**Appendix A – Pay Policy Statement 2025/26**

**Pay Policy Statement 2024/25**

1. **Introduction and purpose**

Under section 112 of the Local Government Act 1972, Broadland District Council and South Norfolk Council (the Councils) have the ‘power to appoint officers on such reasonable terms and conditions as authority thinks fit’. This Pay Policy Statement (the ‘statement’) sets out the Councils’ approach to pay policy in accordance with requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regards to the councils’ approach to the setting of pay for its employees by identifying: -

* the methods by which salaries of all employees are determined.
* the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation.
* those responsible for ensuring the provisions set out in this statement are applied consistently throughout the council and recommending any amendments to the full council.

This policy statement has been approved by the councils and is effective from 1 April 2025. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

1. **Accountability and decision making**

In accordance with the constitution, the Head of Paid Service (Managing Director) is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the council.

Any decision under powers delegated in the constitution with regard to remuneration to be taken during 2025/26 will be bound by and must comply with this statement.

The Section 151 Officer must be consulted prior to any decision impacting on remuneration where there are any questions regarding compliance with this Statement.

From 1 January 2020 the current terms and conditions became effective for all staff, with some amendments to pay scales in April 2024, thus creating a one officer team serving both Councils. These terms and conditions are to be continued for all staff, unless otherwise agreed and documented.

The Councils aim to be transparent on pay related matters to their staff, prospective staff and their wider communities. This Policy Statement contains information relating to pay, grading and associated benefits applicable to all employees across both Councils. The Statement, once approved by each of the respective Councils, is published on each Council website.

Any remuneration package proposed for new employees that exceeds £100,000 (calculated by the value of total remuneration to be paid in the first year) must be approved in advance by both full Councils, and any package with a value of below £100,000 is approved by the Managing Director under delegated responsibility and in line with this Policy Statement.

1. **Responsibility and scale**

The councils are directly responsible for a budget of £41.6m (Broadland District Council) and £58.6m (South Norfolk Council) and for the employment of c197 staff (Broadland District Council) and c525 (South Norfolk Council). Collectively the councils’ provide services to a total population of 282,220 residents and also visitors that the areas receive.

1. **The councils’ pay strategy**

In determining the pay and remuneration of its employees, the councils will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (retention of Less Favourable Treatment) regulations 2010 and where relevant, the Transfer of Undertaking (Protection of Earnings) Regulations. With regard to Equal Pay requirements contained within the Equality Act, the councils’ ensure that all pay arrangements can be objectively justified through the use of the Job Evaluation scheme ‘Inbucon’.

The councils take the following approach (or equivalent) to assessing the individual and overall pay levels.

* **Defining the role –** this describes the activities, responsibilities, accountabilities and behaviours which are rated to each job and helps ensure that the role and its requirements are fully understood by the individual and the manager. This allows the councils to assess performance of staff and so improves efficiency and effectiveness.
* **Determining the job size** – this process ranks all the jobs by using job evaluation techniques in order to ensure fairness and transparency and to allow for direct comparison between roles.
* **Determining pay structure** – pay is frequently made up of a number of elements. The councils’ have adopted an approach which includes financial and non-financial benefits for example pension and employee reward schemes as well as incremental progression linked to performance. The Councils’ use a pay scale that is separated into bands with spinal column points within the band. Lower paid/less specialist roles have 3 spinal column points per band, more specialist roles, up to AD level, have 4 and 5 spinal column points and the rest, AD , Director and Managing Director have 6 spinal column points per band. Where different pay arrangements apply to different groups of staff the reasons are clearly evidenced and documented. The councils approach to pay is detailed below and where different arrangements are in place these are explained.
* **Recruiting the right staff –** where necessary the councils may apply market supplements or other individual pay levels for specific roles in order to ensure that the best staff can be recruited. This approach will only be adopted where there is clear evidence of recruitment difficulty and any such payments may be time limited and in accordance with council policy.
1. **Pay design**

