

Pay Policy Statement for 2017/18 and 2018/19 (amended 12 December 2017)

1. Introduction and Scope

The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding those working in schools) by identifying:

- The methods by which the salary grades of all employees are determined
- The detail and level of remuneration of its most senior employees i.e. 'chief officers', as defined by the relevant legislation
- The detail and level of remuneration of the lowest paid employees
- The relationship between the remuneration for highest and lowest paid employees
- The Committee(s)/Panel responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

The Authority seeks to be able to recruit and retain employees in a way which is externally competitive and internally fair. Essex County Council (ECC) pay policy is applied consistently across the entire pay spectrum, from the lowest to the highest grade.

This Pay Policy Statement 2017/18 sets out ECC's position in relation to pay for its senior managers and lowest paid employees in compliance with the Localism Act 2011.

2. Determination of Grade and Salary

All roles are evaluated using the Hay job evaluation methodology to ensure roles are graded fairly, accurately and consistently. This allocates each role a locally agreed grade. These grades are Chief Officer and Senior managers (Grades A to B job size 3) and other officers (Grades C to J). Each grade is matched to a salary range. The salary range for each grade has been determined using the HAY public sector benchmarking data and these salary ranges are determined and set annually by ECC.

No evaluation process exists for Soulbury or Youth and Community conditions, but employees are placed within nationally defined grading structures.

The Hay Job evaluation methodology is used nationally and internationally, and provides the basis for grade determination based upon a range of established factors.

All senior managers are paid on specific individual salaries within a salary range. The salary ranges exist to set a minimum and maximum for each grade. Reviews of salaries will be

undertaken against an assessment of the relevant local and national market including an assessment of inflation rates (both price and wage inflation).

3. Background

ECC Policy is that remuneration at all levels of ECC (the lowest to the highest paid employees) must be sufficient to attract, appoint and retain high quality employees while at the same time recognising that pay and benefits are met from public funds.

Pay policy at ECC is currently to apply local pay and conditions except for a small group of employees retained upon National Conditions of Service in specific recognised specialist pay groups (Soulbury, Youth and Community and Teaching groupings and some employees who have TUPE'd into ECC).

The values of the incremental points contained within specialist National grading structures (such as Soulbury, Teaching groupings and Youth & Community) are as determined by national negotiations between the Local Government Employers and the trade unions. Pay claims, generally on an annual basis, are submitted by the trade unions and considered by the Local Government Employers (following consultation with local authorities). ECC Policy is to adopt any changes made to salary scales arising from national negotiation for these groups only.

A new senior grading and pay structure for layers 1 and 2 of the organisation (senior roles) was introduced from 1 April 2017 and this has now been developed for all remaining posts in scope for local pay.

Layer 1 of the organisation is the Executive Directors.

Layer 2 of the organisation is made up of:

- Directors
- Heads of Service whose manager is directly managed by the Chief Executive.

The new pay grades have been proposed by reference to the HAY 'Public and Not for Profit' market. The grading structure comprises salary ranges with minimal overlaps and no incremental points. All employees are appointed at a specific individual salary within the pay range.

Pay ranges are revisited from time to time to ensure they remain appropriate when benchmarked against the identified market.

The National Living Wage is the minimum rate paid to ECC's lowest paid permanent and fixed term employees irrespective of their age. This will be kept under review if the National Living Wage becomes out of step with other ECC grades.

4. Definition of Lowest and Highest Paid Employees

As stated above, ECC Policy is that all grades applied to posts are determined by job evaluation. The lowest paid employees fall within posts currently evaluated at band 1 and with effect from 1 April 2018, salary grade J (see Annex A for values of new and current bands).

The highest paid employee is the Chief Executive. Other than the post of Chief Executive, the highest paid posts within ECC fall within posts evaluated at Grade A (see Annex A for values).

5. Pay Ratios

The recommendation of the Hutton Report into 'Fair Pay in the Public Sector', as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation should be published.

