

# **Hampshire County Council Pay Statement Financial Year 2014-15 (Final)**

1. The purpose of this Pay Statement (“Pay Statement”) is to set out Hampshire County Council’s pay policies relating to its workforce for the financial year 2014-15, including the remuneration of its Chief Officers and that of its lowest paid employees.
2. The responsibility for functions and delegated authority in respect of the determination of the terms and conditions of staff employed by the County Council is detailed in the County Council’s Constitution; in particular, Part 2: Chapter 2.1 and Part 2: Chapter 4, and this Pay Statement is subject to those provisions.
3. With the exception of teaching staff and associated youth and school advisory roles where pay is governed by National consultation groups and apprentices on the National Minimum Wage, pay for all staff, including Chief Officers, is determined by the Employment in Hampshire County Council (“EHCC”) Committee. The EHCC Committee is proportionally constituted and comprises elected County Councillors from the main political parties, and has responsibility for locally determined terms and conditions of employment for staff.
4. For the purposes of this Pay Statement and in accordance with the Localism Act 2011 (“Localism Act”), staff employed by the County Council have been separated into two groups:
  - (a) Employees who are not Chief Officers as defined by the Localism Act
  - (b) Chief Officers as defined by the Localism Act
5. An “employee who is not a Chief Officer” refers to all staff, who are not covered within the “Chief Officer” group as outlined below. This includes the “lowest paid employees”. In the context of the County Council other than apprentices the “lowest paid employees” are those employed at grade A on the County Council’s pay framework. This is because grade A is the lowest grade on the County Council’s pay framework.
6. Section 43(2) of the Localism Act defines Chief Officers for the purposes of the Localism Act. Currently, the following roles within the County Council fall within the definition of “Chief Officers”:
  - (a) Head of Paid Service (Chief Executive)
  - (b) Monitoring Officer
  - (c) Statutory Chief Officers (Director of Corporate Resources as Section 151 Officer, Director of Children’s Services, Director of Adult Services and Director of Public Health)
  - (d) Non-Statutory Chief Officers (Director of Culture, Communities and Business Services, Director of Economy, Transport and

Environment, Director of Policy and Governance and Director of Strategic and Business Development

- (e) Other Non Statutory Chief Officer (Assistant Chief Executive)
- (f) Deputy Chief Officers (Deputy Directors, Assistant Directors and Heads of Service if reporting directly or are directly accountable to a Statutory or Non-Statutory Chief Officer in respect of all or most of their duties).

## **Section 1 - Employees who are not Chief Officers as defined by the Localism Act**

7. These staff are subject to the County Council's main pay framework. This was implemented in April 2007 in line with National guidance, with the grade for each role being determined by a consistent job evaluation process. This followed a national requirement for all Local Authorities, and a number of other public sector employers, to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer. As part of this, the County Council determined a local pay framework.
8. There are 11 grades (A-K) in the pay framework, grade A being the lowest and grade K the highest. Each employee will be on one of the 11 grades based on the job evaluation of their role. Each grade consists of 5 steps, with the exception of grades A and B which consists of 3 steps. Employees can progress within the salary range of their grade, having regard to the County Council's performance management arrangements.
9. All employees are paid within the salary range for their grade. Each "lowest paid employee" is paid within the salary range for grade A. All other employees are paid within the salary range for the grade of their role i.e. B-K. Details of the Council's salary ranges are published on the County Council's website, and a copy of those salary ranges as at 1 April 2013 is attached at Appendix 1 to this Pay Statement.
10. Employees new to the County Council will normally be appointed to the first step of the salary range for their grade. Where the candidate's current employment package would make the first step of the salary range unattractive or where the employee already operates at a level commensurate with a higher salary, a different starting salary may be considered by the recruiting manager. This will be within the salary range for the grade. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.
11. Employees' performance during the course of the year is reviewed within the County Council's performance management arrangements, and pay progression within the grade is subject to satisfactory performance.
12. Pay awards are considered annually for staff. For those staff up to and including grade G the outcome of the national consultations by the Local Government Employers in negotiation with the Trades Unions is applied. For staff at grade H

and above the value of any pay award is determined by the EHCC Committee. Since the implementation of the County Council's pay framework, the EHCC Committee has applied the same percentage award determined nationally. The EHCC Committee determined in July 2013 that there should be a 1% pay award for 2013/14 for staff whose pay award is determined by the EHCC Committee. This does not include staff on Chief Officer terms and conditions. Other than this there has been no annual pay award to any group of staff since April 2009.

