



SURREY COUNTY COUNCIL

PAY POLICY STATEMENT 2018/2019

Document summary

This statement sets out the Policy on the pay of Chief Officers in relation to the rest of the County Council's workforce, excluding schools.

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1. Introduction

This Pay Policy Statement was approved by a meeting of the full County Council on 20 March 2018 and is effective from 1 April 2018. 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 the 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.

In addition there are a number of national agreements produced through collective bargaining arrangements for different groups of local government staff. The main negotiating bodies relevant to the council's workforce and their scope are listed below. Surrey County Council operates these national conditions as amended by local agreements.

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 and governing bodies
- 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).

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

- Retained terms and conditions following a transfer under Transfer of Undertakings and Protection of Employment Regulations.

This Pay Policy Statement will be updated as soon as possible following any pay changes and at least annually.

2. Further Details

Specific details may be accessed via the links indicated in the document below, or by clicking on the buttons that are included on the landing page. Full details of pay and allowances including pay band rates can be found in the County Council's reward policy.

The council publishes details of staff earnings in accordance with legal requirements on transparency. Further information is contained in the Annual Report and Accounts in accordance with the Audit of Accounts legislation.

3. 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.

4. Definitions

For the purpose of this pay policy statement the following definitions will apply:

i Lowest paid employees

Surrey County Council defines its lowest paid employees as those who are paid on the lowest Surrey Pay grade, PS 1/2 and pay point. This is currently (July 2017) £15,874 per annum for full time staff.

ii Full time

A full time post is based on a 36 hour working week.

iii Chief Officers

Statutory and non-statutory Chief Officers of the County Council, all of whom report directly to the Chief Executive as the Head of the Authority's paid service, this includes the Monitoring Officer. In addition for the purposes of this pay policy statement, this group also includes all posts who report to a Chief Officer.

iv Surrey Pay salary ratios

The publication of the '**pay multiple**' as a determinant of the relationship between the pay of Chief Officers and that of the rest of the workforce was recommended by the Hutton report on Fair pay. This is a calculation in the form of a ratio between the median average earnings across the organisation and the highest paid employee. The pay multiple will also be published separately on the County Council website and monitored annually.

5. 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.

6. 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 £7.83 per hour for those aged 25 years and over (April 2018) and the “UK Living Wage”, of £8.75 per hour for those living outside London, which is advocated by the Living Wage Foundation (October 2017).

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 period 1 July 2017 until 30 June 2018.

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.

7. 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. This would be approved by the Head of HR & Organisational Development or in the case of Chief Officer appointments, by the PPD Committee.

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.

8. Remuneration for Chief Officers'

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 a 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 the pay year commencing 1 July 2017, there was no market adjustment and no increase to the pay band minima and maxima for all leadership grades PS16-CEX. A non-consolidated performance payment of 1% was awarded to staff achieving an 'exceptional' performance assessment.

Like other chief officers, the Chief Executive is on a Surrey pay contract. 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.

Full Council is required to approve the appointment of the Chief Executive following the recommendation of such an appointment by the PPD Committee. In accordance with the council's reward policy, new employees are normally appointed to the minimum point of the

pay band unless there is a good reason for appointment at a higher point within the pay band range. This would be approved by the Head of HR & Organisational Development and, in the case of Chief Officer appointments, by the PPD Committee.

9. Remuneration for employees who are not Chief Officers

i Non-schools based Surrey Pay staff

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.

- Leadership Pay Model
- Job Family Pay Model
- Career Pay Model

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 eleven pay bands PS1/2-PS12 and eight pay bands for senior managers PS13 to 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:

- For the pay year commencing 1 July 2017 the pay progression percentage increase was 1% for those employees in the job family pay model who received a 'successful' appraisal rating.

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

- For the pay year commencing 1 July 2017 the non-consolidated percentage increase was 1%.

ii School's based Surrey Pay staff

Whilst the Surrey Pay annual review for schools and non-schools staff have until recently followed the same collective bargaining time table, in 2017 the Surrey Pay review for non-schools and schools support staff was disaggregated. The PPD Committee agreed a separate time table for the councils reward strategy review programme for schools Surrey Pay staff, collective bargaining in respect of schools Surrey Pay arrangements are therefore being managed separately during this interim period. The intention is that the collective bargaining arrangements for schools and non-schools will be brought back together in 2020 as the Surrey Pay bands are aligned.