For the current financial year 2017/18 the ratio is 1:7.6

6. Publication of Pay Data

In order to be transparent, ECC publishes the details of senior manager salaries for all employees paid £50,000 per annum or more. This is published in line with the DCLG Local Government Transparency Code 2015.

This data is reviewed and refreshed annually and can be found on the ECC website under 'Senior Salaries'.

Information on senior manager salaries (where salaries are over £150,000 per annum, pro rata for part-time officers) is also published in ECC's Annual Statement of Accounts.

In the accounts for the last financial year 2016/17 ECC published information about exit packages agreed during this year. This information is given by reference to total numbers within bands (of £20,000 up to £100,000 and thereafter £50,000 bands). Details of individual exit packages will be given as required by law.

7. Pay upon Appointment

All appointments to Chief Officer and senior manager posts are made on a specific individual salary within the salary range that the role has been allocated to. Consideration will be given to:

- The wider recruitment market
- Relativity of salaries of comparable roles

- Equality
- Size and responsibilities of the post and duties to be undertaken.

Appointments to posts on a salary in excess of £100,000 will be made by Councillors sitting on the Committee.

For posts graded B job size 3, the decision on the salary of a senior post, prior to an offer being made, will be determined by the Director ODP in consultation with the recruiting manager.

Other posts below layer 2 will be appointed to the appropriate pay grade for the role as determined by job evaluation. The appointment salary will be made in accordance with Pay Policy Guidelines that have been agreed by the Chief Executive. Pay progression will also be determined in accordance with these Pay Policy Guidelines.

8. Governance

ECC policy is to delegate authority for decision-making to the appropriate level and to detail such delegations within the Constitution.

Under ECC's Constitution, the Chief Executive is the Head of the Paid Service and has delegated authority to appoint, dismiss and determine pay for all employees except where this function is specifically delegated to Members under the constitution or by law. The Chief Executive has authorised certain other officers to appoint and dismiss certain staff.

The full Council appoints Members to a politically balanced committee called the 'Committee to determine the Conditions of Employment of Chief & Deputy Chief Officers' referred to as Chief & Deputy Chief Officers Committee (C&DCOC). This committee has authority to:

- recommend to full Council the appointment of the Head of the Paid Service,
- to appoint and dismiss Chief and Deputy Chief Officers (other than the Chief Executive, the s151 officer and the monitoring officer) and
- to consider and approve the recommendations of the Chief Executive and the Leader of the Council in respect of performance payments for the Chief Executive and Executive Directors
- to determine pay levels for Chief and Deputy Chief Officers including market supplements and retention payments (which may only be made in exceptional circumstances).

The Committee can delegate functions relating to Layer 2 employees to a Sub-Committee.

Any change of pay for Chief Officers and for layer 1 and layer 2 employees other than in accordance with normal progression through the grade including market supplements or other retention payments must be approved by the Committee.

The appointment or dismissal of the Head of the Paid Service, the section 151 officer or the monitoring officer is required to be approved by the full Council.

The authority must consult with the Secretary of State before dismissing its Director of Public Health.

Pay Progression in general

Levels of base pay increase and bonus payments are determined by the Chief Executive annually taking into account a number of factors including individual performance, market conditions, benchmarking data and affordability.

This decision may also result in a base pay freeze. Pay Policy Guidelines allows the application of different progression arrangements for different grades grading groups and different pay levels within a grade (known as 'zones'). Pay Policy Guidelines approved by the Chief Executive set out more detail regarding the principles of how annual pay increases will be applied.

Pay Progression for Chief Officers

In addition, for Chief Officers an increase in base pay progression may also take a further form. Where a Chief Officer has been appointed to a role below the mid-point of the relevant grade, accelerated base pay progression towards mid-point may take place in accordance with a progression plan.

Pay beyond the mid-point of the grade for Chief Officer would require the approval of the Committee.