13. There is no provision for bonus payments to any employees. There is however a Special Recognition Scheme, under which a one-off payment may be awarded to a member of staff as a reward for a particular piece of work or a substantial achievement above what is expected as part of their ordinary day-to-day work. The size of the award paid to an employee will be commensurate with the work being rewarded. All Special Recognition Scheme payments are subject to Chief Officer approval, are not consolidated into base salary and are funded from within existing budgets.
14. Allowances or other payments, for example shift working, may be made to staff in connection with their role or the patterns of hours they work in accordance with the County Council's collective agreement ('EHCC 2007') and subsequent amendments thereto, and other governance arrangements.
15. The County Council recognises that employees sometimes incur necessary expenditure in carrying out their responsibilities, for example travel costs. Employees will be reimbursed for reasonable expenses incurred on County Council business in accordance with the County Council's collective agreement ('EHCC 2007') and subsequent amendments.
16. Other than where required in order to carry out specific requirements of a role, for example the provision of accommodation for care workers required to live on site, there will be no benefits in kind payable to employees of the County Council
17. All employees as a result of their employment are eligible to join the Local Government Pension Scheme. Any increases or enhancement to individual pension entitlements would need to be agreed by EHCC Committee.
18. Redundancy payment arrangements will be based on the County Council's standard redundancy scheme. Presently, and in support of efficient organisational change and transformation linked to the need for efficiencies and expenditure reduction, the County Council is also operating a voluntary redundancy scheme approved by EHCC Committee. It is expected that the voluntary redundancy scheme will continue to operate in the financial year 2014/15. The voluntary redundancy scheme applies only to staff impacted by specific structural reviews. Details of both the standard redundancy scheme and the voluntary redundancy scheme are attached at Appendix 2 to this Pay Statement.
19. Except in exceptional business circumstances, no employee who has left the County Council under the terms of the standard redundancy scheme, the voluntary redundancy scheme or severance arrangement will be re-employed

by the County Council in any capacity for a period of 12 months from the dismissal date, If re-employment is sought within 12 months of the termination date, approval is required from the relevant Chief Officer, Director of Corporate Resources as Section 151 Officer and the Head of Human Resources and Workforce Development. In addition, if the ex-employee was previously employed at grade H and above and / or is seeking re-employment at grade H and above, Chief Executive approval is also required.

20. Except in exceptional business circumstances, no employee who has left the County Council under the terms of the standard redundancy scheme, or the voluntary redundancy scheme, will be re-engaged by the County Council under a contract for services within 12 months of the dismissal date. In this case the authorisation requirements set out at Paragraph 19 of this Pay Statement in respect of re-engagement of ex employees will apply.

## **Section 2 - Chief Officers as defined by the Localism Act 2011**

21. Chief Officers are paid either within the County Council's main pay framework, or "spot" salaries. Salaries of Chief Officers on appointment have regard to the relative size and challenge of the role compared to other Chief Officer roles within the County Council and follows the same principles operated within the main pay framework. Account is also taken of other relevant available information, including the salaries of Chief Officers in other similar sized organisations.
22. The Constitution requires that salaries of Chief Officers on appointment outside the main pay framework require Chief Executive and EHCC Committee approval. The EHCC Committee will continue to exercise responsibility for all Chief Officer salaries outside the main pay framework, whether on appointment or otherwise. Chief Officer salaries fall within 4 categories as outlined below. It is not anticipated that pay will be outside of these categories, when any remaining elements of the Corporate Services Review are implemented.
23. The Head of Paid Service is paid a salary of £207,400.
24. Statutory Chief Officers and Non-Statutory Chief Officers are paid a salary within the range of £124,500 - £167,800.
25. Deputy Directors are paid a salary within the range of £99,000 - £123,900.
26. The Monitoring Officer, Assistant Chief Officers and Heads of Service falling within the definition of "Chief Officer" are paid a salary within the range £74,529 - £110,000.
27. The annual pay review for Chief Officers paid outside the main pay framework is considered by the EHCC Committee each year, alongside recommendations for staff paid between grades H and K in accordance with Paragraph 12 of this Pay Statement. Likewise to support the annual review of salaries of these Chief

Officers, information may be provided on inflation, earnings growth, and any significant considerations from elsewhere in the public sector.

