



Pay Policy Statement

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Note: Blue typeface within the text below indicates information that is available on the County Council website.

Policy on the pay of Chief Officers, Deputy Chief Officers and Assistant Directors in relation to the rest of the local government workforce, excluding schools

Key Points

- The annual pay policy statement will be approved by full Council each year and published on the Council’s website by 31 March.
- Elected members will take decisions on all matters concerning the pay of Chief Officers and Deputy Chief Officers through the Governance Committee including approval of any annual pay award. This Committee also approves any annual pay award offered to managerial staff employed on local pay and conditions.
- The Chief Officer salary bands are published on the County Council’s website, along with the salary scales for all other staff groups.
- The County Council uses job evaluation to determine the grade of its posts and has adopted two schemes; the HAY scheme for managerial posts and the NJC (local government) scheme for staff below management level.

1. Background to the pay policy statement

1.1 The Localism Act 2011 requires local authorities to prepare a pay policy statement for each financial year. This statement has to be approved by the full County Council, annually.

1.2 The statement must set out the authority's policies for the financial year relating to the remuneration of its Chief Officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not chief officers.

2. Definitions

2.1 **Chief Officers:** Statutory and non-statutory Chief Officers of the County Council, all of whom report to the Chief Executive as the Head of the Authority's paid service. This definition is based on the interpretation provided in the Localism Act with reference to the Local Government and Housing Act 1989.

2.2 The Localism Act specifies that the **Monitoring Officer** is also included. This Officer is paid at Assistant Director level. (See paragraph 2.3, below).

2.3 **Deputy Chief Officers:** All posts reporting directly to a Chief Officer, whether paid on Deputy Chief Officer pay bands or Assistant Directors paid on Local Managerial Grades. This definition is based on the interpretation provided in the Localism Act with reference to the Local Government and Housing Act 1989.

2.4 **Lowest-paid employees :** all staff paid on the lowest salary point of the local single status pay spine (which is the same as the lowest point of the national (NJC) pay spine) and currently £12,145 per annum for full time staff. The reason for selecting this point is that all non-managerial local government employees are paid on a pay spine which commences at this level.

2.5 The Localism Act defines **remuneration** as including; salary under a contract of employment or payments made under a contract for services, bonuses, charges, fees or allowances, any benefits in kind, any enhancement to pension entitlement and any amounts payable on the Chief Officer ceasing to hold office.

2.6 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 be published on the County Council website and monitored annually.

3. Remuneration of Chief Officers

3.1 The posts that fall within the definition of 'Chief Officer' for the purposes of the Local Government and Housing Act 1989 are included in Appendix 1 of this policy.

3.2 The Chief Executive, Directors and Deputy Directors of the County Council are paid on local pay bands for Chief Officers and Deputy Chief Officers. These posts are evaluated using the Hay job evaluation scheme and are paid on the relevant band according to the size of their job as determined on the job evaluation scheme.

3.3 Assistant Directors are defined as 'Deputy Chief Officers for the purposes of the Localism Act as they report directly to Chief Officers. These posts are also evaluated using the HAY job evaluation scheme and paid on the County Council's Local Managerial Grades (LMG). All the County Council's managers are paid on these scales and have a common scheme of terms and conditions of service.

3.4 The County Council's salary scales are published on the County Council website.

<http://www.eastsussex.gov.uk/jobs/workingateastsussexcountycouncil/salaries/default.htm>

3.5 In accordance with standard council policy, new employees are normally appointed to the minimum point of the pay scale unless there is a good reason for appointment at a higher point on the scale. This would be approved at a senior level and, in the case of Chief Officer appointments, by the Chief Executive in consultation with the Lead Member.

3.6 Incremental progression within a salary band would normally take place on 1 April each year until the maximum point of the scale is reached and is subject to the achievement of agreed operational targets. This is standard policy for all managers across the County Council.

3.7 Annual pay awards for Chief Officers and Deputy Chief Officers are subject to local pay determination by the Governance Committee. Annual pay awards for managers paid on Local Managerial Grades, including Assistant Directors, are negotiated with UNISON annually and approved by the Governance Committee. These pay awards are determined with reference to economic indicators including the rate of inflation (CPI), turnover rates, level of other public sector pay awards and market position. The local pay awards for these staff groups were 0% in 2010/11 and 2011/12.

