

PAY POLICY STATEMENT 2023/24

Report of the Director of Legal and Democratic Services & Director of People and Culture

Recommendation: That the Committee endorse and commend the revised Pay Policy Statement (Appendix 1) for 2024/25 to the Council.

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 for the Pay Policy Statement to be reviewed annually.
- 1.2. This Pay Policy Statement (2024/25) has been reformatted and revised to incorporate the LGA Model Pay Policy Template. This ensures the Council are meeting the statutory requirements of openness and accountability in accordance with the Localism Act 2011 (section 38). In addition, a review of benchmarking of other Local Authorities' Pay Policy Statements has taken place and Devon County Council's revised Pay Policy Statement is comparable.
- 1.3. The Pay Policy Statement currently specifies that salaries for Chief Officers (Directors) and Heads of Service on Leadership Grades are fixed for the duration of the Policy and are to be reviewed annually by the Appointments, Remuneration and Chief Officer Conduct Committee. Any variation from the fixed salary during the period of this policy requires approval from the County Council, except in the case of annual pay awards which are determined by national JNC agreement.

2. Context

- 2.1. The Pay Policy Statement takes account of the implications of the National Living Wage on the pay and grading structure, recruitment and retention difficulties and the changing nature of work and roles within the Council.
- 2.2. A Pay and Allowances Review continues to be conducted. Relevant authorisation procedures will be followed relating to any resulting proposed changes to pay and allowances.
- 2.3. A new staff Benefits Platform was launched in 2023 to support the health & wellbeing, welfare and performance of the Council's employees.
- 2.4. Appendix 2 in this Pay Policy Statement sets out the current Senior Officer salary levels and Chief Officer/Heads of Service roles and salary levels based on 2023/24 pay rates. No changes are proposed to the salary levels until the 2024/25 pay award is agreed.
- 2.5. The Chief Executive and Head of Paid Services Salary was increased in 2022 to reflect external benchmarking information regarding the market rate.

3. Financial and Other Implications

- 3.1. The implementation of any future national pay awards and the change to the Council's wider reward strategy will have a financial impact, but the exact details are not known at this stage.

3.2. 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, Remuneration and Chief Officer Conduct Committee endorse the revised Pay Policy Statement for submission to the County Council for ratification on 15th February 2024 and amendment of the Constitution accordingly in line with statutory requirements.

Maria Price, Director of Legal and Democratic Services
Maria Chakraborty, Director of People and Culture

[Electoral Divisions: All]

Local Government Act 1972: List of Background Papers

<u>Background Paper</u>	<u>Date</u>	<u>File Reference</u>
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Nil

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Pay Policy Statement (April 2024 - March 2025)

1. Introduction and purpose

- 1.1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This Pay Policy Statement sets out the County Council’s approach to the pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. 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 local authority schools) by identifying:
 - the methods by which salaries of all employees are determined,
 - the detail and level of remuneration of its most senior staff i.e., ‘Chief Officers’, as defined by the relevant legislation.
- 1.2. The Appointments, Remuneration and Chief Officer Conduct Committee are responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the Full Council.
- 1.3. This policy statement has been approved by the County Council for the period 1 April 2024 to 31 March 2025. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

2. Accountability and decision making

- 2.1 In accordance with the constitution of the Council, the Appointments, Remuneration and Chief Officer Conduct Committee are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to Chief Officers and Heads of Service of the County Council.

3. Responsibility and scale

- 3.1. The County Council is directly responsible for a budget of £608 million (2023/24) and provides services to a total population of over 750,000 residents.
- 3.2 The County Council employs 5,281 corporate staff and 6,352 schools’ staff. These figures are based on headcount as of 31 October 2023.

4. The Council’s pay strategy

- 4.1 In determining the pay and remuneration of its employees, the County Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
- 4.2. With regard to the Equal Pay requirements contained within the Equality Act, the County Council ensures that all pay arrangements can be objectively justified through the use of Job Evaluation methods.
- 4.3. This Pay Policy Statement outlines the information required to meet our statutory obligations in line with the Localism Act 2011 and so, provides information on staff remuneration in a hierarchical format, see appendix 2. However, in practical terms this is

not reflective of the culture and operating model the County Council are working toward in relation to achieving a stronger and more inclusive council.