9. Other Reward Mechanisms

Any payment in this section requires approval by the Chief Executive and Director of ODP if:

(i) the proposed additional payment is to an employee whose salary is already £100,000 or more, or

(ii) the proposed additional payment if approved would result in the employee's salary rising to £100,000 or more.

See section 8 for payments to employees at Layer 1 or Layer 2.

a) In Year Adjustments to base pay

In the event that a salary adjustment in year needs to be applied to a member of the Corporate Management Board or a Chief Officer, any decision will be taken by the Committee to determine the Conditions of Employment of Chief and Deputy Chief Officers.

The Council's approach to making such changes would be that they would only be made based on a compelling business case such as a change in market conditions or a significant change in duties attached to the post.

Pay Policy Guidelines set out more detail regarding the principles, process and sign-off for individual in year adjustments to pay in exceptional circumstances, outside the annual pay review process.

b) Career Progression Schemes

In addition, a small number of Career Progression Schemes have been developed and implemented within Functions.

These schemes allow additional base pay progression dependent upon employees achieving specified qualifications and experience.

c) Market Supplements

As a general rule, the benchmarked local performance grades provide relevant and adequate compensation to attract and retain employees for the majority of posts and the necessity to apply a salary supplement should not exist.

There may be specific circumstances, however, where an additional market supplement may be required to either attract hard to recruit categories of employees or to retain such employees within the employment of ECC.

In all cases a business case will need to be developed to support the payment of market supplements. The business case will need to be approved by the relevant Executive Director and the Director, Organisation Development and People. All market supplements applied are required to be kept under regular review and withdrawn should the recruitment position improve.

d) Other Pay Arrangements

As ECC further develops, for example its traded functions, it may be necessary to develop segmented pay arrangements to fit the nature of the business. All such pay variations will be approved by the Committee if they affect posts at layer 1 or layer 2 and by the Chief Executive for other employees. Any such arrangements will need to consider the implications of the Equality Act 2010.

e) Pay Protection

ECC has pay protection arrangements, via a collective agreement, which provides a mechanism to assist employees to adjust to a reduction in pay arising from organisational change, job evaluation or redeployment.

Different pay protection applies in different circumstances.

f) Allowances

In certain cases, additional allowances will be paid to certain categories of employee for a specific additional contractual or business requirement (such as for qualified first aiders, or for those who work certain shift patterns, or those available under agreed National Conditions).

g) Pension

ECC operates the Local Government Pension Scheme (LGPS) and the Teachers' Pension Scheme and makes pension contributions as required to all employees who participate in either scheme. Both pension schemes are compliant with Pension Automatic Enrolment legislation.

A number of employees have transferred to ECC under a specific staff transfer arrangement which allowed them to continue membership of the NHS pension scheme. ECC makes contributions on their behalf and complies with Pension Legislation in respect of the NHS scheme.

ECC has determined and published policies around the discretions available under the LGPS.

h) Lease Car Scheme

ECC operates a lease car scheme, and the Policy is that employees at any level within the organisation may be offered participation within the scheme where there is business need.

i) Lease Car Alternative Annual Allowance Payment

ECC Policy is that employees occupying roles at a senior level (as determined by the Chief Executive) may either participate in the ECC car leasing scheme without having to demonstrate business need, or receive a an annual allowance as an alternative.

This is provided as a discretionary policy and may be withdrawn at any time, subject to the provisions of individual employees' contracts of employment.

j) Private Medical Health Insurance

ECC provides the facility for employees occupying roles at a senior level (as determined by the Chief Executive) to receive Private Medical Health Insurance cover. Upon application, cover is provided for employee and either their spouse or their children.

Employees may upgrade to family cover at their own additional expense. Private Medical Health Insurance provides a Benefit in Kind and is included in P11D statements and results in a tax liability for participating employees.

This is provided as a discretionary policy and may be withdrawn at any time, subject to the provisions of individual employees' contracts of employment.

k) Childcare Vouchers

ECC Policy is that all eligible employees may participate in the Childcare Voucher scheme through a salary sacrifice arrangement.

