

## **Somerset Council Pay Policy Statement 1 April 2023**

### **1. Purpose**

This Pay Policy Statement (PPS) is provided in accordance with Section 38 (1) of the Localism Act 2011 and will be updated annually or in-year as required. It sets out Somerset Council's policies relating to the pay of its workforce (excluding schools' employees) for the year 2023-24; in particular, it includes:

- The methods by which salaries of all employees are determined.
- The remuneration of its Chief Officers.
- The remuneration of its lowest paid employees.
- The relationship between the remuneration of its Chief Executive and other officers.
- Other specific aspects of chief officer remuneration such as levels and elements of such remuneration, remuneration on recruitment, increases and additions to remuneration, termination payments and transparency.

### **2. Scope**

The Pay Policy Statement covers the following statutory roles at Somerset Council:

- a. The Chief Executive (Head of Paid Service)
- b. Executive Director – Resources and Corporate Services (Section 151 Officer)
- c. Service Director – Governance, Democratic and Legal Services (Monitoring Officer)
- d. Executive Director of Children and Family Services
- e. Executive Director of Adult Services
- f. Executive Director of Public Health

And non-statutory roles:

- g. Executive Director – Strategy, Workforce and Localities
- h. Executive Director – Community Services
- i. Executive Director – Climate and Place

And additionally;

- j. Service Directors and any other officer who reports or is directly accountable to the officers listed in (a) to (i) above (with the exception officers reporting to the Service Director – Governance, Democratic and Legal Services).

The pay policy statement covers all employees within Somerset County Council (excluding school-based employees) as the continuing authority and those who have been transferred under TUPE regulations on their current terms and conditions into Somerset Council from Mendip District Council, Sedgemoor District Council, Somerset West and Taunton District Council and South Somerset District Council on 1<sup>st</sup> April 2023.

### 3. Definitions

For the purpose of this PPS the following definitions will apply:

- 3.1. The Localism Act (section 43) defines remuneration widely. In this policy 'remuneration/pay' in addition to salary includes charges, fees, allowances, benefits in kind, increases in or enhancements to pension entitlement and termination payments.
- 3.2. For the purposes of this statement, 'Chief Officer' refers to all of the Council's senior officers Tiers 1 – 3. These are collectively referred to as the Senior Leadership Team (SLT). In addition, some posts at Tier 4 fall within the legal definition of 'deputy chief officer'.
- 3.3. The definition of 'lowest paid employee' is a fully competent employee undertaking a defined role and excludes apprentices who are undertaking approved training.

### 4. Accountability and decision making

- 4.1. In accordance with Part 1 section 6 of the constitution of the council, the Human Resources (HR) Committee acts as the Council's Remuneration Committee for Chief Officer pay (with the exception of the post of Monitoring Officer). In exercising this function, the HR Committee reviews at least on an annual basis the pay and grading structure of the Council (including SLT Officer grades and salaries) and makes recommendations for any changes considered necessary to Full Council by way of a revised Pay Policy Statement.
- 4.2. The Pay Policy Statement must be approved formally by Full Council each year by the end of March for the following financial year.
- 4.3. As outlined in Part 1 section 7 of the constitution of the council, the Chief Executive as 'Head of the Paid Service', is responsible for the Council's Senior Leadership Team and supporting officer structures of the Council. The Chief Executive has authority to approve changes to the terms and conditions of all post specified in (b)-(j) above on the recommendation of the Appointments Panel or the Appointments Committee or on their own initiative and having obtained the agreement of the Leader of the Council. All decisions taken by the Chief Executive on such matters will be the subject of a formal Officer Decision which will be published on the Council's website as soon as it is confirmed.
- 4.4. Before making decisions in relation to the staffing structure or individual posts, the Chief Executive is required to consider:-
  - The views of the relevant Executive Member, the Chair of the HR Committee and the Opposition Spokesperson, and as appropriate: -
    - The outcome of job evaluation.
    - Any data/advice/evidence or views collected from appropriate sources, including: the Council's HR function; National and/or Regional Employers' Organisations; independent external pay data.
    - The needs of the business to recruit and retain senior officers.

- The performance of individual SLT Officers.
- The requirements of the PPS and
- Fluctuations in the local and national job market.

## 5. Pay Principles

The key principles underpinning this pay policy statement are:

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

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

**Meet legislative requirements** – ensuring remuneration policies comply with all legal obligations, such as the Equal Pay Act

**Market facing** – 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.

**Tax Avoidance** – ensuring that all remuneration arrangements comply fully with HMRC regulations.

## 6. Pay Data

The Council complies with Data Protection Act obligations and will only publish information about an individual officer's pay where it is required to do so by law.

In accordance with the Accounts and Audit (England) Regulations 2011 and the Local Government Transparency Code 2015, the Council publishes pay information about individual posts for the Chief Executive and SLT on its website and in the Annual Statement of Accounts. Only employees whose salaries are more than £150,000 have to be named.

