

Phil Norrey
Chief Executive

To: The Chair and Members of the
Appointments and
Remuneration Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

(See below)

Your ref :
Our ref :

Date : 7 January 2019
Please ask for : Karen Strahan 01392 382264

Email: karen.strahan@devon.gov.uk

APPOINTMENTS AND REMUNERATION COMMITTEE

Tuesday, 15th January, 2019

A meeting of the Appointments and Remuneration Committee is to be held on the above date at 2.15 pm in the Committee Suite - County Hall to consider the following matters.

P NORREY
Chief Executive

AGENDA

PART I - OPEN COMMITTEE

- 1 Apologies for Absence
- 2 Minutes

Minutes of the meeting held on 14 March 2018.

- 3 Items Requiring Urgent Attention

Items which in the opinion of the Chair should be considered at the meeting as a matter of urgency.

MATTERS FOR DECISION

- 4 Pay Policy Statement 2019/2020 (Pages 1 - 8)

Joint Report of the County Solicitor and the Head of Human Resources outlining the proposed and revised Pay Policy Statement for 2019/2020, attached.

MATTERS FOR INFORMATION

5 County Solicitor: Chief Officer for Legal, Human Resources and Communications

County Solicitor to Report.

**PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC ON THE
GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED**

NIL

Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.

Membership

Councillors J Hart (Chair), A Connett, R Hannaford, J McInnes and B Parsons

Declaration of Interests

Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

Access to Information

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact Karen Strahan on 01392 382264.

Internet

Agendas and minutes of this Committee together with any officers' reports considered at the meeting are published online on the Council's Website and can also be accessed via the Modern.Gov app, available from the usual stores.

Webcasting, Recording or Reporting of Meetings and Proceedings

The proceedings of this meeting may be recorded for broadcasting live on the internet via the 'Democracy Centre' on the County Council's website. The whole of the meeting may be broadcast apart from any confidential items which may need to be considered in the absence of the press and public. For more information go to: <http://www.devoncc.public-i.tv/core/>

In addition, anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chair. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use Facebook and Twitter or other forms of social media to report on proceedings at this meeting. An open, publicly available Wi-Fi network (i.e. DCC) is normally available for meetings held in the Committee Suite at County Hall. For information on Wi-Fi availability at other locations, please contact the Officer identified above.

Access to County Hall

Access to County Hall is restricted and all visitors are requested to report to the Main Reception. Car parking facilities on site are limited. Provision for disabled parking is available. It is advisable to contact County Hall Main Reception in advance on 01392 382504. See attached sheet for Public Transport Links.

Emergencies

In the event of the fire alarm sounding leave the building immediately by the nearest available exit, following the fire exit signs. If doors fail to unlock press the Green breakglass next to the door. Do not stop to collect personal belongings, do not use the lifts, do not re-enter the building until told to do so.

Mobile Phones

Please switch off all mobile phones before entering the Committee Room or Council Chamber

If you need a copy of this Agenda and/or a Report in another format (e.g. large print, audio tape, Braille or other languages), please contact the Information Centre on 01392 380101 or email to: centre@devon.gov.uk or write to the Democratic and Scrutiny Secretariat at County Hall, Exeter, EX2 4QD.



Induction loop system available

NOTES FOR VISITORS

All visitors to County Hall, including visitors to the Committee Suite and the Coaver Club conference and meeting rooms are requested to report to Main Reception on arrival. If visitors have any specific requirements or needs they should contact County Hall reception on 01392 382504 beforehand. Further information about how to get here can be found at: <https://new.devon.gov.uk/help/visiting-county-hall/>. Please note that visitor car parking on campus is limited and space cannot be guaranteed. Where possible, we encourage visitors to travel to County Hall by other means.

SatNav – Postcode EX2 4QD

Walking and Cycling Facilities

County Hall is a pleasant twenty minute walk from Exeter City Centre. Exeter is also one of six National Cycle demonstration towns and has an excellent network of dedicated cycle routes – a map can be found at: <https://new.devon.gov.uk/travel/cycle/>. Cycle stands are outside County Hall Main Reception and Lucombe House

Access to County Hall and Public Transport Links

Bus Services K, J, T and S operate from the High Street to County Hall (Topsham Road). To return to the High Street use Services K, J, T and R. Local Services to and from Dawlish, Teignmouth, Newton Abbot, Exmouth, Plymouth and Torbay all stop in Barrack Road which is a 5 minute walk from County Hall. Park and Ride Services operate from Sowton, Marsh Barton and Honiton Road with bus services direct to the High Street.

