



SOUTH YORKSHIRE
PENSIONS AUTHORITY

Pay Policy Statement

2018/19

PAY POLICY STATEMENT

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PAY POLICY STATEMENT

1.0 INTRODUCTION

- 1.1 Under s112 of the Local Government Act 1972 the Authority has the “power to appoint officers on such reasonable terms and conditions as it thinks fit”. This Pay Policy sets out the Authority’s approach to pay in accordance with the requirements of s38 of the Localism Act 2011. While these requirements do not specifically apply to the Authority this statement is being published in order to demonstrate the Authority’s commitment to openness and transparency in matters of pay.
- 1.2 The purpose of this statement is to provide transparency with regard to the Authority’s approach setting the pay of its employees by identifying:
- The methods by which the salaries of all employees are determined;
 - The details of the remuneration of its most senior employees;
 - The relationship between the salary of its most senior employees and other employees.
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2.0 OTHER LEGISLATION RELEVANT TO PAY AND REMUNERATION

- 2.1 In determining the pay and remuneration of its employees the Authority will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, and where relevant the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014. The Authority ensures that there is no pay discrimination within its pay structures and that pay differentials can be objectively justified through the use of job evaluation mechanisms which directly establish the relative level of posts in grades according to the requirements, demands and responsibilities of the role.
- 2.2 The Authority utilises the Hay job evaluation scheme for all roles.
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3.0 PAY STRUCTURE

- 3.1 The Authority’s pay structure of spinal column points is set out in Appendix A.
- 3.2 Annual salary increases for all staff (including senior managers) are set through national negotiations between the local government employers and the recognised trades unions within the National Joint Council for Local Government Services.
- 3.3 Where evidence exists of recruitment and retention issues it may be necessary to make additional payments to take into account pay levels in the wider labour market in order to attract and retain employees with particular skills, knowledge and experience. In such instances the Authority will use evidence of relevant market comparators, using data sources available within the local government sector, the financial services sector and beyond as appropriate.
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4.0 DEFINITIONS

4.1 The Localism Act refers to the position of Chief Officer, which, in terms of the South Yorkshire Pensions Authority is defined as:

Head of Paid Service designated under s4 (1) of the Local Government and Housing Act 1989

Monitoring Officer designated under s5 (1) of the Local Government and Housing Act 1989

Chief Finance Officer designated under s151 of the Local Government Act 1972

A Non Statutory Chief Officer as defined in s2 (7) of the Local Government and Housing Act 1989

4.2 In the case of the South Yorkshire Pension Authority these definitions encompass the following roles:

Head of Paid Service –	Fund Director
Chief Officer -	Head of Finance
	Head of Investment Strategy
	Head of Pension Administration

4.3 The statutory roles of Monitoring Officer and Chief Finance Officer (Treasurer) are performed under a service level agreement by officers of Barnsley Metropolitan Borough Council as part of their core roles and any impact on remuneration is reflected in Barnsley MBC’s pay policy statement.

4.4 The additional statutory role of Clerk which is required under the Local Government Reorganisation (Pensions etc.) (South Yorkshire) Order 1987 is performed under a service level agreement by an officer of Barnsley Metropolitan Borough Council as part of their core role and any impact on remuneration is reflected in Barnsley MBC’s pay policy statement.

4.5 Remuneration is defined as the pay an individual receives.

5.0 FUND DIRECTOR REMUNERATION

5.1 The current post holder took up the role on 12th February 2018. This is a spot salary and there is no incremental progression.

Grade	Salary @ 31/3/2017
SM1	£102,010

5.2 The terms and conditions of service relating to this post are in accordance with the Joint Negotiating Committee for Local Authority Chief Officers, with the exception that pay increases are tied to the headline increase in the main pay scale of the National Joint Council for Local Government Services.

Additional Allowances

5.3 The Fund Director is not entitled to any additional allowances such as telephone, or lease car, and is not designated as a car user.