The data detailed within the Pay Policy Statement reflects the pay award for 2022/23 as the 2023/24 pay award has not been agreed at the point of publishing his PPS. This PPS will be updated for the May 2023 meeting of Full Council.

In relation to other senior officers of the Council, pay information is published on the Council's website relating to:

- Salaries of £50,000 or more by reference to total numbers within bands (grouped in bands of £5,000);
- Details of remuneration and job titles of certain senior employees whose salary is at least £50,000 including role responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and 'benefits in kind', for all employees whose salary exceeds £50,000.

## 7. Lowest Paid Employee

With effect from 1<sup>st</sup> April 2023 the lowest point on the National Joint Council (NJC) Green Book pay scale, spinal column point (SCP) 1 has been removed so the new lowest point will be SCP2. The lowest paid posts in the council which include posts of Cleaner, Domestic Assistant, Distribution Assistant and General Kitchen Assistant, are paid on National spinal point to £20,441 as at 1<sup>st</sup> April 2023 (excluding the pay award for 2023-24).

## 8. Pay Multiples

The recommendation of the Hutton Report into “Fair Pay in the Public Sector”, as recognised by the Government in the Local Government Transparency Code 2015, was that the Council should publish the pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation.

The ratio of the pay of the new Council’s median earner (£28,900) to that of its Chief Executive (£195,000) was 1:6.75 based on salaries at the end of January 2023.

*Note: At the point of publishing this PPS the pay award for 2023/24 had not been agreed. The estimate new Council’s median earner figure is based on employees in post at the end of January 2023 from Somerset County Council, Mendip District Council, Sedgemoor District Council, Somerset West and Taunton Council and South Somerset District Council. This figure excludes apprentices, casuals, zero hours contracts and the Chief Executives in the District Councils.*

## 9. Pay and Grading Structure

### 9.1. Grading and Job Evaluation

The grading structure reflects the need to continue to modernise, facilitate new ways of working and ensure equal pay for work of equal value in a large and diverse organisation.

- Job evaluation is a consistent process used for determining the relative worth of jobs. The Council uses two schemes to evaluate jobs, covering virtually all employees, except centrally employed teachers and Soulbury staff, which are subject to national grading schemes: The Hay Scheme is used for the Chief Executive, SLT, other senior and management posts from grade 11.
- The New Somerset Scheme, based on the Greater London Provincial Council scheme (formerly GLEA), is used for posts up to Grade 12. The relationship between pay at the lowest and highest levels is controlled by job evaluation. The job evaluation score is set within a pay structure and linked to the pay spinal column points which determines what posts are paid.

### 9.2. Pay scales

- The Chief Executive (Tier 1) and Senior Leadership Team (Tiers 2 & 3) pay and cost of living progression is locally agreed and subject to annual review by the HR Committee.

- The Chief Executive current annual salary is £195,000 as at 1<sup>st</sup> April 2023, pending consideration of the 2023-24 review.

### 9.2.1. Executive Director Pay Structure

The pay structure for Executive Directors has been agreed by the Appointments Panel for the posts, following benchmarking with other organisations and similar roles. Salaries are on a spot pay basis, within the following levels and are based on job evaluation outcomes and market comparisons:

- £129k - £150k

### 9.2.2. Service Director Pay Structure

The following salary ranges have been agreed for Service Director posts, following benchmarking with other organisations and similar roles. They will be made on a spot rate basis, in line with Job Evaluation scores for the level:

Service Grade	Director	Salary Range
SD1		£115,000 - £118,000
SD2		£110,000 - £115,000
SD3		£100,000 - £105,000

### 9.2.3. Staff Below Senior Leadership Team level

The Somerset Pay and Grading structure for staff below SLT and on Green Book terms and conditions incorporates National Pay Points up to spinal column point (scp) 38 and locally determined pay points above. The current pay and grading structure is shown at Appendix 1.

National Joint Council (NJC) for Local Government Services (Green Book) pay, terms and conditions apply to posts on Grades 17 to 4 inclusive. Annual pay awards are determined by national agreement. The 2023/24 pay award has not been agreed at this point of publishing this PPS.

Post holders on Grades 15 – 9 are, eligible for annual incremental increases up the pay scale until they reach the top of their grade.

With effect from 1<sup>st</sup> April 2023 the lowest point on the NJC Green Book pay scale, spinal column point (SCP) 1 has been removed so the new lowest point will be SCP2. As an interim arrangement, Somerset Grade 17 will be merged with Grade 16 from this date and both grades will receive the spot salary aligned to national spinal column point 2, while a review of the Council's Green Book pay and grading structure is undertaken.

Post holders on Grades 4 – 8 (Strategic and Service Managers) have some localised terms and conditions. Each Grade (4 – 8) has a fixed, spot salary and there is no incremental progression.

## 10. Other pay arrangements

### 10.1. Performance related pay and bonuses

The Council does not operate a performance-related pay scheme for any staff, but does have a performance related appraisal scheme, including behaviours

and competency assessment. The Council does not pay a bonus to any Council employee.

