

## **SURREY COUNTY COUNCIL**

### **PAY POLICY STATEMENT 2019-2020**

<b>Contents</b>	<b>Page</b>
1. Introduction .....	1
2. Further Details.....	2
3. Governance .....	2
4. Definitions .....	2
5. Surrey Pay Salary Ratios April 2019.....	3
6. Salary Transparency .....	4
7. Equal Pay .....	4
8. Remuneration for Chief Officers .....	4
9. Remuneration for employees who are not Chief Officers .....	5
10. Other elements of remuneration.....	7
11. Remuneration of staff – contract for services.....	8
12. Early Retirement and Severance .....	8
13. Termination of employment of Chief Officers .....	8

#### **1. Introduction**

This Pay Policy Statement was approved by a meeting of the full County Council on 19 March 2019 and is effective from 1 April 2019. 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 include:

- Fire fighters; whose pay and conditions 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 below. Full details of 2019/20 pay bands can be found in Annex 1, attached.

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 and Deputy Chief Officers.

## 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. As at 1 April 2019 this equates to £16,894 per annum for full time staff.

**ii Full time**

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

**iii Chief Officers**

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

**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 earnings across the organisation and the highest paid employee. [The pay multiple](#) is published separately on the County Council website and monitored annually.

**5. Surrey Pay Salary Ratios April 2019**

The minimum Surrey Pay salary is the bottom of grade PS1/2: £16,894 per annum, which equates to £9.00 per hour, compared to the statutory National Living Wage of £8.21 per hour for those aged 25 years and over (April 2019) and the "UK Living Wage", of £9.00 per hour for those living outside London, which is advocated by the Living Wage Foundation (November 2018).

Based on salaries paid with effect from 1 April 2019 it is estimated that the Council will have the following ratios between the median earnings across the organisation and the highest paid employee.

<b>Surrey Pay Salary Ratios April 2019 – March 2020</b>		
Salary	Amount per annum	Ratio to the highest salary
Highest Basic Salary	£220, 000	n/a
Median Basic Salary	£27,099	8.1:1

**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

### 6. 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 publishes information on its website detailing Surrey Pay ranges, expenditure over £500 and contracts with a value of £50,000 or more.

To continue this commitment, 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.

### 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 the lowest grade to Chief Officers, including the Chief Executive, on the highest grades.

Newly appointed or promoted staff are normally appointed to the minimum salary on a grade unless there is clear business reason to appoint at a higher salary within the grade range.

#### ii **Supplements**

Managers may make a business case for an additional supplement to be paid above the maximum for the particular grade under specific circumstances or if it proves exceptionally difficult to recruit at the rate advertised. Such supplements must be supported by a business case, approved by the Director of HR & Organisational Development in conjunction with the Chair of the PPD Committee in the case of Chief Officers, or by the Director of HR & Organisational Development under delegated powers.

### 8. Remuneration for Chief Officers

Chief Officers are appointed within the leadership pay model at a spot salary within the appropriate pay band range.

Annual salary reviews for Chief Officers will take into account any generally agreed adjustments to senior management pay rates (if any) as determined by PPDC. For 2019-20 there is no salary increase for those in the leadership pay model.

Details of the remuneration paid to all members of the Council's Leadership Team are available in the Council's Annual Statement of Accounts.

## 9. Remuneration for employees who are not Chief Officers

### i. **Surrey Pay staff**

Surrey Pay comprises pay bands PS1/2 to PS14 and pay bands for senior managers PS15 to Chief Executive.

Surrey Pay roles are aligned to a defined pay model as follows:

- Spot Salary Pay model
- Job Family Pay Model
- Career Pay Model
- Leadership Pay Model

Surrey Pay is reviewed annually to come into effect from 1 April each year.

From 1 April 2019 revised fixed pay points have been introduced within existing grades and staff will progress through the fixed pay points for their grade until the maximum of the grade is reached.

From 1 April 2020 onwards any increases to the Surrey Pay points as part of the annual pay review will take into account the NJC pay award for local government for Surrey Pay grades 1/2 to 14 and the JNC pay award for Chief Officers pay for local authorities for Surrey Pay grades 15 and above.

Individual pay progression will be subject to:

- Staff being in post at their current grade level on 1 October (or the first working day of the week) in the previous year.
- Performance in the role, and
- Scope being available within the individual pay grade until the top of the grade is reached.