The nearest mainline railway stations are Exeter Central (5 minutes from the High Street) and St David's and St Thomas's both of which have regular bus services to the High Street. Bus Service H (which runs from St David's Station to the High Street) continues and stops in Wonford Road (at the top of Matford Lane shown on the map) a 2/3 minute walk from County Hall, en route to the RD&E Hospital (approximately a 10 minutes walk from County Hall, through Gras Lawn on Barrack Road).

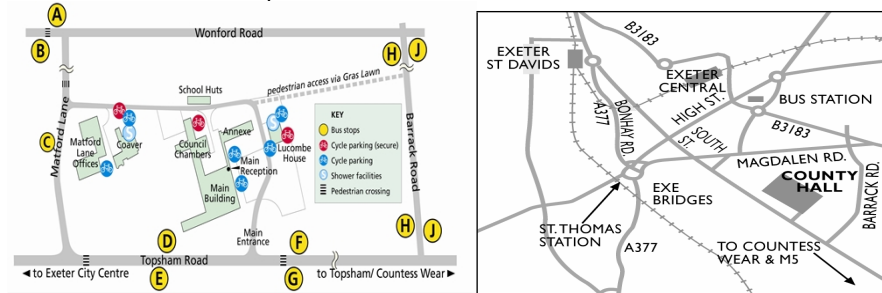
Car Sharing

Carsharing allows people to benefit from the convenience of the car, whilst alleviating the associated problems of congestion and pollution. For more information see: <https://liftshare.com/uk/community/devon>.

Car Parking and Security

There is a pay and display car park, exclusively for the use of visitors, entered via Topsham Road. Current charges are: Up to 30 minutes – free; 1 hour - £1.10; 2 hours - £2.20; 4 hours - £4.40; 8 hours - £7. Please note that County Hall reception staff are not able to provide change for the parking meters.

As indicated above, parking cannot be guaranteed and visitors should allow themselves enough time to find alternative parking if necessary. Public car parking can be found at the Cathedral Quay or Magdalen Road Car Parks (approx. 20 minutes walk). There are two disabled parking bays within the visitor car park. Additional disabled parking bays are available in the staff car park. These can be accessed via the intercom at the entrance barrier to the staff car park.



NB   Denotes bus stops

Fire/Emergency Instructions

In the event of a fire or other emergency please note the following instructions. If you discover a fire, immediately inform the nearest member of staff and/or operate the nearest fire alarm. On hearing a fire alarm leave the building by the nearest available exit. The County Hall Stewardesses will help direct you. Do not stop to collect personal belongings and do not use the lifts. Assemble either on the cobbled car parking area adjacent to the administrative buildings or in the car park behind Bellair, as shown on the site map above. Please remain at the assembly point until you receive further instructions. Do not re-enter the building without being told to do so.

First Aid

Contact Main Reception (extension 2504) for a trained first aider.

PAY POLICY STATEMENT 2019/20

Report of the County Solicitor & Head of Human Resources

Recommendation: that the Committee:

