

SURREY COUNTY COUNCIL

PAY POLICY STATEMENT

1 April 2017 – 30 June 2018

Introduction

This Pay Policy Statement was approved by a meeting of the full County Council on 5 December 2017 and is effective from 1 April 2017. It is published to comply with the requirements of Section 38(1) of the Localism Act, 2011 and related guidance under Section 40 provided by the Secretary of State.

This statement includes information relating to the terms and conditions that are determined locally by the council and are referred to as 'Surrey Pay'. The Council's reward strategy is based on the local negotiation of Surrey Pay terms and conditions of service. Pay, including terms and conditions, are reviewed annually with any changes agreed by People, Performance and Development Committee, (PPDC). The Council recognises two trade unions, the GMB and UNISON, for the purposes of negotiating Surrey Pay and collective bargaining.

This statement does not include details of the terms and conditions of council employees that have:

(i) Retained terms and conditions following a transfer under Transfer of Undertakings and Protection of Employment Regulations; or

(ii) Terms and conditions determined on a national basis by independent organisations or arrangements; these include:

- Fire fighters; whose pay and conditions are set are determined by National Joint Committee for Local Authorities Fire and Rescue Service
- Teachers; whose terms and conditions are determined by the Department for Education
- Educational psychologists; whose terms and conditions are determined by the Soulbury Committee
- Youth and community workers whose terms and conditions are determined by the Joint Negotiating Committee (JNC).

Surrey Pay Reward Strategy

In July 2016 the council implemented a new Reward Strategy for non-schools based Surrey Pay staff.

The pay year for non-school's based Surrey Pay staff runs from the 1 July each year. The reward strategy;

- aligns pay bands with '*Public and Not for Profit Sector Organisations in the South East of England*';
- replaces the annual pay award with a market adjustment;
- introduces performance related pay progression based on an annual appraisal;
- aims to remove overlaps between pay grades;

- works towards delivering even pay ranges for all pay bands;
- provides flexibility in pay through the introduction of job families linked to market pay; and
- has defined pay models;
 - a) Career Pay Model
 - b) Job Family Pay Model
 - c) Leadership Pay Model

There are interim pay arrangements in place for the following staff groups:

- School's based Surrey Pay support staff, effective from 1 April each year, and;
- Tutors within Surrey Arts and Community Learning and Skills, effective from 1 September each year.

In addition, a number of 'other' locally agreed pay arrangements continued.

This policy statement will set out the pay arrangements for non-schools based Surrey Pay staff and 'other' pay groups separately.

This Pay Policy Statement will be updated annually.

Further Details

Specific details may be accessed via the links indicated below, or by clicking on the buttons that are included on the landing page.

Governance

The People, Performance and Development Committee (PPDC) acts as the County Council's Remuneration Committee under delegated powers in accordance with the Constitution of the County Council. All Surrey Pay and terms and conditions are determined by PPDC including the remuneration of chief officers.

Any exceptional application of Surrey Pay, terms and conditions of employment (referred to as 'pay exceptions') are decided by PPDC on consideration of a business case prepared by officers. PPDC considers business cases for pay exceptions for senior staff (grade PS13 and above) at its regular meetings.

In order to facilitate effective management, PPDC delegates approval for decisions on pay exceptions for lower grades (grade PS12 and below) to the Head of HR & Organisational Development and the relevant Head of Service. All pay exceptions are recorded and reported to PPDC on an annual basis for monitoring purposes.

Where, in order to secure new staff, it is necessary to expedite decisions on exceptional starting salaries for senior grades (PS13 and above), then a business case is prepared for the Head of HR & Organisational Development for challenge, review and decision in consultation with the Leader of the Council on behalf of PPDC and this decision is reported to the next PPDC for information.

Salary Transparency

Surrey County Council is committed to openness and transparency in order to demonstrate to its residents and local taxpayers that it delivers value for money. As part of the national and local government transparency agenda it already publishes information on its external website detailing Surrey Pay ranges, expenditure over £500 and contracts with a value of £50,000 or more.

To continue that progress, and in line with the Local Government Transparency Code 2014, the Council has published details of salaries paid to senior staff on its website since 31 March 2016. This information is updated on an annual basis and covers senior positions with annual salaries of £50,000 and above.