4. Remuneration of employees who are not Chief Officers

4.1 The remuneration of employees below management level is subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' commonly known as the 'Green Book'.

4.2 The 'Green Book' contains a national basic framework for conditions of service but also allows for local variation on certain specified conditions of service, including the pay structure. The County Council and the local trades unions have been working closely together over a number of years to implement these local variations via Local Collective Agreements. In broad terms, these provided for a range of changes to terms and conditions of employment, including the following,

- the local East Sussex Single Status pay scales containing 13 non-overlapping grades with consistent incremental steps, is being phased in from 1 April 2003 and employees that remain on the former 'NJC' pay spine will transfer to these grades by 2014. A copy of the current set of payscales is published on the County Council's website.
- the adoption of the National Joint Council Job Evaluation Scheme for determining the grade of posts on the local single status pay spine.
- a harmonised arrangement of paying up to two additional increments for work undertaken at weekends within the normal working week.

4.3 The nationally negotiated pay awards have been applied to the local single status pay scales since their introduction in 2003. The national pay awards in 2010/11 and 2011/12 were 0%.

4.4 Staff who are not Chief Officers working in Education Advisory roles or as Educational Psychologists are paid according to the national salary framework for Soulbury staff and terms and conditions.

5. Other elements of remuneration

5.1 The County Council does not operate a formal performance-related pay system and therefore there are no bonus payments or other regular payments paid to Chief Officers beyond the annual increments referred to in paragraph 3.6, above.

5.2 The County Council's honorarium scheme applies to all staff, including Chief Officers, and rewards the performance of additional duties and responsibilities over and above an employee's normal workload for a temporary period. It includes reward for an exceptional contribution to a project or piece of work and for high standards of personal achievement and quality of work. There are three levels of payment against specified criteria and a payment of 2.5%, 5.0% and 7.5% of salary may be awarded for the period during which the additional duties/responsibilities were undertaken. The decision to award an honorarium payment to a Chief Officer would be taken by the Chief Executive and in the case of the Chief Executive would be taken by the Leader.

5.3 The County Council's special merit payment scheme, which allows a flat rate payment of up to £1000 in recognition of a particular "one-off" contribution or a substantially increased workload, applies to all staff, including Chief Officers. The decision to award a merit payment to a Chief Officer would be

taken by the Chief Executive and in the case of the Chief Executive would be taken by the Leader of the Council.

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

5.5 The standard County Council mileage payments are also paid to Chief Officers for mileage travelled on Council business. These are 45p per mile for contracted car users, 25p per mile for optional car users, 20p for travel in connection with training and 12p per mile for leased car users.

5.6 The County Council operates a car leasing scheme which is open to all employees but only attracts an employer contribution for staff who are expected to travel at least 4000 business miles per annum and leased car users are then reimbursed the 'fuel' element of their business travel. The employer contribution is £1600 per annum and the higher contribution for travel in excess of 7500 miles per annum is £2675.

5.7 The County Council has a market supplements policy that provides for an additional payment to aid the recruitment and retention of staff that work in areas where there is evidence of a skills shortage. These are rarely applied and have to be approved by the Chief Officers' Management Team. Currently there are no market supplements paid to Chief Officers and Deputy Chief Officers that fall within the definition of the Localism Act.

6. Relationship between the remuneration of Chief Officers and that of the wider workforce

6.1 Apart from the differences in pay scales as described in paragraph 3 above, there are minimal differences in entitlement to remuneration between Chief Officers and Deputy Chief Officers and the rest of the workforce as the County Council is working towards harmonisation of terms and conditions of service between staff groups. The main differences between the remuneration of employees below managerial level and the local managerial grades are:

i) Managers employed on local terms and conditions are not entitled to payment of any additional allowances beyond the basic rate of pay whereas employees below management level are able to claim these for regular working outside standard working hours, for example, overtime or weekend working increments.

ii) Managers employed on local terms and conditions have their annual pay award approved locally by the Governance Committee, as described in paragraph 3.7, whereas employees below management level receive the national pay award.