- 4.4. The County Council takes the following approach to assessing individual and overall pay levels.

Defining the role – through a job description that describes the activities, responsibilities and accountabilities which relate to each job and helps ensure that the role and its requirements are fully understood by the individual and the manager.

Determining the job size – this process ranks all the County Council's jobs by using job evaluation techniques to ensure fairness and transparency and to allow for direct comparison between roles.

Determining overall pay levels – which takes account of:

Affordability – ensuring remuneration policies represent value-for-money for the taxpayer,

Fairness – ensuring remuneration policies are fair to all employees, ranging from the most senior post to the most junior post and,

Market Awareness – ensuring due regard is taken of the market, both nationally and locally in the Southwest, and that this policy is in line with Councils of a similar size and/or in a similar labour market.

Determining pay structure – pay is frequently made up of a number of elements. The County Council has adopted an approach which includes basic pay and for officers Grade A – T, incremental progression related to service. The County Council uses fixed point salaries and grades (where there is no pay progression) for Chief Officers/Heads of Service and Senior Officers graded L0 – L9. Where different pay arrangements apply to different groups of staff the reasons are clearly evidenced and documented. The County Council's approach to pay is detailed below and where different arrangements are in place these are explained.

Recruiting the right staff – where necessary the County Council may apply market supplements or other individual pay levels for specific roles to ensure that it can recruit the best staff. This approach will only be adopted where there is clear evidence of recruitment difficulty, and any such payments will be time limited and in accordance with Council policy.

5. Job Evaluation

- 5.1 The County Council operates two job evaluation schemes for roles within the scope of this pay policy statement. For Chief Officers (Directors) and Heads of Service it uses the Hay Job Evaluation scheme (Grades L0 – L9 inclusive). For officer roles (those on National Joint Council Terms and Conditions (NJC)) it uses the Greater London Provincial Council (GLPC) Job Evaluation scheme (Grades A - T inclusive).

6. Remuneration for Chief Officers (Directors) and Heads of Service

- 6.1 Chief Officers (Directors) and Heads of Service are defined as follows:
- 6.1.1 Chief Officers (Directors) are defined as those on Grades L0-L3.
- 6.1.2. Heads of Service – are either holders of posts defined locally who comprise the Council's Leadership Team appointed by the Appointments, Remuneration and

Chief Officer Conduct Committee and the Local Government and Housing Act 1989 or who are 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.

- 6.2 All Chief Officers (Directors) / Heads of Service are employed under Joint Negotiating Committee for Chief Executive or Chief Officer (JNC) terms and conditions unless noted otherwise.
- 6.3 The County Council operates a local Tiered Pay Scale for Chief Officer (Directors) / Heads of Service posts, see appendix 2. 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).
- 6.4 The Appointments, Remuneration and Chief Officer Conduct 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 (Directors) / Heads of Service, in line with its Terms of Reference, the Pay Policy Statement, Chief Officer Employment Procedure Rules [Part 6](#), the Council's employment policy and statutory regulations and guidance.
- 6.5 Salaries are fixed for the duration of this policy and reviewed annually by the Appointments, Remuneration and Chief Officer Conduct Committee. Any variation from the fixed salary during the period of this policy (either for an existing Chief Officer (Director) / Head of Service or for the appointment of a new Chief Officer (Director)/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.
- 6.6 The Director for Legal and Democratic Services is also the County Returning Officer and Monitoring Officer. Fees paid are in line with the guidance stipulated from the Ministry of Justice for the relevant elections.
- 6.7 The County Council complies with the Local Government Data Transparency Code (2015) in respect of its approach to publication of, and access to, information relating to the remuneration of Chief Officers (Directors) / Heads of Service. Pay levels for all Chief Officers (Directors) / Heads of Service posts are published on the County Council's [Senior Salaries webpages](#) and in the [Annual Statement of Accounts](#).

7. Remuneration for Senior Officers

- 7.1 Senior Officers are defined as those on grades L9 - L5 for non-Head of Service posts.
- 7.2 Senior Officers are employed under Joint Negotiating Committee for Chief Officer (JNC) terms and conditions unless noted otherwise.
- 7.3 The Hay Job Evaluation scheme is used to determine an employee's position on the local pay scale (and therefore their pay level).
- 7.4 The County Council operates a Tiered Pay Scale for Senior Officers, see appendix 2. 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.

