



SOUTH YORKSHIRE
PENSIONS AUTHORITY

Pay Policy Statement

2019/20

PAY POLICY STATEMENT

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PAY POLICY STATEMENT

1. 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. 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.

2. 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.

3. PAY STRUCTURE

- 3.1 The Authority’s pay structure of spinal column points and grade is set out in Appendix A. This has been updated from 1st April 2019 to reflect the new nationally agreed pay spine and to rationalise and integrate the locally determined senior management grades within a single pay structure.
- 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.

4. 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 Act 1985 and 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. 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 @ 1/4/2019
N	106,131

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. 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 @ 1/4/2019
Head of Finance and Corporate Services	L	£53,695 - £63,679
Head of Investment Strategy	M	£74,292 - £84,905
Head of Pensions Administration	M	£74,292 - £84,905

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

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

6.5 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.

6.6 The Authority's flexi-time scheme does not apply to individuals appointed to Chief Officer roles after 1st April 2018.

7. 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. 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. 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. 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 =	£106,131 (spot salary)
Chief Officer Median Salary =	£71,593
Authority Median Full Time Salary =	£20,880
Authority Lowest Full Time Salary =	£17,364

10.2 Pay Ratio

Post	Benchmark Salary	Ratio
Fund Director's Salary	Chief Officer Median Salary	1.5 : 1
Fund Director's Salary	Authority Median Salary	4.2 : 1
Chief Officer Median Salary	Authority Median Salary	2.8 : 1
Fund Director's Salary	Authority Lowest Salary	6.1 : 1
Chief Officer Median Salary	Authority Lowest Salary	4.1 : 1

Note all these ratios exclude any apprentices

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. LOWEST PAID EMPLOYEE

11.1 The lowest grade in the pay structure is Grade A (scale points 1-3 £17,364 - £18,065 at 1/4/2019)

11.2 Prior to 1st April 2019 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 from 1st April 2019 as the national pay scale places the lowest point in excess of the Foundation Living Wage.

12. 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. 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. 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. These rates are currently under review as part of an exercise being led by the Local Government Association.

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%	2.90%
3	Above £22,000 up to £35,700	6.5%	3.25%
4	Above £35,700 up to £45,200	6.8%	3.40%
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%	5.70%
9	Above £157,800	12.5%	6.25%

15. 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.

16. 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.

17. 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 in relation to matters of policy then any such amendments will be approved by a meeting of the full Authority. Any amendments required in relation to matters of fact may be made by the Fund Director without further reference to the Authority.

Pay and Grading Structure

	New Spinal Point	Pay from 1/4/2019 £	Hay Score (Pts)
A	1	17,364	<120
	2	17,711	
	3	18,065	
B	3	18,065	121 – 139
	4	18,426	
	5	18,795	
C	5	18,795	140 – 160
	6	19,171	
	7	19,554	
	8	19,945	
	9	20,344	
D	10	20,751	161 – 180
	11	21,166	
	12	21,589	
	13	22,021	
E	15	22,911	181 – 250
	16	23,369	
	17	23,836	
	18	24,313	
	20	25,295	
F	22	26,317	251- 280
	23	26,999	
	24	27,905	
	25	28,785	
G	26	29,636	281 – 320
	27	30,507	
	28	31,371	
H	29	32,029	321 – 380
	30	32,878	
	31	33,799	
I	32	34,788	381 -430
	33	35,934	
	34	36,876	
	35	37,849	
	36	38,813	
J	37	39,782	431 – 480
	38	40,760	
	39	41,675	
	40	42,683	
	41	43,662	

Grade	New Spinal Point	Pay from 1/4/2019 £	Hay Score (Pts)
K	42	44,632	481 – 550
	43	45,591	
	44	47,617	
	45	49,643	
	46	51,669	
L	47	53,695	551 – 710
	48	55,719	
	49	58,372	
	50	61,025	
	51	63,679	
M	52	74,292	711 – 870
	53	76,945	
	54	79,598	
	55	82,251	
	56	84,905	
N	57	106,131	>870

Note:

The following points in the new NJC scale will not be used, in order to maintain the current number of points in each grade, and overlaps between grades:

14

19 – Staff on old spinal column point 27 will be assimilated to new spinal point 20.

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Scale points above 43 which are locally determined will be increased annually in line with the headline increase for the NJC pay award.