For schools based Surrey Pay staff, personal pay progression within grade is normally dependent upon “added value” in terms of duties, responsibilities and job performance following an annual appraisal. The pay year for schools based Surrey Pay staff commences 1 April each year:

- For the pay year commencing 1 April 2018, the pay progression increase is 1%.

iii 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.

iv 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.

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

v 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 1 September each year.

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

vi 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.

vii Centrally employed teachers – unattached teachers

Remuneration for centrally employed teachers is determined in accordance with the Department for Education School Teachers Pay and Conditions Document which sets out the national framework and any legal changes or changes to the staff structure which have an impact on local discretionary pay decisions for teachers.

Where, the remuneration of an unattached teacher (other than a teacher in charge of a pupil referral unit) is determined in accordance with the provisions applicable to a member of the leadership group, the teacher’s conditions of employment that relate to professional duties and working time is agreed between the teacher and the County Council.

The pay year for teachers runs from 1 September each year and for the pay year commencing 1 September 2017, the following adjustments to the pay ranges have been applied:

- 2% uplift to the minimum and maximum of the main pay range.
- 1% uplift for all other pay ranges including a 1% uplift to the minimum and maximum of the leadership group pay range and all head teacher group pay ranges
- 1% uplift to the minimum and maximum of the Teaching and Leadership Responsibility (TLR) and Special Educational Needs (SEN) allowance ranges

In addition to the uplifts to the pay ranges, the county council has discretion in determining individual pay progression increases linked to the appraisal policy.

For the pay year commencing 1 September 2017, the following pay progression arrangements have been agreed:

- 1% uplift for those employees who received an 'outstanding' performance rating.

A teachers' pay review group will be set up within the council's HR & Organisational Development Service to work with the service based pay moderation group to consider any recommendations on pay increases for centrally employed teachers. The pay moderation group will consider any appeals in relation to individual pay progression decisions and performs the function of the grievance procedure on pay matters and therefore decisions should not be reopened under the general grievance procedure.

Local decisions on pay are reviewed annually and take into account affordability. Representatives of the teachers' trade unions, NASUWT, NEU and NAHT are consulted when formulating policies and any changes to them. Decisions in relation to local discretion are determined by the PPD committee.

viii Educational Psychologists

Staff, who are not Chief Officers, working as Educational Psychologists are paid according to the national salary framework for Soulbury staff with associated terms and conditions.

10. Other elements of remuneration

i 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 have access to the same voluntary benefits scheme.

ii Additional Payments

In order to ensure sufficient flexibility to reward staff who are undertaking additional responsibilities the Council's reward policy on Additional Payments provides for Acting Up Allowances or a one-off Honorarium Payment to be made in specific circumstances.

iii Travel and Expenses

Where authorised to do so, employees are entitled to be reimbursed for mileage they incur whilst discharging their official duties. The rate of reimbursement will depend on the

engine size of a car, other rates are applicable where motorbikes and bicycles are used for this purpose. Employees who have to use public transport to travel for their role are entitled to reclaim the costs of the transport under the council's expenses policies. Any expenditure on business travel is reimbursed at the same rates for all grades.

Out of pocket expenses incurred during the course of employment will be met by the County Council provided that the expenses are directly related to employment and are approved as reasonable. This is in line with standard County Council reward policy.

11. Remuneration of staff – contract for services

The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council offers a contract for services and follows guidelines to ensure that the correct employment status is identified. When a need arises for an 'interim' appointment, recruitment is normally secured using the Council's agency contract arrangement. Individuals employed via an agency contract will be paid at a rate consistent with the pay of directly employed staff performing a comparable role. The council will consider any relevant marker factors if paying a premium rate.

12. Early Retirement and Severance

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.

13. Termination of employment of Chief Officers

Any compensation payments made to Chief Officers on ceasing to hold office or to be employed by the authority will be made on the same basis as any other employee in line with the County Council's 'change management policy'

In the event of an employee being made redundant or applying for voluntary severance, the County Council's managing change policy contains details of the circumstances in which a redundancy payment is payable. The Local Government Pension Scheme regulations provide for access to pension benefits without reduction from the age of 55 in the event of an employee being made redundant.

Where a proposal is in place for a Chief Officer to be made redundant, this must be referred to the Head of HR & Organisational Development and to the PPD committee in order to seek Member approval for the redundancy payments. Severance packages for all other employees must be approved in accordance with the scheme of delegation.