- (a) endorse the proposed amendments to the Pay Policy Statement and commend the revised Statement for 2019/20 to the Council
- (b) note the leadership roles and salary rates, which are unchanged except for the nationally agreed 2018/20 Pay Award of 2% each year.

~~~~~

### 1. Introduction

- 1.1. The Pay Policy Statement, required under the Localism Act 2011, forms part of the Constitution of Devon County Council. It is a statutory requirement of the Pay Policy Statement that the Statement should be reviewed annually.
- 1.2. The Pay Policy Statement specifies that salaries for Chief Officers and Heads of Service on Leadership Grades are fixed for the duration of the Policy and are to be reviewed annually by the Appointments and Remuneration Committee.

### 2. Proposals

- 2.1. The draft Pay Policy Statement (**Appendix 1**) continues to reflect the Government's proposal to implement various pieces of legislation to restrict exit payments for public sector workers. The implementation date is still to be confirmed. The proposals include:
  - 2.1□.1□.1. a £95,000 Exit Payments Cap, covering all types of exit payment including those for voluntary and compulsory redundancy and other severance payments as well as employer funded contributions to access a pension early
  - 2.1□.1□.2. the Public-Sector Exit Payment Recovery Regulations, which propose the recovery of public sector exit payments where high earners (over £80,000 per annum) return to any part of the public sector within 12 months of receiving such a payment and
  - 2.1□.1□.3. the Further Reforms to Public Sector Exit Payments, which propose changes to limit the amount of redundancy compensation payments and limiting the amount of employer funded top-ups for early retirement across the various public sector compensation schemes.
- 2.2. The draft Pay Policy Statement also continues to reflect a potential future review of terms and conditions and the Authority's wider reward strategy, particularly bearing in mind the pay and grading implications of the National Living Wage, the current National Joint Council (NJC) Review of the Pay Spine and other issues such as recruitment and retention and the changing nature of work and roles within the Authority.

# Agenda Item 4

- 2.3. As a result of the 2018 and 2019 NJC 2 year pay award, from April 2019 the minimum rate of pay will be £9 per hour. This increase means that further revisions to the lower pay spines are needed, resulting in a requirement for DCC to review its pay and grading structure. Following extensive consultation with the Trade Unions, a proposal is currently awaiting agreement. These changes have no significant impact on the Pay Policy Statement.
- 2.4. **Appendix 2** sets out the current senior management roles and salary levels. No changes are proposed to the salary levels.

## 3. Financial and Other Implications

- 3.1. The proposed implementation of the various exit payments legislation and the change to the Authority's wider reward strategy will have a financial impact, but the exact details are not known at this stage.
- 3.2. The financial implication of the proposed options due to the review of DCC's pay and grading structure, as a result of the 2019 NJC pay agreement is in the region of £865,000 for non-schools and £1.6 million for schools, subject to agreement.
- 3.3. This Report and the accompanying Statements have no specific equality, sustainability, legal, financial or public health implications that are not already covered by or subsumed within the detailed policies or requirements referred to therein.

## 4. Conclusion

- 4.1. It is recommended that the Appointments and Remuneration Committee consider the proposals, make recommendations and endorse any proposed variations for submission to the County Council for ratification on 21st February 2019 and amendment of the Constitution accordingly in line with statutory requirements.

**Jan Shadbolt, County Solicitor &  
Jacky Wilson, Head of Human Resources**

[Electoral Divisions: All]

## Local Government Act 1972: List of Background Papers

Contact for enquiries: Jacky Wilson, Head of HR  
Telephone: 01392 383000 Room 155A

| <u>Background Paper</u> | <u>Date</u> | <u>File Reference</u> |
|-------------------------|-------------|-----------------------|
|-------------------------|-------------|-----------------------|

## Pay Policy Statement (April 2019 - March 2020)

### 1. Introduction

- 1.1. This document sets out Devon County Council's pay policy statement which will be reviewed annually.
- 1.2. The statement sets out the Council's policies relating to the remuneration of chief officers/heads of service, senior officers and officers and the relationship between the remuneration of the highest and lowest paid. Remuneration for the purpose of this statement includes basic salary, any other allowances and any payments made upon the cessation of employment.
- 1.3. The key principles underpinning this pay policy statement are:
  - 1.3.1. **Affordability** – ensuring remuneration policies represent value-for-money for the taxpayer.
  - 1.3.2. **Fairness** – ensuring remuneration policies are fair to all employees, ranging from the most senior post to the most junior post.
  - 1.3.3. **Meeting legislative requirements** – ensuring remuneration policies comply with all legal obligations, such as the Equal Pay Act and Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 regarding gender pay gap reporting.
  - 1.3.4. **Market Awareness** – ensuring due regard is taken of the market, both nationally and locally in the South West, and that this policy is in line with councils of a similar size and/or in a similar labour market.

### 2. Officers (including Lowest Paid Employees)

- 2.1. Officers are defined as those on [grades A-T](#).
- 2.2. Lowest Paid Employees at the County Council are defined as employees paid on Spinal Column Point **6 1** of the National Joint Council for Local Government Services (NJC) Pay Scale. This definition has been adopted as it is the lowest level of remuneration attached to a post in the Council.
- 2.3. Officers are employed under NJC terms and conditions.
- 2.4. The adoption of the NJC Pay Scale was jointly agreed by the County Council and NJC recognised Trade Unions as part of Single Status implementation.
- 2.5. The County Council uses the Greater London Provincial Council (GLPC) job evaluation scheme to determine an employee's position on the NJC pay scale (and therefore their pay level).
- 2.6. Officers are eligible for annual incremental increases up the NJC pay scale until they reach the top of their grade.
- 2.7. Any annual pay awards are determined by national NJC agreement.
- 2.8. Officer appointment, remuneration and terms in the event of the cessation of employment are in line with paragraph 4 of the Chief Officer Employment Procedure Rules, Council employment policy and statutory regulations and guidance.