#### **10.2. Allowances**

Allowances are paid in line with NJC terms and conditions (Green Book), or by local agreements where relevant.

Any allowances paid to The Chief Executive and SLT Officers are disclosed in the Annual Statement of Accounts.

#### **10.3. Election payments**

No additional payments are made for election duties.

#### **10.4. Professional subscriptions**

- The Council currently meets the cost of Practising Certificate required by Solicitors employed by the Council.
- The Council does not pay fees and subscriptions payable by the Chief Executive, SLT Officers and other employees, to professional qualification bodies and local government-based societies and associations.
- Fees and subscriptions payable by the Chief Executive, SLT Officers and other employees, to associations that are inter-Council networking organisations (as distinct from subscriptions to professional bodies) should be reimbursed subject to individual cases being approved by the Chief Executive and Service Director – Workforce, in consultation with the relevant Executive Member.
- Staff who have transferred into Somerset Council may be subject to different arrangements and policies including arrangements for professional subscriptions, with these terms protected under employment legislation.

#### **10.5 Recruitment and Retention Allowances**

- External recruitment and internal retention problems are tackled by temporarily increasing the total pay awarded to a post, when it can be shown that the pay on the evaluated grade is significantly lower than competitors' rates of pay.
- The payment of an allowance is temporary and will not be renewed if a review finds evidence that demonstrates the payment of the allowance is no longer justified.
- An allowance forms part of an employee's pay (all the salary, wages, fees and other payments paid to them for their own use in respect of their employment) and as such is pensionable. An allowance is expressed as a cash lump sum, pro-rata to the contracted hours, and is not subject to annual cost of living/inflation pay awards.

Approval of recruitment and retention allowances in respect of:

- SLT posts and the Monitoring officer (with the exception of the post of Chief Executive) shall be determined by the Chief Executive following consultation with the Leader of Council and on the recommendation of the appropriate Appointments Panel in relation to new appointments.

- The post of Chief Executive will be agreed by Full Council.
- All other posts shall be determined by the Corporate Consultation Group comprising the Service Director – Workforce and two other representatives from the Senior Leadership Team. The Strategic Manager – HR Admin and Payroll Services will support the group and provide technical advice.

## **11. Other Employment-Related Arrangements**

### **11.1 Appointment of Agency Interims**

- Where the Council is unable to permanently recruit officers at the most senior level, there could be a requirement for that substantive post to be covered by an interim appointment.
- The Council has various options to supply interims in adherence with relevant Procurement, Legal and Financial Regulations.
- The Council has a requirement to assess the employment status of the interim prior to the recruitment of interims being approved. An interim's terms of employment and contract is direct with the supplier and not the Council.
- In respect of the appointment of interims to SLT posts (including the Monitoring Officer) the requirements under Part 1, section 7 of the Constitution will be followed. A business case to the Chief Executive will take into account:
  - Value-for-money for the taxpayer
  - The evaluated grade of the post to be covered
  - The public profile of the post
  - Risks to the Council
  - The labour market, both nationally and locally in the South West, for interims providing cover for similar posts in councils of a similar size.
- If the interim is below Chief Officer level and the proposed rate of pay is over £500 per day, the appointment will be subject to formal approval and review processes as outlined in the Constitution.

### **11.2 Pension**

Subject to qualifying conditions, employees are eligible to join the Local Government Pension Scheme (LGPS). The Council has the ability to determine certain Local Government Pension Scheme Discretions. The Council's Pension Discretion Policies apply equally to the whole workforce and are subject to the approval of HR Committee of the Council.

Employee pension contribution rates are defined by statute in accordance with the LGPS and employer contributions rates are set by Actuaries advising the Somerset Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded.

If the Council employs a Chief Officer already in receipt of a Local Government Pension Scheme pension, the Council will apply the normal pension abatement rules that apply to all employees (the combined pension and salary of their new post should not exceed the salary of their previous post).

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

### **11.3 Salary Protection**

Protection will not apply to redeployed employees with less than two years local government service.

Salary protection arrangements for Officers on Grades 8 and above receive one year's frozen pay protection during which annual cost of living pay increases will be awarded. At the end of this period the substantive grade of the new post will be applicable.

Salary protection is in place to ease the financial implications on those being redeployed and does not extend beyond salary.

All other Officers (below grade 8) receive 3 years' salary protection.

## **12. Termination payments**

Chief Officers follow the same arrangements and policies for redundancy as applied to all other staff.

In exceptional circumstances to avoid or settle a claim or potential dispute, the Council may agree payment of a settlement sum on termination.

All cases must take account of all legal, financial, contractual and other responsibilities.

A proposed financial settlement for an officer leaving the Council in excess of £100,000 must be agreed by a meeting of the Full Council, in accordance with the Localism Act 2011.

Aside from the provisions set out in Part 1 section 7 of the Council's constitution for the Chief Executive and SLT Officer posts, all other settlement payments on termination of the contract of a post require the approval of the relevant Senior Officer in line with HR Policy.

