

# **Hampshire County Council Pay Statement Financial Year 2015-16 (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 2015-16, including the remuneration of its Chief Officers and that of its lowest paid employees, other than teachers in Community and Voluntary Controlled Schools (who are subject to nationally determined terms and conditions including pay), and non-teaching staff not employed by the County Council.
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 whose pay is governed by Nationally determined Teacher and other Terms and Conditions and apprentices on the National Minimum Wage, pay for all staff employed by the County Council, 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 January 2015 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 November 2014 that staff on Grades H and above should receive the same pay award as per the national pay award for staff. The 2014 national pay award was agreed at a 2.20% award for grades B and above, to be applied from January 2015 (not back dated) and covering a two year period to March 2016. A higher percentage award was agreed for Grade A.
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 such as relocation assistance 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. The County Council will not consider the purchase of additional pension for employees under the provisions of the Local Government Pension Scheme Regulations 2014. However, it will consider enabling employees to use part of any redundancy payment to buy additional pension, where they leave on the grounds of efficiency.
18. Redundancy payment arrangements will be based on the County Council's standard redundancy scheme. In support of efficient organisational change and

transformation linked to the need for efficiencies and expenditure reduction, the County Council has also operated an enhanced voluntary redundancy scheme approved by EHCC Committee. This enhanced voluntary redundancy scheme expires on 31 March 2015, and will be used up to but not beyond that date. The County Council remains committed to enabling workforce reductions through voluntary measures wherever possible and any future voluntary redundancy or other termination measures will be in accordance with approved County Council policies. Details of the standard redundancy scheme is 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, any voluntary redundancy scheme or severance arrangement will be re-employed by the County Council in any capacity for a minimum 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, any voluntary redundancy scheme or severance arrangements, will be re-engaged by the County Council under a contract for services within a minimum period of 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 £211,935.

24. Statutory Chief Officers and Non-Statutory Chief Officers are paid a salary within the range of £128,772 - £171,500.
25. Deputy Directors are paid a salary within the range of £100,620 - £126,600.
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 £76,167 - £112,500.
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, save for the annual pay review for 2013/14, when the EHCC Committee determined that there should be no pay award for Chief Officers on Chief Officer terms and conditions. Other than the 2013/14 pay award there has been no pay award for any group of staff since 2009. Chief Officers are subject to the same performance management arrangements as detailed for employees who are not Chief Officers. The EHCC Committee determined in November 2014 that Grades H to Chief Officer on EHCC 2007 and on Chief Officer terms and conditions should receive the same pay award as per the national pay award for staff. 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. Chief Officers may where applicable receive allowances, such as relocation assistance in accordance with the County Councils collective agreement (EHCC 2007), and subsequent amendments thereto, and other governance arrangements.
33. 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.
34. There are no benefits in kind, such as private health insurance, payable to Chief Officers.
35. Chief Officers as a result of their employment are eligible to join the Local Government Pension Scheme in the same way as other employees. . The County Council will not consider the purchase of additional pension for employees under the provisions of the Local Government Pension Scheme Regulations 2014. However, it will consider enabling employees to use part of any redundancy payment to buy additional pension, where they leave on the grounds of efficiency.
36. Chief Officers are subject to the same redundancy payment and severance arrangements as other staff as outlined in Paragraph 18 of this Pay Statement.
37. Chief Officers, who have left the County Council under the terms of the standard redundancy scheme, any voluntary redundancy scheme or severance arrangements are subject to the same policy on re-engagement by the County Council outlined at Paragraph 19 of this Pay Statement as other employees.
38. Except in exceptional business circumstances, no Chief Officer who has left the County Council under the terms of the standard redundancy scheme, any voluntary redundancy scheme or severance arrangement, will be re-engaged by the County Council under a contract for services within a minimum period of 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.
39. 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 2014/15, it is envisaged that the extract will be published as open data in July 2015. 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 Pay Framework

#### Salary Ranges – 1 January 2015

	Step	Grades	
		A	B
Salary Range	3	13,904	15,474
	2	13,765	15,024
	1	13,615	14,586

	Step	Grades								
		C	D	E	F	G	H	I	J	K
Salary Range	5	17,583	21,897	27,126	34,731	42,891	49,998	58,872	74,052	85,728
	4	17,070	21,258	26,337	33,720	41,643	48,543	57,156	71,895	83,232
	3	16,572	20,640	25,569	32,739	40,431	47,130	55,491	69,801	80,808
	2	16,089	20,040	24,825	31,785	39,252	45,756	53,874	67,767	78,453
	1	15,621	19,455	24,102	30,858	38,109	44,424	52,305	65,793	76,167

**Note:**

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

## Pay Statement Appendix 2

### Hampshire County Council

### Standard Redundancy Schemes

Payments Based on Actual Weekly Pay

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