28. Typically, Chief Officers have received the same percentage pay award as other managers and staff groups within the County Council. In each year since implementation of the new pay framework, EHCC Committee has applied the same percentage award determined nationally for other grades of employees within the County Council. However when considering the annual pay review for 2013/14, the EHCC Committee determined that there should be no pay award for Chief Officers on Chief Officer terms and conditions. Chief Officers are subject to the same performance management arrangements as detailed for employees who are not Chief Officers. Chief Officers paid outside the main pay framework do not receive incremental pay progression. In years where a pay award is available, performance will be taken into account when determining whether any award will be made.
29. Within the above Chief Officer categories any increase to the remuneration of Chief Officers outside the annual review process, for example as a consequence of increased responsibilities arising from the formalisation or implementation of new shared services arrangements, requires Chief Executive and EHCC Committee approval.
30. There is no provision for bonus payments to Chief Officers. The Special Recognition Scheme referred to at Paragraph 13 of this Pay Statement is however also applicable to Chief Officers. Any proposed Special Recognition Payment in respect of CMT is subject to ratification by EHCC.
31. No other charges, fees or allowances or remuneration are payable to Chief Officers in connection with their responsibilities. No fees for election duties are included in Chief Officer salaries, nor are any additional fees payable for such responsibilities.
32. The County Council recognises that Chief Officers sometimes incur necessary expenditure in carrying out their responsibilities e.g. travel costs. Chief Officers will be reimbursed for reasonable expenses incurred on County Council business in accordance with the County Council's collective agreement (EHCC 2007) and subsequent amendments.
33. There are no benefits in kind, such as private health insurance, payable to Chief Officers.
34. Chief Officers as a result of their employment are eligible to join the Local Government Pension Scheme in the same way as other employees. Any increase or enhancement to pension entitlements of Chief Officers would need to be agreed by EHCC Committee.
35. Chief Officers are subject to the same redundancy payment arrangements as other staff as outlined in Paragraph 18 of this Pay Statement.

36. Chief Officers, who have left the County Council under the terms of the standard redundancy scheme or the voluntary redundancy scheme are subject to the same policy on re-engagement by the County Council outlined at Paragraph 19 of this Pay Statement as other employees.
37. Except in exceptional business circumstances, no Chief Officer who has left the County Council under the terms of the standard redundancy scheme, the voluntary redundancy scheme or severance arrangement, will be re-engaged by the County Council under a contract for services within 12 months of the termination date. In this case the authorisation requirements set out at Paragraph 20 of this Pay Statement in respect of re-engagement of ex-employees will apply. No Chief Officer, as defined at Paragraphs 23-26 of this Payment Statement, will be employed by the County Council on terms and conditions which allow such an officer to be an employee of the County Council whilst operating in practice as a limited company for taxation reasons.
38. Details of Chief Officer remuneration have been published annually since 2010 as an extract from the County Council's Statement of accounts and according to accountancy standards, as soon after the end of the relevant financial year as is reasonably practical. With respect to the financial year 2013/14, it is envisaged that the extract will be published as open data in July 2014. At that time the County Council will also update the publication of its pay multiple, that is the ratio between the highest paid employee and the median average earnings across the organisation, based on base pay.

## Pay Statement Appendix 1

### Hampshire County Council's EHCC 2007 Pay Framework

#### Salary Ranges – From 1 April 2013

Grade	Step 1	Step 2	Step 3	Step 4	Step 5
A	12,615	12,963	13,353	-	-
B	14,277	14,700	15,141	-	-
C	15,288	15,747	16,218	16,704	17,205
D	19,038	19,608	20,196	20,802	21,426
E	23,580	24,288	25,017	25,767	26,541
F	30,195	31,101	32,034	32,994	33,984
G	37,284	38,403	39,555	40,743	41,967
H	43,464	44,769	46,113	47,496	48,921
I	51,183	52,719	54,300	55,929	57,606
J	64,380	66,312	68,301	70,350	72,459
K	74,529	76,764	79,068	81,441	83,883

**Note:**

Salary ranges for Grades A–G are subject to the outcome of national pay negotiations.

## Pay Statement Appendix 2

### Hampshire County Council

### Standard and Voluntary Redundancy Schemes

Payments Based on Actual Weekly Pay

<b>Current Age Groupings</b>	<b>Standard Redundancy Scheme (Weeks per year of service)</b>	<b>Voluntary Redundancy Scheme (Weeks per year of service)</b>
Service accrued up to and inc. 21	0.5	1.0
Service accrued between 22-40	1.0	2.0
Service accrued age 41 and above	1.5	3.0
Max Number of Weeks	30	40