The councils pay policy is based on a locally determined pay scheme based on a recognised job evaluation process (inbucon). The pay banding and spines were reviewed during 2023/2024 for the following year and, in negotiation with the trade union, new pay spines points where agreed along with a model of how staff would progress through the pay points of each band. Progression was agreed for all staff from the lowest paid to the Chief Officers. Pay awards are then applied annually to all pay spines in accordance with nationally agreed rates, with criteria applied. The staffing groups for the nationally agreed rates are determined as Chief Executives, Chief Officers, Officers below Chief Officers but above the equivalent of the NJC spinal column point 43, pay points up the equivalent of the NJC point 43 and all staff below the NJC point 43. Each group is negotiated separately on a national basis and pay awards are applied as agreed. Pay awards are applied regardless of progression throughout the pay band, meaning if an employee does not progress, for whatever reason, the pay award will still be applied.

In determining its grading structure and setting overall pay levels for all posts the councils’ take into account of the need to ensure value for money in respect of the use of public funds, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required. It is the Councils’ policy to pay a minimum of National Real Living Wage to all employees, with the exception of apprentices who are paid at the National Living Wage rate (which is a higher rate than what is set out in the national guidance for apprentices)

Together Human Resources & the Trade Union representatives evaluate all new posts as part of a panel approach. Where substantial change occurs to an existing job the employee and the manager are responsible for providing a revised, and agreed, role profile for re-evaluation. There is a clear policy relating to Job Evaluation that sets out how this is managed to ensure consistency in approach.

1. **Pay Structure**

**Pay grades and progression/review.**

To encourage employees to develop in their role and to improve their performance the councils’ have arranged its pay levels within 13 pay grades: -

* A – J
* AD
* Director
* Managing Director

**Chief Officer**

|  |  |  |
| --- | --- | --- |
| **Generic Role** | **Salary Scale** | **No. Employees** |
| Managing Director | £143,355 - £185,571  | 1 |
| Director | £91,545 - £110,848 | 3 |
| Assistant Director | £77,676 - £89,445 | 8 |

**All other staff:**

|  |  |  |
| --- | --- | --- |
| **Generic Role** | **Salary Scale** | **No. Employees** |
| Senior Manager/Senior Specialist | H - J | 45 |
| Manager/Specialist | G - F | 133 |
| Senior Administrator/Senior Case/Operations Worker/Senior Technical Advisor | D - E | 269 |
| Administrator/Case/Operations worker/Technical Advisor | A -C | 448 |
| Apprentice | Apprentice | 13 |

|  |  |  |
| --- | --- | --- |
| **Generic Role** | **Salary Scale** | **No. Employees** |
| Apprentice | £20,103 - £21,099 | 13 |
| A\* | £22,390 - £23,250 | 192 |
| B | £24,001 - £26,783 | 112 |
| C | £27,534 - £30,866 | 144 |
| D | £31,617 - £35,682 | 170 |
| E | £36,433 - £40,225 | 99 |
| F | £40,976 - £45,728 | 88 |
| G | £46,479 - £50,877 | 45 |
| H | £51,628 - £56,445 | 27 |
| I | £57,244 - £61,000 | 12 |
| J | £61,798 - £66,349 | 6 |

\*for this band salaries that fall under the Real Living Wage are adjusted to ensure the minimum rate is paid.

Grades contain between 3 and 6 levels or increments (Spinal Column Points). Progression through the pay band is based on meeting identified performance targets that are a combination of service and personal led targets. New employees will usually be appointed to the bottom of the pay band for the relevant grade. As part of the appointment process managers have the discretion to recommend an employee be appointed at a higher point in the grade via the councils’ salary justification process. This enables the manager to justify the decision and request for a higher starting salary to ensure the Councils are able to compete with a competitive market. The pay will still ‘sit’ within the pay band of the role. Any request to enhance a starting salary is reviewed by the Chief of Staff and the Head of People to ensure the decision is non-discriminatory and that justification is reasonable and in line with other decisions.

Managers also have the discretion to recommend an employee for acceleration of pay increments within the band when they have demonstrated exceptional performance. This would also be done via the salary justification process as detailed above.

