

4. Analysis of data related to pay policy exceptions has shown the following:
- a. CSF have the highest amount of pay exceptions, this is due to social workers being hard to recruit;
 - b. temporary pay progressions seem to be decreasing in number; and
 - c. The financial year 2016/17 has so far shown that pay exceptions are decreasing which will be confirmed or otherwise by a review of pay policy exceptions across the whole year.

Financial and value for money implications

5. There are no financial or value for money implications arising from the report.

Equalities and Diversity Implications

6. There are no equality and diversity implications arising from this report.

Risk Management Implications

7. None

Contact: Ken Akers, Head of HR and OD.

Contact details: Tel 07792 511083

Annexes:

Annex 1 - Summary comparison of type of pay exception, governance, directorate by quarter.

Background Papers: None