

PAY POLICY STATEMENT 2023/24

Report of the Head of Human Resources

Recommendation: That the Committee endorse and commend the revised Pay Policy Statement (Appendix 1) for 2023/24 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. 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. This statement does not reflect the 2023/4 national pay awards as these have not been agreed yet.
- 2.4. The Chief Executive and Head of Paid Services Salary was increased in 2022 to reflect external benchmarking information regarding the market rate. No further changes to senior management salary levels are proposed at this time.
- 2.5. The increase in the Chief Executive and Head of Paid Services salary has contributed to the increase in ratios detailed in 6.3 and 6.4 of the Statement.
- 2.6. A new Interim and Consultants Section has been included in this year's report to provide transparency on the Council's interim and consultant reward arrangements.

3. Financial and Other Implications

- 3.1. The implementation of any future national pay awards 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. 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 16th February 2023 and amendment of the Constitution accordingly in line with statutory requirements.

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[Electoral Divisions: All]

Cabinet Member for Organisational Development, Workforce and Digital Transformation
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Local Government Act 1972: List of Background Papers

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

Pay Policy Statement (April 2023 - March 2024)

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 / directors / 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 Equality 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 Southwest, 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. The lowest paid employees at the County Council are defined as employees paid on Spinal Column Point 1. Following the 2022/3 National Joint Council (NJC) Pay Award for Local Government Services, the lowest pay point in the Council's Main Grading Structure is Spinal Column Point 2 of the NJC's Pay Scale.¹
- 2.3. The majority of Officers are employed under NJC terms and conditions, except for those outlined in 2.9.
- 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. 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.
- 2.7. Any annual pay awards are determined by the relevant national pay 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 different terms and conditions which reflect alternative national agreements, this includes 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.

¹ All staff are paid at least this rate with the exception of a small number of employees who have TUPE transferred into the Council. They remain on their previous pay rates due to TUPE regulations.

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 unless noted otherwise.
- 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).
- 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 (Directors) and Heads of Service

- 4.1. Chief Officers (Directors) and Heads of Service are defined as follows:
 - 4.1.1. Chief Officers (Directors) are defined as those on Grades L0-L3.
 - 4.1.2. Heads of Service – 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 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 (Directors) and Heads of Service are employed under Joint Negotiating Committee for Chief Executive or Chief Officer (JNC) terms and conditions.
- 4.3. The County Council operates a [tiered pay scale](#) for Chief Officer (Directors) and Heads of Service posts. 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 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) 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 Remuneration and Chief Officer Conduct 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 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.
- 4.7. The Director for Legal and Democratic Services (County Solicitor) is also 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 (Directors) / Heads of Service. Pay levels for all Chief Officers (Directors) / 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 accordance with any relevant legislation and the Senior Officers salary publication requirements.
- 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 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](#).
- 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 (Directors) 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. 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 Interims and Consultants

- 6.1 A Chief Officer (Director) or Cabinet Member must approve the hire, extension or movement of all interims or consultants as outlined below.
- 6.2 For projects and activities under their control, Chief Officers (Directors) with approval from the Chief Executive and the Leader of the Council may appoint specialist consultants up to the value of £100,000 per consultant (the requirement is not for £100,000 in any year, it is a fixed total which may overlap years).
- 6.3 Where the total requirement value is over £100,000, approval is required from the Chief Executive and the Cabinet Member responsible for Organisational Development & Digital Transformation

- 6.4 Interims/consultants hired at a senior level, where their pay is in excess of £58,200 or where the post reports directly to the Chief Executive, Chief Officer (Director) or Head of Service, will have their annual contract value published on the DCC website in line with data transparency requirements
- 6.5 Due to the current financial climate, in addition to the above, interim and agency engagement arrangements must also comply with requirements outlined in the Council's eight-point plan.

7. Relationship between Chief Officers (Directors) and employees who are not Chief Officers

- 7.1. Senior Officers and Chief Officers (Directors) / Heads of Service receive no special enhancements to benefits or terms and conditions.
- 7.2. 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.
- 7.3. The current ratio of the highest paid post to the lowest paid post at the County Council is 10:1², based on the lowest paid post being at spinal column point 2
- 7.4. The ratio of the median average pay level to the highest paid post at the County Council is 8:1³ The ratio of the mean average pay for Chief Officers (Directors) / Heads of Service to non-Chief Officers (Directors) / Heads of Service is 3:1⁴

8. Director of Public Health (known as Director of Public Health, Communities and Prosperity)

- 8.1. 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 (Director), as described at paragraph 4.1.
- 8.2. A number of 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.

9. Amendments to this policy

- 9.1 As the policy covers the period April 2023 to the end of March 2024, amendments may need to be made to the policy throughout the relevant period. As the Localism Act 2011 requires that any amendments are approved by the Council, proposed amendments will be reported to the Appointments, Remuneration and Chief Officer Conduct Committee for recommendation to the Council

²The 2022/23 reported ratio was 9.1

³ The 2022/23 reported ratio was 7.1

⁴ The 2022/23 reported ratio was 3.1