- 2.9. Certain staff groups, defined as 'officers' within this Pay Policy Statement, are employed on separate terms and conditions which reflect relevant national agreements. These include teachers and some staff employed within social care or Public Health who are on NHS/health terms and conditions.

### 3. Senior Officers

- 3.1. Senior Officers are defined as those on grades L9-L5 for non Head of Service posts.
- 3.2. Senior officers are employed under Joint Negotiating Committee for Chief Officer (JNC) terms and conditions.
- 3.3. Senior Officers are remunerated on a local pay scale.
- 3.4. The Hay job evaluation scheme is used to determine an employee's position on the local pay scale (and therefore their pay level).

# Agenda Item 4

3.5. The County Council operates a tiered pay scale for Senior Officers. Each tier has a spot salary and there is no incremental progression or salary increase, other than any annual pay awards which are determined by national JNC agreement.

## 4. Chief Officers and Heads of Service

4.1. Chief Officers and Heads of Service are defined as follows:

4.1.1. **Chief Officers** - Chief Executive, the Chief Officers for Children's Services, for Adult Care & Health, for Communities, Public Health, Environment & Prosperity (Director of Public Health, see paragraph 7) and for Highways, Infrastructure, Development & Waste; County Treasurer (Chief Finance Officer) and County Solicitor (Monitoring Officer) on Devon County Council Grades L0-L3 and the Director of Public Health-(see paragraph 7).

4.1.2. **Heads of Service** – either holders of posts defined locally who comprise the Council's Leadership Team appointed by the Appointments and Remuneration Committee and the Local Government and Housing Act 1989 or who fall within the category of non-statutory officer (as set out in the Local Government and Housing Act 1989), on Devon County Council Grades L2-L4.

4.2. All Chief Officers and Heads of Service are employed under Joint Negotiating Committee for Chief Executive or Chief Officer (JNC) terms and conditions (except for the Chief Officer for Communities, Public Health, Environment and Prosperity (Director of Public Health – see paragraph 7)).

4.3. The County Council operates a [tiered pay scale](#) for Chief Officer and Heads of Service posts (except the Chief Officer for Communities, Public Health, Environment and Prosperity Director of Public Health – see paragraph 7)). Each tier has a fixed, spot salary and there is no incremental progression. The Hay job evaluation scheme is used to determine an employee's position on the scale (and therefore their pay level).

4.4. The Appointments and Remuneration Committee will consider and recommend the appointment, remuneration and terms in the event of the cessation of employment of any substantive posts of Chief Officers and Heads of Service, in line with its Terms of Reference, the Pay Policy Statement, Chief Officer Employment Procedure Rules, the Council's employment policy and statutory regulations and guidance.

4.5. The Appointments and Remuneration Committee would not normally recommend the re-employment of individuals to Chief Officer positions who have recently left the Council (for any reason) in any capacity (either as an employee, consultant or contractor). If this does occur, it will be subject to the provisions of the Modification Order.

4.6. Salaries are fixed for the duration of this policy and reviewed annually by the Appointments and Remuneration Committee. Any variation from the fixed salary during the period of this policy (either for an existing Chief Officer/Head of Service or for the appointment of a new Chief Officer/Head of Service) requires approval from the County Council, except in the case of any annual pay awards which are determined by national JNC agreement.

4.7. The County Solicitor is the County Returning Officer and Returning Officer fees paid are in line with the guidance stipulated from the Ministry of Justice for the relevant elections.

4.8. The County Council has adopted the Code of Recommended Practice for Local Authorities on Data Transparency, in respect of its approach to publication of and access to information relating to the remuneration of Chief Officers/Heads of Service. Pay levels for all Chief Officers/Heads of Service posts are published on the [County Council's website](#) and/or in the [Annual Statement of Accounts](#).



## 5. Terms and Conditions for all employees

- 5.1. The County Council does not operate a performance-related pay scheme for any employee.
- 5.2. The County Council does not pay bonuses to any employee.
- 5.3. The County Council may pay a market supplement in circumstances where it is not possible to recruit or retain particular staff or categories of staff, subject to the principles set out in the Council's Market Supplement Policy. The market supplement is a temporary addition to the basic pay of the role and is reviewed annually. Market supplements paid to the highest paid employees will be published in the [Annual Statement of Accounts](#).
- 5.4. Travel and subsistence expenses incurred on County Council business are reimbursed to employees. Reimbursement of expenses is governed by the principle that employees should not be financially advantaged or disadvantaged in carrying out their duties and all employees are subject to the same policy. Expenses and any benefits-in-kind for the highest paid employees will be published in the [Annual Statement of Accounts](#).
- 5.5. The County Council does not pay fees on behalf of any employees, though this is subject to change in exceptional circumstances where there is an appropriate business case. Any fees paid to the highest paid employees will be published in the [Annual Statement of Accounts](#).
- 5.6. Allowances are paid in line with NJC terms and conditions (for Officers) or JNC terms and conditions (for Senior Officers and Chief Officers/Heads of Service), or by local agreement where appropriate. Any allowances paid to the highest paid employees will be published in the [Annual Statement of Accounts](#).
- 5.7. All employees are subject to the same terms and conditions in respect of termination of employment. The only exception to this is Chief Officers who are subject to a modified disciplinary procedure which is outlined in paragraph 9 of the Chief Officer Employment Procedure Rules.
- 5.8. All non-teaching employees are eligible to join the Local Government Pension Scheme (LGPS). The County Council does not augment pensionable service. The Council's employer severance and pension discretions, allowed under the LGPS regulations, apply to all employees.
- 5.9. The Council will apply the Government's various legislative proposals related to public sector exit payments, when these arrangements take effect.
- 5.10. During the year the Council will continue to explore and consult upon, with the aim of agreeing, changes to employee terms and conditions, to ensure that they are fit for purpose for a changing council.

## 6. Relationship between Chief Officers and employees who are not Chief Officers

- 6.1. Senior Officers and Chief Officers/Heads of Service receive no special enhancements to benefits or terms and conditions.