Pay levels are reviewed each year and as stated above, employees will progress through the band, providing set criteria is met (as set out in the Councils’ Pay Progression procedure). In relation to annual pay awards, from April 2024, the Councils are part of National Negations and will apply these awards once agreed with National Employers and the Trade Unions.

Once the employee reaches the top of the salary band progression will cease unless they move to a higher banded role.

**Spot Salaries**

On occasion the Councils’ use spot salaries or pay rates. These are used:-

* For short term or fixed term appointments.
* Where the required duties are limited and/or are confined to a fixed project/limited in scope.

These would also be agreed via the salary justification process as detailed above.

**Pay Supplements**

From time to time, it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract where specific circumstances require this and where it can be justified in accordance with councils’ policy. Such payments are determined on an ad-hoc basis as required and agreed with the Chief of Staff and the Head of People.

The Councils’ use the following:-

* Fees paid for returning officer duties were identified and paid separately as determined by the Norfolk Chief Executive Group.
* Essential Car user allowances for staff who need to use their vehicle to carry out their duties.
* Market forces supplements in addition to base salary where identified and paid separately to retain employees with particular experience, skills and capacity.
* Honoraria payments for additional responsibilities undertaken by employees throughout the year. Honoraria are calculated based on the additional duties taken on by the individual, and the length of time that these responsibilities are likely to have a duration of.
* Call out and standby allowances for out of hours working.
* Recruitment and retention payments.
* In exception circumstances payments for undertaken leave.

The councils will ensure that the requirement for any additional allowance or supplement is objectively justified by reference to clear and transparent evidence and where market supplements are considered that this is with reference to data available from within and outside the local government sector.

In addition to any pay supplements the Councils reimburse employees for expenses incurred during the course of their employment in line with the Councils published rates. The Councils will meet or reimburse authorised travel, accommodation and subsistence costs for attendance at approved business meetings and training events, in line with the Councils relevant policy documents. The Councils do not regard such costs as remuneration but as non-pay operational costs.

1. **Other employment related arrangements**

**Local government pension scheme**

Subject to qualifying conditions, employees have a right to belong to the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently range between 5.5 per cent and 12.5 per cent of pensionable pay depending on full time equivalent salary levels. The Employer contribution rates are set by Actuaries advising each of the c86 local LGPS funds and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current average employer rate is 20.8 per cent (Hymans Robertson April 2023) set following the 2022 valuation.

**Benefits schemes**

The councils believe that it has a responsibility to help support the health, wellbeing and welfare of their employees to ensure that they are able to perform at their best. As part of this approach, and in common with other large employers it makes arrangement for various health, fitness and wellbeing benefits as appropriate to employee needs as well as discount schemes giving employees access to money off and savings with various retailers.

The councils also operate a car leasing/cycle leasing scheme which employees can access via the Pluxee self-service platform. This option which would be paid for by the employees enables them to take advantage of a competitive car leasing package.

**Arrangements for chief officers**

The councils believe that specific requirements are necessary for the employment of chief officers to reflect the nature of their roles, responsibilities and accountabilities. Such arrangements are described below. The organisational structure for chief officers is shown in the above table.

**Employment arrangements**

Due to the nature and responsibilities of their role chief officers are normally employed on full time permanent contracts. The councils’ policy and procedures with regard to recruitment of chief officers is set out in the terms of reference for the ‘Joint Appointment Panel’ as described in the Constitution. When recruiting to all posts the councils’ will take a full and proper account of its own Equality, Recruitment, and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policy in place at the time of recruitment.

Where the councils’ are unable to recruit to a post at the designated grade, it will consider the use of market supplements in line with its relevant policies.

In exceptional circumstances, where the councils remain unable to recruit to a chief officer or senior manager post or where there is a need for interim support to provide cover for a vacant post, the councils may consider engagement an individual through ‘contracts for service’. Such arrangements can be advantageous because they can be flexible as they can be used for short periods of time without the need to pay termination payments. Where these arrangements are used the councils will use relevant procurement processes to ensure that it can demonstrate value for money. Such arrangements will be kept under regular review by the Chief of Staff and the Head of People.