### ii. **Apprentices**

The Council has a standalone apprenticeship grade that is separate from Surrey Pay main grades. This enables consistent apprenticeship pay grades to be applied across all services including those that have differing pay structures.

### iii. **Commercial Services Education Catering**

PPDC has approved entry salary levels for Commercial Services staff above the grade minimum.

### iv. **Regional Surrey Pay bands**

In February 2013 (as a result of the creation of the then South East Shared Services), 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 at that time and provided for a performance related progression (PRP) arrangement. For 2019/20 the pay bands have been uplifted by 2.5%. The value of the PRP payment is 2% across the pay band and a 2% non-consolidated payment (NCP) for exceptional performance.

**v. Former Buckinghamshire County Council Trading Standards staff**

On 1 April 2015, staff from Buckinghamshire County Council's Trading Standards Service were transferred into the employment of Surrey County Council under the Transfer of Undertakings Protection of Employment Regulations.

There is no adjustment made to the pay bands for 2019/2020. A 2.5% performance-related pay progression will be applied to staff employed on Buckinghamshire County Council terms and conditions with effect from 1 July 2019, subject to successful performance and available headroom with the pay range.

In addition, in accordance with their terms and conditions:

- For an "exceeding" performance rating a contribution based pay increase applies, based on 35% of the difference between the top two pay points; and
- For an "outstanding" performance rating a contribution based pay increase applies, based on 70% of the difference between the top two pay points.

**vi. Tutors - Surrey Arts and Community Learning & Skills**

Tutors within Surrey Arts and Community Learning & Skills are paid a spot salary. There is no pay progression within this pay model. Salary may increase following a market review as part of the annual review of Surrey Pay. Pay changes are implemented from 1 September each year.

- For the pay year commencing 1 September 2018, there was no pay increase for Community Learning and Skills Tutors.
- For the pay year commencing 1 September 2018, there was no pay increase for Surrey Arts Tutors.

**vii. 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. This is currently set at £34,986 per annum.

**viii. 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 following pay ranges apply with effect from 1 September 2018:

**Agreed nationally:**

- An uplift of 3.5% to the minimum and maximum of the unqualified pay range and main pay range.
- An uplift of 2% to the minimum and maximum of the upper pay range, leading practitioner pay range and all allowances.
- An uplift of 1.5% to the minimum and maximum of the leadership pay ranges.

**Agreed locally:**

Except for those on the minimum of their respective pay ranges, the PPD Committee agreed:

- All teachers receive a 1% increase in their salary with effect from 1 September 2018.

In addition to the above and as agreed locally, teachers are eligible for pay progression, subject to performance and scope within their pay range, as follows:

- A 1% increase, subject to a 'successful' appraisal rating, or
- A 2% pay increase, subject to an 'exceptional' appraisal rating

Local decisions on pay are reviewed annually and take into account affordability and decisions in relation to local discretion are determined by the PPD Committee.

**10. Other elements of remuneration****i Employee Benefits**

The Council does not provide any grade related benefits in kind, such as annual leave, private medical insurance or lease cars. 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 provides for acting-up payments or a one-off honorarium payment to be made in specific circumstances.

In addition, a non-consolidated payment (NCP) is available to recognise exceptional performance.

**iii Travel and Expenses**

Where authorised to do so, employees are entitled to be reimbursed for additional mileage they incur whilst discharging their official duties. The rate of reimbursement will depend on the mileage incurred. Employees who have to use public transport to travel for business travel are entitled to reclaim the additional costs of the transport under the council's expenses policy. 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.

### **11. Remuneration - Contract for Services**

The Council encourages the direct employment of staff and pays them via the payroll system. In circumstances where it is more appropriate to engage people on a contract for services the Council follows HMRC guidelines to ensure that the correct employment status is identified.

When a need arises for an 'interim' appointment, recruitment is normally secured via the Council's temporary staffing agency frameworks. Individuals contracted via an agency will in most instances be paid at a rate consistent with the pay of directly employed staff performing a comparable role. The Council will consider any relevant market factors to support payment of a premium rate necessary to secure appropriate levels of skills and expertise.

### **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.

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 Early Retirement and Severance 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.