- 6.2. The Hutton Review recommends a maximum ratio of the highest remunerated post compared with the lowest remunerated post of 20:1. The County Council has adopted this recommendation. It is the Council's policy that this ratio will not exceed 20:1 and it will be reviewed annually by the Appointments and Remuneration Committee.
- 6.3. The current ratio of the highest paid post to the lowest paid post at the County Council is ~~10:1~~ **9.1**<sup>1</sup>, based on the lowest paid post being at spinal column point 6.
- 6.4. The ratio of the median average pay level to the highest paid post at the County Council is **8:1**<sup>2</sup>
- 6.5. The ratio of the mean average pay for Chief Officers/Heads of Service to non Chief Officers/Heads of Service is ~~5:1~~ **4.1**<sup>3</sup>.

---

<sup>1</sup> The 2018/19 reported Pay Policy Statement ratio was 10,1

<sup>2</sup> 2018/19 Pay Policy Statement ratio was 8.1.

<sup>3</sup> 2018/19 Pay Policy Statement ratio was 5:1.

# Agenda Item 4

## 7. Director of Public Health

- 7.1. Devon County Council assumed public health responsibilities (in line with the Health and Social Care Act 2012) from April 2013 and employs a Director of Public Health, who is defined as a Chief Officer, as described at paragraph 4.1.
- 7.2. The Director of Public Health and a number of other Devon Public Health employees transferred from the NHS to Devon County Council in accordance with the principles of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) with effect from 1st April 2013. In practice this means that the existing terms and conditions of employment of transferring employees are protected at the point of transfer and they currently continue to be paid on NHS pay rates and not NJC or JNC terms.

### Leadership Grades

|                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| L9                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £49,222  | Senior management roles                                                                                                                                                                                                                                                                                                    |
| L8                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £55,299  |                                                                                                                                                                                                                                                                                                                            |
| L7                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £61,593  |                                                                                                                                                                                                                                                                                                                            |
| L6                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £67,867  |                                                                                                                                                                                                                                                                                                                            |
| L5                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £81,191  |                                                                                                                                                                                                                                                                                                                            |
| L4                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £92,016  | Head of Digital Transformation and Business Support                                                                                                                                                                                                                                                                        |
| L3                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £102,841 | Chief Officer for Highways, Infrastructure, Development and Waste<br>Head of Children's Social Care*<br>Head of Education and Learning<br>Head of Adult Commissioning and Health<br>Head of Adult Care Operations and Health<br>Head of Economy, Enterprise and Skills<br>Head of Planning, Transportation and Environment |
| L2                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £111,437 | County Treasurer<br>County Solicitor                                                                                                                                                                                                                                                                                       |
| L1                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £137,965 | Chief Officer for Adult Social Care and Health<br>Chief Officer for Children's Services                                                                                                                                                                                                                                    |
| L0                                                                                                                                                                                                                                                                                                                                                                                                                                                            | £167,132 | Chief Executive                                                                                                                                                                                                                                                                                                            |
| <p>In addition to the heads of service and chief officers above, the Council employs the Chief Officer for Communities, Public Health, Environment and Prosperity on NHS pay rates, on a current salary of £107,143 plus allowances.</p> <p>*plus, market supplement.</p> <p>The rates of pay reflect the 2% pay award for 2018 and 2019 which was agreed nationally as part of the 2018/20 JNC Agreement and took effect from 1<sup>st</sup> April 2018.</p> |          |                                                                                                                                                                                                                                                                                                                            |