**Pay arrangements**

The councils have chosen to introduce local arrangements for senior managers pay because it believes that this provides better flexibility when attracting talent.

For the purpose of the statement, senior management means ‘chief officers’ as defined within s43 of the Localism Act 2011. (Head of Paid Services/Managing Director, Sec 151 Officer, Monitoring Officer, Directors and Assistant Directors (Deputy Chief Officers).

The posts falling within the statutory definition are set out below with details of their basic salary as of 1 April 2024:-

* Managing Director – the current salary for this post is £185,518 with the salary falling within the range of 6 incremental points between £143,355, rising to a maximum of £185,518 (this is not inclusive of any payment for returning officer duties). The post holder is a full time employee on a permanent contract.
* Directors – the salaries of posts designated as Directors fall within a range of 6 incremental points between £91,545 raising to a maximum of £110, 848. All directors are employed on full time permanent employment contracts.
* Assistant Directors, including Section 151 Officer and Monitoring Officer – the salaries of posts designated as Assistant Directors and/or Section 151 Officer and Monitoring Officer fall within a range of 6 incremental points between £77,676 raising to a maximum of £89,445. All Assistant Directors are employed on full time permanent employment contracts.

**Performance -related pay and bonuses**

The councils do not apply any bonuses or performance related pay to chief officers.

1. **Lowest paid employees**

The lowest paid persons employed under a contract of employment with the council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the councils’ grading structure. As of 1 April 2024, the is £23,151 per annum (the council applies the real living wage).

The councils employ apprentices who are not included within the definition of ‘lowest paid employees’ as they are employed under apprenticeship rates of pay. These are aligned to national minimum wage.

1. **Defining Pay**

As described above the council uses an established process of defining roles, determining job size and salary levels. This process determines the relationship between the rate of pay for the lowest paid and senior manager post, including chief officers, described as the pay multiple

1. **Pay Multiples**

The Councils do not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required.

In terms of overall remuneration packages, the Councils’ policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities, but not to differentiate on other allowances, benefits and payments it makes.

The Councils do not expect the remuneration of its highest paid employee to exceed ten times that of the lowest group of employees.

1. **Payments on termination of employment**

**The councils’ approach to statutory and discretionary payments**

The Councils have a single redundancy scheme which applies to all employees without differentiation. The Councils do not provide any further payment to employees leaving their employment other than in respect of accrued leave which by agreement is untaken at the date of leaving. In exceptional circumstances the Councils will make a payment in lieu of notice.

On leaving the Authority due to redundancy the agreed Redundancy Policy will apply. The amount of compensation will be up to a maximum of 1.4 times actual weekly pay but will not exceed 104 weeks’ pay. This will be payable in the form of a lump sum, with any statutory redundancy payment offset against the discretionary award.

If an employee is made redundant and is over the age of 55 their pension will be payable as per the Local Government Pension Scheme; there could be a pension strain cost associated with this.

Any severance payment made outside the scope of this Policy will reasonably comply with Councils policy at any given time and be agreed with the Chief of Staff and the Head of People. Any such agreement will remain confidential.

**Re-employment**

Any individual who has been previously employed by either Council will need to compete for the position in accordance with the agreed Recruitment and Selection Policy. If the individual is successful and has previously been in receipt of severance benefits from either of the Councils, this must be referred to the Chief of Staff and Head of People to ensure any action is in line with the Modifications Order before appointment is confirmed.

1. **Publication of Pay Statement**

Upon approval by each full council, this statement will be published on the councils website. In addition, for posts where the full-time equivalent salary is at least £50,000, the councils’ annual statement of accounts will include a note setting out the total amount of:

* Salary, fees or allowances paid to or receivable by the person in the current and previous year.
* Any bonuses paid or receivable by the person in the current and previous year.
* Any sums payable by way of expenses allowance that are chargeable to UK income tax.
* Any compensation for loss of employment and any other payments connected with termination.
* Any benefits received that do not fall within the above.