Chief Officers' Remuneration

Chief Officers are appointed at a spot salary which provides a competitive market salary for the individual role within the appropriate pay band range.

Annual salary reviews for chief officers will take into account any generally agreed market adjustments to senior management pay rates (if any) as determined by PPDC. A decision to award a market adjustment to individual base pay will be subject to achieving a minimum performance rating of 'Successful'.

If an Chief Officer receives an 'Exceptional' performance rating then they will receive an additional monthly non-consolidated payment which recognises that their performance has exceeded standards.

For 2017/18 there will be no market adjustment and no increase to pay band minima and maxima for all leadership grades PS16-CEX. A non-consolidated performance payment of 1% will be awarded to exceptional staff.

Like other chief officers, the Chief Executive is on a Surrey pay contract. There is a specific additional allowance for duties carried out in support of the Lord Lieutenant of the County. For details of the remuneration paid to all members of the Council Leadership Team in a particular financial year please refer to the Council's Annual Statement of Accounts.

Employee Benefits

The Council has not provided any grade related benefits in kind, such as Annual Leave, Private Medical Insurance or Lease Cars since 2007. Chief Officers receive the same allowances as other members of staff and access to the same voluntary benefits scheme, any expenditure on business travel is also reimbursed at the same rates for all grades.

Surrey Pay Salary Ratios

The minimum Surrey Pay rate paid on grade PS1/2 is currently set at £8.46 per hour as at 1 July 2017, this compares with the statutory National Living Wage of £7.50 per hour for those aged 25 years and over (October 2016) and the “UK Living Wage”, of £8.45 per hour for those living outside London, which is advocated by the Living Wage Foundation (October 2016).

Based on salaries paid with effect from 1 July 2017 it is estimated that the Council will have the following ratios, between the lowest and highest paid staff on Surrey Pay for the 2017/2018 financial year.

Surrey Pay Salary Ratios July 2017 – June 2018		
Salary	Amount per annum £'s	Ratio to the highest salary
Highest Basic Salary	232,683	n/a
Median Basic Salary	22,872	10:1
Lowest Basic Salary	15,874	15:1

Notes:

- (i) The ratios have been calculated in accordance with guidance published in The Code of Recommended Practice for Local Authorities on Data Transparency 2011 and in light of recommendations contained in the Hutton Review of Fair Pay in the Public Sector 2011.
- (ii) The median is defined as the mid-point of the total number of staff employed.

1 Schools Based Surrey Pay Staff

Pay Progression Arrangements

Before April 2010 the majority of staff were on “incremental” Surrey Pay grades, S1/2 – S7, or their equivalent. Personal pay progression within grade is normally dependent upon “added value” in terms of duties, responsibilities and job performance following an annual appraisal.

Middle pay grades and senior pay zones (S8 – 14B) contracts currently provide for an annual review of contribution. These reviews normally determine any subsequent personal progression through these pay zones subject to personal headroom being available.

The pay year for school’s based Surrey Pay staff commences on 1 April each year, see table 1.

With effect from 1 April 2016 a one per cent pay award was applied to school’s Surrey Pay points, with the following exceptions;

- the minimum pay point for grade S9 was lowered to £32,839
- the minimum pay point for grade S10 was increased to £38,313
- There was no increase to the minimum pay point for grade S13
- There was no increase to the pay band maxima for grades S9, S10, S13, 14A, and 14B.
- The one per cent pay award was applied automatically to all pensionable salaries, except for staff on the maximum pay points of grades S9, S10, S13, 14A and 14B.

With effect from 1 April 2016 all staff with ‘personal headroom’ within grades received a one per cent personal pay progression increase in their pensionable salaries.

The pay arrangements effective from 1 April 2017 are subject to an ongoing review.

Recognition Awards

There are **no** provisions under standard Surrey Pay schools contracts for Council employees to be awarded performance related bonuses. However, the Recognition Award Scheme provides a mechanism through which managers can recognise exceptional achievement by an individual or team subject to approval by the appropriate Head of Service.

2 Non-School's Based Surrey Pay Staff

Pay Progression Arrangements

For the majority of non-schools based Surrey Pay staff the Council operates performance related pay progression; market based pay, a grading structure framework based on job families, underpinned by Hay job evaluation with three pay models to support different skills supply and development.