8. Remuneration for Officers (including Lowest Paid Employees)

- 8.1 Officers are defined as those on Grades A – T.
- 8.2 The lowest paid employees at the County Council are defined as employees paid on Spinal Column Point 2.
- 8.3 The majority of Officers are employed under NJC terms and conditions except those outlined in 8.9.
- 8.4 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.
- 8.5 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).
- 8.6 Where the pay grades provide incremental progression, officers are eligible for annual

- incremental increases up the NJC pay scale until they reach the top of their grade.
- 8.7 Any annual pay awards are determined by the relevant national pay agreement.
- 8.8 Officer appointment, remuneration and terms in the event of the cessation of employment are in line with [Part 4](#) of the Chief Officer Employment Procedure Rules, the Council's employment policy and statutory regulations and guidance and NJC Terms and Conditions of Employment.
- 8.9 Certain staff groups, defined as 'Officers' within this Pay Policy Statement, are employed on different terms and conditions which reflect alternative national agreements, this includes Centrally Employed Teachers, Soulbury and NHS (Agenda for Change). There is also a small number of staff who have TUPE transferred in whose terms and conditions are not linked to a national agreement.

9. Pay multiple

- 9.1 As described above the Council uses an established process of defining roles, determining job size and salary levels. This process determines the relationship between the rate of pay for the lowest paid and Senior Manager posts, including Chief Officers / Heads of Service, described as the pay multiple.
- 9.2 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, Remuneration and Chief Officer Conduct Committee
- 9.3 The current ratio of the highest paid post to the lowest paid post at the County Council is **10:1**¹, based on the highest paid post being L0 and the lowest paid post being Grade A, spinal column point 2.
- 9.4 The ratio of the median average pay level to the highest paid post at the County Council is **8:1**² The ratio of the mean average pay for Chief Officers (Directors) / Heads of Service to non-Chief Officers (Directors) / Heads of Service is **4:1**³.

10. Other employment-related arrangements

10.1 Local government pension scheme

Subject to qualifying conditions, employees have a right to belong to the Local Government Pension Scheme. The employee contribution rates are defined by statute and are dependent on full time equivalent salary levels. The Employer contribution rates are set by Actuaries advising each of the 89 local LGPS funds and reviewed on a triennial basis to ensure the scheme is appropriately funded.

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.

10.2 Benefits schemes

The County Council believes that it has a responsibility to help support the health, wellbeing and welfare of its employees in order to ensure they are able to perform at their best. As part of this approach and to support the local economy, the County Council has adopted a Benefits Platform that provides employees with health, fitness and wellbeing benefits and

¹The 2023/24 reported ratio was **10:1**

² The 2023/24 reported ratio was **8:1**

³ The 2023/24 reported ratio was **3:1**

discounts from local providers.

10.3 Arrangements for Chief Officers/Heads of Service

The organisational structure for the [Chief Officers and Heads of Service](#) is published on the County Council's webpages.

Due to the nature and responsibilities of their role, Chief Officers / Heads of Service are normally employed on full time permanent employment contracts. The County Council's policy and procedures with regard to recruitment of Chief Officers is set out within the [Constitution - Part 6j Code of Personal Conduct Chief Officer Employment Rules](#).

When recruiting to all posts the County Council will take full and proper account of its own Equality, Recruitment and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed Chief Officer/Head of Service, will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the County Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.

In exceptional circumstances, where the County Council remains unable to recruit to a Chief Officer / Head of Service post or where there is a need for interim support to provide cover for a vacant post, the Council may consider engaging an individual through a 'contracts for service'. Such arrangements can be advantageous because they can reduce employment costs and are flexible because they can be used for short periods of time without the need to pay termination payments. Where these arrangements are used the Council will use relevant procurement processes to ensure that it can demonstrate value for money. Such arrangements will be kept under regular review by the Appointments, Remuneration and Chief Officer Conduct Committee. Any Interim roles for Chief Officers/Heads of Service and Senior Officers are reported on the County Council's [Senior Salaries](#) webpages.

11. Terms and Conditions for all employees

- 11.1 The County Council does not operate a performance-related pay scheme for any employee.
- 11.2 The County Council does not pay bonuses to any employee.
- 11.3 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 County 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 accordance with the Data Transparency Code and can be found on the County Council's [Senior Salaries](#) webpages.
- 11.4 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](#).
- 11.5 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](#).