5.4 Rules in relation to reimbursement of travel and subsistence etc. are the same as for all other posts within the Authority.

5.5 The Authority’s flexi-time scheme does not apply to the Fund Director.

6.0 HEAD OF SERVICE REMUNERATION

6.1 The three Head of Service roles reporting to the Fund Director are paid as follows:

Post	Grade	Salary Range @ 31/3/2017
Head of Finance	SM4	£56,105 - £61,206
Head of Investment Strategy	SM2	£76,507 - £81,608
Head of Pensions Administration	SM2	£76,507 - £81,608

6.2 Progression through the grade occurs through the payment of an additional annual increment on 1st April each year, until the top of the grade is reached.

6.3 The terms and conditions of service relating to this post are in accordance with the Joint Negotiating Committee, with the exception that pay increases are tied to the headline increase in the main pay scale of the National Joint Council for Local Government Services.

Additional Allowances

6.5 The Heads of Service are each designated as casual car users.

6.6 Any other allowances relating to the posts are the same as for all other posts within the Authority, for example, reimbursement of fuel expenditure for business travel.

7.0 RECRUITMENT OF THE FUND DIRECTOR AND CHIEF OFFICERS

7.1 Where there is a requirement to recruit to the post of Fund Director or to a Chief Officer post then the provisions of procedural Standing Order 19 within the Authority's constitution will apply.

8.0 SALARY ON APPOINTMENT

8.1 Under normal circumstances all new appointments to a post of Chief Officer will be made at the bottom spinal point of the grade, unless there are objective reasons for not doing so. Any appointment above the bottom spinal column point will require the approval of the Fund Director in consultation with the Clerk.

9.0 PERFORMANCE RELATED PAY

9.1 The Localism Act requires details of any performance related pay arrangements to be disclosed. South Yorkshire Pensions Authority does not operate any such arrangements.

10.0 RELATIONSHIP BETWEEN FUND DIRECTOR / CHIEF OFFICER PAY AND OTHER EMPLOYEES

10.1 The following information is provided to assist with understanding the ratio calculations

Fund Director Salary =	£102,110 (spot salary)
Chief Officer Median Salary =	£61,206
Authority Median Salary =	£19,430
Authority Lowest Salary =	£16,123

10.2 Pay Ratio

Post	Benchmark Salary	Ratio
Fund Director's Salary	Chief Officer Median Salary	1.6 : 1
Fund Director's Salary	Authority Median Salary	5.3 : 1
Chief Officer Median Salary	Authority Median Salary	3.1 : 1
Fund Director's Salary	Authority Lowest Salary	6.3 : 1
Chief Officer Median Salary	Authority Lowest Salary	3.7 : 1

10.3 The Hutton report "*Fair Pay in the Public Sector*" recommended that the Fund Director's salary should not exceed 20 times that of the lowest paid worker. The above table shows that with a ratio of South Yorkshire Pensions Authority meets this requirement.

11.0 LOWEST PAID EMPLOYEE

11.1 The lowest grade in the pay structure is Grade A (scale points 9-11 £15,375 - £15,807 at 31/3/2017)

11.2 For any staff on this grade a variable Living Wage Supplement is payable to bring the salary in line with the Foundation Living Wage, which meets the Authority's commitment to be a Living Wage employer. This supplement will be removed as and when the national pay scale matches or exceeds the Foundation Living Wage.

12.0 TERMINATION PAYMENTS

12.1 The Authority's redundancy policy applies equally to all employees regardless of their grade. A redundancy payment will be paid to an employee when their post is made redundant and there are no suitable redeployment opportunities.

12.2 The Authority does not have a policy which allows for the enhancing of an employee's pensionable service.

13.0 EMPLOYER PENSION CONTRIBUTIONS

13.1 The Authority contributes to the Local Government Pension Scheme in 2018/19 for all its employees who are members equally at the rate of 14.9% of employee's pensionable pay. This rate is set by the actuary for the South Yorkshire Pension Fund and is reviewed every three years.