The Government has launched a new tax-free scheme designed to assist employees with their childcare costs. ECC will continue to offer the Childcare Voucher scheme to existing users for as long as there is a demand and taxation advantage to offering it.

l) Cycle to Work Scheme

ECC Policy is that all permanent employees may participate in the Cycle to Work scheme through a salary sacrifice arrangement.

m) Buying of Annual Leave

Employees are given two opportunities per annum to purchase additional annual leave through a contractual arrangement.

n) Individual & Team Rewards

ECC Policy is that employees or teams may receive recognition for undertaking additional duties that are significantly outside the scope of their normal role for a short period of time or excelling in the performance of their duties.

Such recognition can take the form of:

- Reward payments
- Reward vouchers
- Award of additional annual leave
- Thank you letters
- E-recognition cards

Individual and team rewards are separate from acting up payments where an employee is formally covering the duties, usually of a more senior role, receiving the appropriate rate for that role.

10. Chief Officer Salaries 2017/18

Chief Officers are all employed at Layers 1 and 2. ECC Policy on the recruitment of Chief Officers is therefore as detailed at paragraph 8 of this Statement.

The salary packages applied to posts of Chief Officers and other roles specified in the Accounts and Audit Regulations 2015 will be published on ECC website and within the Statement of Accounts.

11. Appointments to Designated Roles 2017/18

ECC Policy on the recruitment of Chief Officers and Deputy Chief Officers is as detailed at paragraph 8 of this Statement.

12. Early Retirement/Termination of Designated Roles 2017/18

ECC Policy on the termination of Chief Officers' employment is as detailed at paragraph 8 of this Statement and within the Constitution.

ECC early retirement policy is that requests for early payment of benefits will be agreed (before the age of 60) only if there is a compelling business reason for doing so.

13. Settlement Agreements

In exceptional circumstances to avoid or settle a claim or potential dispute, ECC may agree payment of a settlement sum. All cases must be supported by a business case and take account of all legal, financial, contractual and other responsibilities.

14. Small Business, Enterprise & Employment Act 2015

ECC will implement the Repayment of Public Sector Exit Payment Regulations if and when enacted.

15. Further Information

For further information on the Council's Pay Policy please contact the Council's Reward Manager on 03330 320769.

Annex A

After April 2018 some of these grades will be phased out under local agreement or superseded by new grades.

Current Salary Bands

Band	Minimum	Maximum
Band 1	£14,469	£16,300
Band 2	£15,200	£23,200
Band 3	£17,300	£28,800
Band 4	£22,700	£40,750
Band 5	£28,500	£50,400
Band 6	£35,500	£59,500
Band 7	£46,000	£69,100
Band 8	£55,000	£85,500
Grade B Job Size 3	£81,000	£99,000
Grade B Job size 2	£100,000	£120,000
Grade B Job size 1	£121,000	£140,000
Grade A	£141,000	£170,000
Chief Executive	Spot Salary	£195,000

Proposed Salary Ranges to be phased in from April 2018 or earlier on the implementation of new structures

Grade	Minimum	Maximum
Grade J	NLW	£17,500
Grade I	£17,500	£20,000
Grade H	£20,000	£24,000
Grade G	£24,000	£30,000
Grade F	£30,000	£38,000
Grade E	£38,000	£50,000
Grade D	£50,000	£65,000
Grade C	£65,000	£81,000
Grade B Job Size 3 - Senior	£81,000	£99,000
Grade B Job size 2 - Senior	£100,000	£120,000
Grade B Job size 1 - Senior	£121,000	£140,000
Grade A - Senior	£141,000	£170,000
Chief Executive - Senior	Spot Salary	£195,000

Social Care Pay Range

Role	Minimum and Maximum
Social Care Leadership & Management roles	£46,000 to £57,000 £57,000 to £65,000 £65,000 to £81,000
Senior practitioner roles	£38,000 to £46,000
Qualified social care roles	£30,000 to £41,000
Newly-qualified social care roles	£26,000 to £30,000