- 11.6 Allowances are paid in line with the applicable terms and conditions i.e., NJC for the majority of Officers and JNC for Senior Officers and Chief Officers (Directors) /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](#).
- 11.7 During the year the County Council will continue to explore and consult upon, with the aim of agreeing, changes to employee terms and conditions, to ensure they are fit for purpose for a changing council.

12. Payments on termination of employment

- 12.1 The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.
- 12.2 All employees are subject to the same terms and conditions in respect of termination of employment. The only exception to this is Chief Officers (Directors) / Heads of Service who are subject to a modified disciplinary procedure which is outlined in [Part 9](#) of the Chief Officer Employment Procedure Rules.
- 12.3 Any other payments falling outside of the provisions, or the relevant periods of contractual notice are subject to a formal decision made by the Full Council or relevant elected Members, Committee or panel of elected Members with delegated authority to approve such payments and will be determined on a case-by-case basis.
- 12.4 The Appointments, Remuneration and Chief Officer Conduct Committee would not normally recommend the re-employment of individuals to Chief Officer / Head of Service positions who have recently left the Council (either as an employee, consultant or contractor). If this does occur, it will be subject to exceptional circumstances where their specialist knowledge and expertise is required or under the provisions of the Modification Order.

13. Publication of pay statement

- 13.1 Upon approval by the Full Council, this statement will be published on the Council's Open Data website. In addition, for posts where the full-time equivalent salary is at least £50,000, the Council's [Annual Statement of Accounts](#) will include a note setting out the total amount of:
- salary, fees or allowances paid to or receivable by the person in the current and previous year,
 - any bonuses so paid or receivable by the person in the current and previous year,
 - any sums payable by way of expenses allowance that are chargeable to UK income tax,
 - any compensation for loss of employment and any other payments connected with termination,
 - any benefits received that do not fall within the above.
- 13.2 As the policy covers the period April 2024 to the end of March 2025, amendments may need to be made to the policy throughout the relevant period. Any amendments will need to be reported to the Appointments, Remuneration and Chief Officer Conduct Committee for recommendation to the Full Council.

The table sets out the current Senior Officer salary levels and Chief Officer/Heads of Service roles and salary levels. The salaries do not take account of the 2024/25 pay award which is yet to be agreed.

Leadership Grades 2023/24

Senior Officer Grades		
L9	£55,124	
L8	£61,683	
L7	£68,477	
L6	£75,249	
L5	£89,631	
Chief Officer/Head of Service Grades		
L4	£101,315	Area Coroner for Exeter & Greater Devon*
L3	£113,000	Director of People and Culture Director of Legal and Democratic Services Director of Transformation and Business Services Deputy Director – Children’s Services and Head of Social Care** Deputy Director Children’s Services Education and Schools Deputy Director Adult Commissioning & Health Deputy Director Integrated Adult Social Care – Operations Head of Economy, Enterprise & Skills
L2	£122,280	Director of Finance and Public Value Director of Public Health, Communities and Prosperity Director of Climate Change, Environment & Transport HM Senior Coroner Exeter & Greater Devon*
L1	£150,913	Director of Children and Young People’s Futures** Director of Integrated Adult Social Care
L0	£182,397	Chief Executive and Head of Paid Service*
* Special Salary		
** Market Supplement applied		
Please see Senior Salaries data for further information.		
<p>The rates of pay in the table reflect the 2023/24 nationally agreed 3.5% JNC pay award for Chief Officers which took effect from 1st April 2023. Any national pay award for 2024/25 would impact the above figures but is yet to be agreed.</p> <p>In addition to the Salary table above, the Council employs Senior Officers & Chief Officers that have TUPE transferred across to the County Council from the NHS on Agenda for Change (AfC) pay rates or who are in NHS partnership roles. These include the following:</p> <p>AfC Band 8D - £83,571 - £96,376.</p> <ul style="list-style-type: none"> • Head of Public Health Nursing, • Assistant Director – Adult Social Care, • Public Health consultant. <p>AfC Band 9 - £99,891 - £114,949</p> <ul style="list-style-type: none"> • Deputy Director of Public Health. 		