The pay year for this group will commence from 1 July each year, this pay arrangement will enable the Council to:

- support career development, map career paths;
- achieve greater flexibility in pay;
- identify groups of employees that can be linked to market pay rates, and
- provide rewards based on personal contribution and behaviours.

Surrey Pay non-schools comprises of 12 pay bands PS1/2-PS13 and seven pay bands for senior managers PS14 Chief Executive (CEX).

Pay progression has been linked to the Council's performance management process which assesses 'what' has been achieved and 'how' it was achieved, giving an overall annual rating linked to pay.

The Performance Related Surrey Pay scheme provides the opportunity for an additional non-consolidated lump sum payment on achieving a performance rating of 'Exceptional'.

Job Family Pay Model

The job family pay model comprises 14 pay bands, PS1/2 to PS15. The job family pay band structure comprises 14 'baseline' salary ranges with no defined incremental points and employees are appointed at a spot salary. Any salaries for new starters above the bottom pay point are subject to approval.

Where the job family pay model applies pay progression is normally accelerated at the lower end of the pay band. This means staff whose pay falls in pay zone one would normally receive a higher value progression increase than those in pay zone two. This reflects the higher potential for increased contribution and skills gain within pay zone one and to enable people to move quickly to higher market rates.

From 1 July 2017, the following percentage changes in pay have been applied to eligible staff in the job family pay model, see table 2.

- pay zone 1 and 2, pay progression: 1%;
- non-consolidated payments: 1%;
- no market adjustment
- no increase to pay band maxima for PS7 and above except PS12 and PS12SC.

Appointments and promotions that commence between 1 April and 30 June each year will be made on the Surrey Pay rates applicable at that point in time and will fall outside the appraisal year being assessed. Individual salaries will then move in-line with changes to the pay bands (if any) due on 1 July.

Career Pay Model

The Career Pay Model may be applied to any roles where there is a suitable business case for adopting this Pay Model, this should include evidence of recruitment and retention difficulties as well as stating the necessity to grow talent. This is then approved by elected members. It is expected that the Career Pay Model will be used mostly where there is a need for a professional qualification.

The Career Pay Model shows staff how their pay will increase as they grow their experience and skills. Each grade level will have defined pay points which employees can earn as their skills and experience grow.

The existing Career Pay Model applies to occupational therapists and social workers in both Adult Social Care and Children's Services and social care practitioners in Adult Social Care. This Career Pay Model consists of four fixed salary points at each grade level.

From 1 July 2017, the following percentage changes in pay apply to eligible staff in the Career Pay Model, see table 3:

- Progression based on defined pay points;
- non-consolidated performance payment: 1%; and
- no increase to pay band maximum for PS9SC, PS10SC and PS11SC

Pay for employees appointed after the end of the appraisal year, but before the start of the new pay year (i.e. 1 April – 30 June), who are on track with their probation will have their pay moved in line with the market adjustment applied to their pay point, if any, to ensure that their salary does not fall behind the market rate.

Leadership Pay Model

The leadership pay model applies to managers on grades PS16 and above. Appointments are made at a spot salary which provides a competitive market salary for the individual role within the appropriate pay band range.

From 1 July 2017 the following applies to eligible staff in the leadership pay model:

- no market adjustment
- non-consolidated performance payment: 1%; and
- no increase to pay band minima or maxima

3 Other Locally Determined Pay Groups

In addition to the main schools and non-schools Surrey Pay staff groups there are a small number of staff outside the Surrey Pay main pay arrangements and whose annual pay settlement is determined locally, these groups include;

- former Buckinghamshire County Council Trading Standards staff on contribution based pay;
- apprentices and interns;
- Surrey County Council staff on Regional Surrey Pay.

Former Buckinghamshire County Council Trading Standards staff on Contribution Based Pay

The Council is required to review the Contribution Based Pay (CBP) scheme annually and determine what increase, if any, should take effect from 1 July each year. The review consists of two elements:

- i pay range uplift; and
- ii Contribution Based Pay percentage (the additional award for an exceeding or outstanding contribution).

From 1 July 2017 the following pay arrangements apply, see tables 4 and 5;

- for an “exceeding” performance rating the CBP increase was based on 35% of the difference between the top two pay points, and
- for an “outstanding” performance rating the CBP increase was based on 70% of the difference between the top two pay points.

