



Pay Policy Statement 2024

February 2024

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. Although the requirements of the Act do not directly 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.
- 1.3 This document is updated annually either prior to the beginning of the financial year in April or following the agreement of the national pay award.

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 Korn Ferry (Hay) job evaluation scheme for all roles.

3. PAY STRUCTURE

- 3.1 A comprehensive review of the Authority’s pay and benefits package was completed in 2023, resulting in a revised grading structure that was implemented in December 2023 and backdated to 1st April 2023. The resulting new pay structure of spinal column points and grades is set out in Appendix A. This has also been updated to reflect the nationally agreed pay award backdated to 1st April 2023, including the impact of the average national pay award on the locally determined spinal points.
- 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 and will review any such payments at regular intervals of no longer than every three years.

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 s73 of the Local Government Act 1985
- 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 –	Director
Monitoring Officer -	Head of Governance
Chief Finance Officer -	Assistant Director - Resources
Chief Officer -	Assistant Director - Investment Strategy
	Assistant Director - Pensions

4.3 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 the Chief Executive 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.

4.4 Remuneration is defined as the pay an individual receives.

5. 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 at 01/04/2023
N	£131,850

5.2 The Director's remuneration is determined by the Authority. 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 annual pay increases are tied to the headline increase in the main pay scale of the National Joint Council for Local Government Services.

5.3 The last review of the Director role salary was undertaken by Authority Members in June 2022, when the salary level was fixed at the median for similar roles in comparable local government pension funds, and the changes agreed were implemented to take effect from 1 July 2022.

Additional Allowances

- 5.4 The Director is not entitled to any additional allowances such as telephone, or lease car, and is not designated as a car user, due to his own circumstances, any future postholder would be designated as a casual car user.
- 5.5 Rules in relation to reimbursement of travel and subsistence etc. are the same as for all other posts within the Authority.
- 5.6 The Authority’s flexi-time scheme does not apply to the Director, nor does the retention scheme for Senior Managers.

6. ASSISTANT DIRECTOR REMUNERATION

6.1 The three Assistant Director roles reporting to the Director are paid as follows:

Post	Grade	Salary Range at 01/04/2023
Assistant Director – Investment Strategy	M	£85,566 - £94,211
Assistant Director – Pensions	M	£85,566 - £94,211
Assistant Director - Resources	M	£85,566 - £94,211

- 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 these posts are in accordance with the Joint Negotiating Committee, with the exception that annual 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 Assistant Directors 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, and the ability to claim reimbursement for relevant professional subscriptions.
- 6.6 The Assistant Director – Investment Strategy role is subject to a specific retention scheme which allows for the making of additional pension contributions of up to £12,000 per annum (at 2020 prices, increased annually by the pensions increase rate for CARE scheme) if the individual remains in the Authority’s employment for a period of up to 5 years, with no payments being made until the individual has remained in employment for 3 years and with any award being subject to satisfactory performance.
- 6.7 All members of staff who participate in the Authority’s Hybrid Working Policy, including the Assistant Directors but excluding the Director, receive a £26 per month allowance.
- 6.8 The Authority’s flexi-time scheme does not apply to individuals appointed as Assistant Directors after 1st April 2018.

7. MONITORING OFFICER REMUNERATION

7.1 The Head of Governance who holds the role of Monitoring Officer and reports to the Assistant Director – Resources is paid as follows:

Grade	Salary Range at 01/04/2023
L	£62,513 - £71,158

- 7.2 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.
- 7.3 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

- 7.4 The Head of Governance is designated as a casual car user.
- 7.5 Any other allowances relating to this post are the same as for all other posts within the Authority, for example, reimbursement of fuel expenditure for business travel, and the ability to claim reimbursement for relevant professional subscriptions.
- 7.6 All members of staff who participate in the Authority’s Hybrid Working Policy including the Head of Governance but excluding the Director receive a £26 per month allowance.
- 7.7 The Authority’s flexi-time scheme applies to the Head of Governance.

8. RECRUITMENT OF THE DIRECTOR, CHIEF FINANCE OFFICER, CHIEF OFFICERS AND MONITORING OFFICER

- 8.1 Where there is a requirement to recruit to the post of Director, Chief Finance Officer, Chief Officer or Monitoring Officer post then the relevant provisions of the Authority’s constitution will apply.

9. SALARY ON APPOINTMENT

- 9.1 Under normal circumstances all new appointments to a post of Chief Finance Officer, Chief Officer or Monitoring 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 Director.