6.2 The 'pay multiple' will be calculated each year and will be published on the County Council's website with other pay information suggested in the code

of recommended practice on data transparency. This will be monitored for changes over time and reported to Members with the annual pay policy statement.

6.3 Until comparative information is available to establish a target for the pay multiple, it is the Council's intention to maintain the pay multiple at its current level, or better in 2012/13.

7. Appointment or Re-engagement of Chief Officers

7.1 Posts with proposed salary packages greater than £100,000K will be approved by the Governance Committee prior to appointment, provided the salary package being considered is in line with existing pay scales that also apply to other Chief Officers and Deputy Chief Officers undertaking similar duties and responsibilities. Chief Officers and Deputy Chief Officers will be appointed on one of the established grade bands appropriate to the post. Any proposed exceptions to this would require the approval of the full County Council.

7.2 The policy for appointing or re-engaging any member of staff who has previously been made redundant by this authority, or who are in receipt of a local government pension is there should be a presumption against re-employment of employees for a period of 12 months following the end of their employment. However, in exceptional circumstances employees may be re-employed by the Council. In approving a re-employment of a Chief Officer, Members will need to be satisfied that:

- the employee is not being re-employed in a role or capacity, which is broadly similar to the role from which they were made redundant;
- the rate of pay applied to the work undertaken by the re-engaged employee should be that appropriate to the work to be done and not the grading which applied to the employee prior to the end of their current contract;
- the employment should be for a fixed term, not exceeding one year, unless there are exceptional circumstances; and the arrangement must provide financial / operational advantage to the Council.

8. Termination of Employment of Chief Officers

8.1 Any compensation payments made to Chief Officers and Deputy 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 'managing change' policies.

8.2 In the event of an employee being made redundant, the County Council's managing change policy provides for a redundancy payment being made based on the statutory redundancy payment multiplied by 1.75.

8.3 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. The County Council has the discretion to award up to three years' augmentation of pension benefits in exceptional circumstances only, and this has to be supported by a business case. The managing change policy stipulates that where a proposal is in place for a Chief Officer, Deputy or Assistant Director to be made redundant, this must be referred to the Chief Executive, to seek Member approval for the redundancy payments.

Appendix 1

List of Chief Officer and Deputy Chief Officer posts that fall within the definition of the Localism Act 2011 (and Local Government and Planning and Housing Act 1989)

Job Title	Grade Band
Chief Executive	Chief Executive
Director of Children's Services	Chief Officer Band B
Director of Adult Social Care	Chief Officer Band A
Director of Corporate Resources	Chief Officer Band A
Director of Economy, Transport and Environment	Chief Officer Band A
Assistant Chief Executive	Deputy Chief Officer Band A
Deputy Director of Children's Services	Deputy Chief Officer Band B
Deputy Director of Finance	Deputy Chief Officer Band A
Assistant Director of Children's Services	Deputy Chief Officer Band A
Monitoring Officer (Assistant Director, Legal & Democratic)	Local Managerial Grade 7
Assistant Directors:	Local Managerial Grade 7
Assistant Director Resources, ASC	
Assistant Director, Strategy & Commissioning, ASC	
Assistant Director, Operations, ASC	
Assistant Director and Head of ICT Services, CRD	
Assistant Director, Property	
Assistant Director, Resources, CSD	
Assistant Director, Economy, ET&E	
Assistant Director, Environment, ET&E	
Assistant Director, Transport & Operations, ET&E	
Assistant Director, Personnel & Training	
Assistant Directors:	Local Managerial Grade 6
Assistant Director, Planning, Performance & Engagement, ASC	
Assistant Director, Audit & Performance, CRD	
Assistant Director, Planning & Performance, CSD	
Children's Trust Manager, CSD	
Assistant Director, Resources, Finance and Performance, ET&E	
Assistant Director, Resources	
Assistant Director, Community Services	
Head of Policy and Performance(Corporate)	Local Managerial Grade 5
Head of Communications	Local Managerial Grade 5