Apprentices and Interns

The council has a standalone apprenticeship grade that is separate from Surrey Pay main grades. This enables apprenticeship pay grades to be applied across all services including those that have a different pay structure.

From 1 April 2017 there is no change to the main rates of pay for apprentices and interns, however, the second year apprentice rate has been increased to £14,078.34 per annum for apprentices aged 25 years and above, see table 6.

Regional Surrey Pay

In February 2013 PPDC agreed that a Regional Surrey Pay Band should be established for Surrey County Council staff based in East Sussex. The pay arrangements reflect the local wage market and provide for a performance related progression (PRP) arrangement.

From 1 April 2017 the value of the PRP payment was based on the Council’s job family pay model:

- one percent for both, the entry pay level (lower pay band);
- one percent for the established pay level (upper pay band) see table below.
- no adjustment to the minima and maxima of the pay bands
- see table 7.

Last updated: November 2017

2017-18 Regional Surrey Pay Arrangements

Pay Zone	Appraisal Rating		
	Developing	Successful	Exceptional
Entry	0	1%	1% plus an honorarium
Established	0	1%	1% plus an honorarium

Full migration to the SCC pay model and new regional pay bands including any changes to terms and conditions of employment will be considered as part of the next phase of the Pay and Reward review.

Tutors Surrey Arts and Tutors Community Learning and Skills

Tutors within Surrey Arts and Community Learning and Skills are paid a spot salary. Rates of pay are reviewed on an annual basis and are effective from September each year.

For September 2016 a one per cent pay award was applied to the annual pay rate, see tables 8 and 9.

The pay arrangements effective from 1 September 2017 are subject to an ongoing review.

Political Assistants

SCC employs political assistants on Surrey Pay contracts to support political groups. These assistants work directly for the political groups rather than as mainstream officers within the officer structure of the Council. These are unique posts and have a set maximum salary determined by The Local Government (Assistants for Political Groups) (Remuneration) (England) Order 2006. The maximum salary applicable from 1 April 2017 has not changed since 2006 and is £34,986.

4 Orbis Pay Strategy

Surrey County Council (SCC) East Sussex County Council (ESCC) and Brighton and Hove City Council (BHCC) have created a new business services partnership arrangement, known as Orbis. The agreed governance structure is a joint committee, however, it should be noted that the Joint Committee is not a legal entity separate from its constituent authorities. It cannot enter into a contract, own land or employ staff in its own right.

PPDC agreed a pay strategy to be applied for staff working as part of Orbis comprising a 'blended' approach to pay, based on the following three principles:

- i **Identification of 'true partnership' roles** – these are roles that are contractually required to operate in and across more than one council. They need to have a physical presence in more than one headquarter location in order to create the necessary professional networks and to gain business intelligence and insight.

As Orbis becomes increasingly integrated, it will be necessary for many roles to undertake work for more than one council. Unless individual positions require a physical presence in more than one, however, they will not be deemed as meeting the criteria for being a 'true partnership' role.

- ii **Identification of salary** – once identified as a 'true partnership' role across the Orbis partnership, the time spent at each council will be determined. The presumption is for a 50/25/25 split as to do otherwise will move the role away from being a 'true partnership' one.

To preserve the integrity of the separate pay and grading structures, the salary package is created as 50% of the respective SCC grade plus 25% of the respective ESCC and BHCC grades. So that partnership roles have just one employer, a secondment arrangement is then applied to the position. For example, an ESCC employee seconded to SCC for half their time on the appropriate SCC grade/salary, with ESCC remaining as the substantive employer.

There will be no salary detriment for an SCC employee where undertaking a 'true partnership' role. Likewise, in support of the Council's recruitment and retention strategies, the principle of no detriment applies where an individual is applying for or being considered for a post on a promotional basis.

- iii **Identification of market position** – once the blended salary has been determined, consideration can then be given to the market position and, where appropriate, subject to the necessary approvals, a market supplement can be paid. All councils have in place policies and procedures for the paying of market supplements.

Equal Pay

The Council is committed to ensuring that its employment policies and practices comply with the requirements of the Equal Pay Act 1970. This includes the application of a robust job evaluation process to ensure that all staff receive equal pay for work of equal value.