10. PERFORMANCE RELATED PAY

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

11. RELATIONSHIP BETWEEN DIRECTOR/CHIEF OFFICER PAY AND OTHER EMPLOYEES

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

Director Salary =	£131,850 (spot salary)
Chief Officer Median Salary =	£ 94,211
Authority Median Full Time Salary =	£ 31,364
Authority Lowest Full Time Salary (Excluding Apprentices) =	£ 23,500

11.2 Pay Ratios

Post	Benchmark Salary	Ratio
Director's Salary	Chief Officer Median Salary	1: 1.4
Director's Salary	Authority Median Salary	1: 4.2
Chief Officer Median Salary	Authority Median Salary	1: 3.0
Director's Salary	Authority Lowest Salary	1: 5.6
Chief Officer Median Salary	Authority Lowest Salary	1: 4.0

Note the above ratios exclude apprentices.

11.3 The Hutton report "*Fair Pay in the Public Sector*" recommended that the Director's salary should not exceed 20 times that of the lowest paid worker. The above table shows that with a ratio of 5.6 times South Yorkshire Pensions Authority more than meets this requirement.

11.4 The impact of the new grading structure as a result of the pay and benefits review has reduced the size of all of the above ratios. The ratio of the Director's salary compared to the lowest salary, has reduced from 6.1 last year to 5.6 at 01/04/2023.

12. LOWEST PAID EMPLOYEE

12.1 The lowest grade in the pay structure is Grade A, scale points 2 - 3 (£22,366 - £22,737) at 01/04/2023). This grade is used for Apprentice roles only. Therefore, the lowest salary that an employee other than an apprentice can receive is on Grade B, scale points 4 - 7 (£23,114 - £24,294). The lowest actual salary currently being paid is SCP 5 on this grade, £23,500.

13. 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 automatic enhancement of an employee's pensionable service on termination.

13. EMPLOYER PENSION CONTRIBUTIONS

13.1 The Authority contributes to the Local Government Pension Scheme in 2023/24 for all its employees who are members equally at the rate of 19.0% 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 pay the following contributions as a proportion of their pensionable pay with effect from 1st April 2023.

Pensionable Pay From	Pensionable Pay To	Contribution Rate- Main Scheme	Contribution Rate- 50/50 Scheme
Up to	£16,500	5.50%	2.75%
£16,501	£25,900	5.80%	2.90%
£25,901	£42,100	6.50%	3.25%
£42,101	£53,300	6.80%	3.40%
£53,301	£74,700	8.50%	4.25%
£74,701	£105,900	9.90%	4.95%
£105,901	£124,800	10.50%	5.25%
£124,801	£187,200	11.40%	5.70%
£187,201	and above	12.50%	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. Where delays to national pay awards being agreed results in it not being possible for the Policy to be brought before a convenient meeting of the Authority then the relevant urgency procedure will be used. Any amendments required in relation to matters of fact may be made by the Director without further reference to the Authority.

**New Grading Structure Effective 1 April 2023
Implemented in December 2023**

Korn Ferry Job Reference Level	Korn Ferry Evaluation Score Range	Grade	2023/24	
			SCP	FTE Salary from 1 April 2023
Level 8	85 - 113	A	2	22,366
			3	22,737
Level 9	114 - 134	B	4	23,114
			5	23,500
			6	23,893
			7	24,294
Level 10	135 - 160	C	8	24,702
			9	25,119
			10	25,545
			11	25,979
Level 11	161 - 191	D	12	26,421
			13	26,873
			14	27,334
			15	27,803
Level 12	192 - 227	E1	17	28,770
			18	29,269
			19	29,777
		E2	21	30,825
			22	31,364
			23	32,076
Level 13	228 - 268	F	24	33,024
			25	33,945
			26	34,834
			27	35,745
Level 14	269 - 313	G	28	36,648
			29	37,336
			30	38,223
			31	39,186

**New Grading Structure Effective 1 April 2023
Implemented in December 2023**

Korn Ferry Job Reference Level	Korn Ferry Evaluation Score Range	Grade	2023/24	
			SCP	FTE Salary from 1 April 2023
Level 15	314 - 370	H	32	40,221
			33	41,418
			34	42,403
			35	43,421
Level 16	371 - 438	I	36	44,428
			37	45,441
			38	46,464
			39	47,420
Level 17 (i)	439 - 478	J	40	48,474
			41	49,498
			42	50,512
			43	51,515
Level 17 (ii)	479 - 518	K	44	53,713
			45	55,914
			46	58,115
			47	60,316
Level 18	519 - 613	L	48	62,513
			49	65,395
			50	68,275
			51	71,158
Level 19 / 20	614 - 879	M	53	85,566
			54	88,447
			55	91,328
			56	94,211
Level 21	>879	N	57	131,850

Note:

The following points in the NJC scale are not used:

- 16
- 20

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