14.0 EMPLOYEE PENSION CONTRIBUTIONS

- 14.1 Employees in the Local Government Pension Scheme will pay the following contributions as a proportion of their pensionable pay with effect from 1st April 2018.

Band	Pensionable Pay	Contribution Rate- Main Scheme	Contribution Rate- 50/50 Scheme
1	Up to £14,100	5.5%	2.75%
2	Above £14,100 up to £22,000	5.8%	2.9%
3	Above £22,000 up to £35,700	6.5%	3.25%
4	Above £35,700 up to £45,200	6.8%	3.4%
5	Above £45,300 up to £63,100	8.5%	4.25%
6	Above £63,100 up to £89,400	9.9%	4.95%
7	Above £89,400 up to £105,200	10.5%	5.25%
8	Above £105,200 up to £157,800	11.4%	5.7%
9	Above £157,800	12.5%	6.25%

15.0 ENGAGEMENT OF FORMER CHIEF OFFICERS IN RECEIPT OF PENSIONS

- 15.1 The Authority does not have a policy which prevents former employees, including Chief Officers, from applying for and being successfully appointed to any job, or returning under a contract for service, because they are in receipt of a public sector or Local Government Pension. Normal recruitment or procurement rules would apply in such circumstances.
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16.0 PUBLICATION OF THE POLICY

- 16.1 This policy will be published on the Authority's website. In addition, for posts where the full time equivalent salary is at least £50,000 the Authority will publish further information as required by the Accounts and Audit Regulations 2015.
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17.0 REVIEW OF THE PAY POLICY

- 17.1 The Policy will be subject to annual review and must be approved by the Authority prior to 31st March each year. If there is a need to amend the Policy between reviews then any such amendments will be approved by a meeting of the full Authority.
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South Yorkshire Pensions Authority Pay and Grading Structure

	Spinal Point	Pay from 1/4/2017 £	Pay from 1/4/2018 £	Hay Score (Pts)
A	9	15,375	16,755	<120
	10	15,613	16,863	
	11	15,807	17,007	
B	11	15,807	17,007	120 – 139
	12	16,123	17,173	
	13	16,491	17,391	
C	14	16,781	17,681	140 – 160
	15	17,072	17,972	
	16	17,419	18,319	
	17	17,772	18,672	
	18	18,070	18,870	
D	19	18,746	19,446	161 – 180
	20	19,430	19,819	
	21	20,138	20,541	
	22	20,661	21,074	
E	23	21,268	21,693	191 – 250
	24	21,962	22,401	
	25	22,658	23,111	
	26	23,398	23,866	
	27	24,174	24,657	
F	28	24,964	25,463	251- 280
	29	25,951	26,470	
	30	26,822	27,358	
	31	27,668	28,221	
G	32	28,485	29,055	281 – 320
	33	29,323	29,909	
	34	30,153	30,756	
H	35	30,785	31,401	321 – 380
	36	31,601	32,233	
	37	32,486	33,136	
I	38	33,437	34,106	381 -430
	39	34,538	35,229	
	40	35,444	36,153	
	41	36,379	37,107	
	42	37,306	38,052	
J	43	38,237	39,002	431 – 480
	44	39,177	39,961	
	45	40,057	40,858	
	46	41,025	41,846	
	47	41,967	42,806	
K	48	42,899	43,757	481 – 550
	49	43,821	44,697	
SM5	1	53,555	54,626	551 – 600
	2	56,105	57,227	
	3	58,655	59,828	
SM4	1	56,105	57,227	601 - 650
	2	58,655	59,828	
	3	61,206	62,430	
SM3	1	71,407	72,835	651 – 710
	2	73,957	75,436	
	3	76,507	78,037	

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Grade	Spinal Point	Pay from 1/4/2017 £	Pay from 1/4/2018 £	Hay Score (Pts)
SM2	1	76,507	78,037	711 – 800
	2	79,057	80,638	
	3	81,608	83,240	
SM1	1	102,010	104,050	>800