- i **Grading Structure**

The allocation of Surrey Pay grades to jobs is determined by (HAY) job evaluation or in accordance with a job family underpinned by (HAY) job evaluation. The Surrey Pay grading structure covers all jobs from cleaners and catering assistants on the lowest grade to chief officers, including the Chief Executive, on the highest grades.

The differentials between these grades and jobs have been established objectively by application of a HAY based job evaluation scheme. For example the job of a cleaner is evaluated at the bottom because the level of skill, knowledge, problem solving and accountability are low compared with jobs at the top level. Conversely, chief officers are at the top of the pay scales because the level of skills, knowledge, problem solving and accountability are considerably greater than those at the bottom of the pay band.

Newly appointed or promoted staff are normally appointed to the minimum salary on a grade unless a robust business case has been approved to start them at a higher salary within the grade range.

ii **Market Supplements**

Managers may make a business case for a market supplement to be paid above the maximum for the particular grade if it proves exceptionally difficult to recruit at the rate advertised. Such supplements must be approved and reviewed on a regular basis by either PPDC, in the case of chief officers, or by the Head of HR & Organisational Development under delegated powers.

Early Retirement and Severance Terms

The Council's terms for granting redundancy or severance, including access to benefits under the Local Government and Teachers' Pension Schemes, are the same for all staff on Surrey Pay contracts including chief officers as well as for teachers working in maintained schools across Surrey. The approval process to be followed when payments are to be funded by the Council is explained in the Policy, see link above.

In cases of redundancy, an employee will not be entitled to a redundancy payment or a severance payment if, before leaving the Council, they accept an offer of employment with another local authority or associated employer contained in the Redundancy Payments (Modification) Order 1999 and commence the new employment within four weeks of their last day of service as the employment would be deemed to be continuous.

Table 1: Schools – Surrey Pay Bands from 1 April 2016

Surrey Pay Grade	2016 Min Pay Point	2016 Max Pay Point
S1/2	£ 15,189	£ 15,856
S3	£ 15,308	£ 17,316
S4	£ 16,571	£ 19,386
S5	£ 18,410	£ 21,474
S6	£ 20,628	£ 23,669
S7	£ 23,573	£ 27,814
S8	£ 27,066	£ 32,175
S9	£ 32,839	£ 38,312
S10	£ 38,313	£ 42,992
S11	£ 42,928	£ 48,091
S12	£ 47,746	£ 55,851
S13	£ 55,485	£ 66,644
14A	£ 62,208	£ 77,297
14B	£ 77,147	£ 90,469
Key		Frozen Maximum

Pay Bands non-school's based Surrey Pay staff

Table 2: Job Family Surrey Pay Bands – 1 July 2017

Job Family Pay Bands - 1 July 2017					
Job Family	Pay Model	Grade Name	Minimum Pay Point	Pay Break Point	Maximum Pay Point
			Pay Zone 1	Pay Zone 2	
(1) Business Functions (2) Public Engagement (3) Regulation & Technical (4) Operational Services (5) Personal Care & Support	Job Family Pay Model	PS1/2	£15,874	£16,149	£16,333
		PS3	£16,334	£17,253	£17,866
		PS4	£17,896	£18,965	£19,677
		PS5	£19,678	£20,949	£21,796
		PS6	£21,797	£23,907	£25,313
		PS7	£25,314	£27,280	£28,590
		PS8	£29,020	£31,311	£32,838
		PS9	£33,332	£36,320	£38,312
		PS10	£38,888	£41,350	£42,992
		PS11	£43,638	£46,492	£48,395
		PS12	£50,903	£54,118	£56,261
		PS13	£57,494	£62,984	£66,644
		PS14	£65,025	£72,388	£77,297
		PS15	£79,389	£86,037	£90,469
Leadership Job family	Leadership Pay Model	PS16	£90,470	Not Applicable	£112,161
		PS17	£112,162		£134,594
		PS18	£134,595		£161,514
		PS19	£161,515		£178,861
		CEX	£209,984		£232,683

Table 3: Career Surrey Pay Bands – 1 July 2017

Social Workers & Occupational Therapists in Adult Social Care and Children's Services

Career Pay Bands - 1 July 2017				
Job Family	Pay Model	Grade Name	Pay Point	Salary
Social	Career	PS8SC		£30,929

Wellbeing	Pay Model	PS9SC	Point 1	£33,332
			Point 2	£34,332
			Point 3	£35,832
			Point 4	£38,312
		PS10SC	Point 1	£39,270
			Point 2	£40,270
			Point 3	£41,770
			Point 4	£43,150
		PS11SC	Point 1	£44,229
			Point 2	£45,729
			Point 3	£47,229
			Point 4	£48,395
		PS12SC	Point 1	£50,903
			Point 2	£52,903
			Point 3	£54,903
			Point 4	£56,261

Table 4: Former Bucks Trading Standards Pay Grades 1 July 2017

Grade	Entry Point		Competent Point		Advanced Point	
R1A CBP	£	13,207	£	13,934	£	14,660
R1B CBP	£	16,276	£	17,171	£	18,066
R2 CBP	£	19,053	£	20,102	£	21,149
R3 CBP	£	20,957	£	22,110	£	23,262
R4 CBP	£	22,853	£	24,110	£	25,367
R5 CBP	£	25,275	£	26,665	£	28,055
R6 CBP	£	28,468	£	30,034	£	31,599
R7 CBP	£	32,501	£	34,289	£	36,076
R8 CBP	£	37,151	£	39,194	£	41,237
R9 CBP	£	42,552	£	44,892	£	47,232
R10 CBP	£	48,977	£	51,671	£	54,364
R11 CBP	£	55,414	£	58,462	£	61,509
R12 CBP	£	61,391	£	64,767	£	68,143

Table 5: Former Bucks Former Trading Standards Staff CBP Award 1 July 2017

Pay Band Points		Difference	Award for Exceeding	Award for Outstanding
Competent	Advanced			
£ 26,665	£ 28,055	£ 1,390	£ 486	£ 972
£ 30,034	£ 31,599	£ 1,565	£ 548	£ 1,096
£ 58,462	£ 61,509	£ 3,047	£ 1,066	£ 2,132

Table 6: Apprenticeship and Internship Pay Bands – 1 April 2017

Apprenticeship	Level	Annual Salary
Intermediate and Advanced	Level 2 and Level 3 (Year 1)	£11,117.60
	Level 2 and Level 3 (Year 2)	£12,670.65
Higher	Level 4	£14,443.00
	Level 5	£15,522.69
	Level 6	£16,311.50
Internship		£16,311.50

Note: There is a new second year rate linked to the National Living Wage of £14,078.34 per annum for apprentices aged 25 years and above with effect from 1 April 2017, payable from the date of their 25th birthday.

Table 7: Regional Surrey Pay Bands – 1 April 2017

Grade	Title	Minimum	Midpoint	Maximum
5/6	Administrator	£15,250	£18,250	£21,250
7	Senior Administrator	£19,250	£22,250	£25,250
8	Hub Leader	£23,250	£26,250	£29,250
9/10	Team Leader or Manager	£27,250	£30,250	£33,250
11	Manager	£31,250	£34,250	£37,250
12/13	Senior Manager	£36,250	£39,250	£42,250

Table 8: Surrey Arts Music Tutors Pay Rates – 1 September 2016

Annualised Hours Contracts Salary (Sep 16 - Aug 17) including 1% cost of living increase	Annual Salary	Hourly Pay Rates (for ad hoc claims)
Trainee	£17,804.28	£18.26
Pt. 1	£22,875.49	£23.46
Pt. 2	£24,069.31	£24.69
Pt. 3	£25,164.15	£25.81
Pt. 4	£26,654.91	£27.34
Pt. 5	£28,445.64	£29.18
Pt. 6	£31,429.18	£32.24

Note: The pay arrangements effective from 1 September 2017 are subject to an ongoing review.

Table 8: Surrey Adult Learning Tutors Pay Rates - 1 September 2016

Role and Period of Service	Annual Rate	Hourly Rate
Tutors Non-accredited programme Under 5 years' Service	£22,493	£23.07
Tutors Non-accredited programme Over 5 years' Service	£22,893	£23.48
Tutor Observers / Accredited Tutors Under 5 years' Service	£26,988	£27.68
Tutor Observers / Accredited Tutors Over 5 years' Service	£27,465	£28.17

Note: The pay arrangements effective from 1 September 2017 are subject to an ongoing review.