

# PAY POLICY STATEMENT

## 1 INTRODUCTION

- 1.1 This Policy is required under sections 38 – 40 of the Localism Act 2011. The Policy aims to be transparent, coherent and relevant to current and future needs. These needs will include the ability to attract, retain and motivate staff to help achieve the organisation's vision and ambitions to drive economic and housing growth and improve the services delivered to residents.
- 1.2 The Council expects high standards of performance from its staff and believes a Pay Policy should reflect the contributions its staff make to helping the organisation achieve its vision and ambitions. Each member of staff makes an individual and collective contribution within their role to the effectiveness of Broadland District Council and to working collaboratively with South Norfolk Council. However, the adage 'the whole is greater than the sum of the individual parts' is particularly relevant in describing the collective strength of the Council's staffing resource and the ability of staff to work together collaboratively.

## 2 SCOPE OF POLICY

- 2.1 As required by the Act and in response to associated guidance it covers:
- the Policy on the level and elements of remuneration for Chief Officers. Chief Officer being defined as in section 2 of the Local Government and Housing Act 1989;
  - the Policy on the remuneration of the lowest paid employees; the definition of the 'lowest paid employees' and the rationale for that definition;
  - the relationship between the remuneration of Chief Officers and other staff;
  - other specific aspects of Chief Officers' remuneration: remuneration on recruitment: increases and additions to remuneration: use of Performance Related Pay and bonuses; termination payments; and benefits in kind.
- 2.2 In addition the Policy sets out:
- the principles on pay awards for all staff;

- information on the responsibilities of Chief Officers to aid public understanding of their roles, in accordance with the Local Government Transparency Code 2015;
- thresholds for salaries on appointments.

### **3 PRINCIPLES**

#### **3.1 Pay Principles applying to all staff excluding Chief Officers.**

- (1) A local Performance Related Pay Scheme will apply to all staff except Chief Officers.
- (2) There are 13 Local Grades within the Broadland pay scheme. Posts are evaluated onto these grades using the Inbucon Job Evaluation Scheme.
- (3) The local grades will generally be wider than NJC grades and overlap allowing greater scope for progression linked to performance within a post.
- (4) Salaries will recognise the need to pay at a sufficient level to recruit and retain quality staff on market related salary scales.
- (5) The principle of checking salary grades for all staff within the market will continue to ensure the competitiveness of the salary/grading structure is maintained. Any market-related increases applicable will be due in April each year and will be applied to the grade minima / maxima and to individual salaries. This increase will be recommended by external and independent pay consultants.
- (6) Pay will recognise and reward performance not service.
- (7) Performance payments for all staff except Chief Officers, will be made through the Council's Performance Related Pay (PRP) scheme, which agrees specific objectives that the employee is then assessed against. However, there may be occasions where performance is recognised through the use of honoraria in addition to PRP. These occasions are likely to occur where an employee takes on additional responsibilities often related to long term staff absences/ vacancies.
- (8) Commencement salaries of staff will be made within the relevant local grade assuming the midpoint of the grade to be the market rate for the role in most cases.
- (9) Market supplements will only be used where there is evidence that

they are required.

- (10) Payments for fees, charges and allowances will be consistent across all staff.

### 3.2 Pay Principles Applying to Chief Officers

- (1) Chief Officers will be appointed to a salary point within a salary range;
- (2) The salary range should be market attractive;
- (3) The salary will be an all-inclusive salary. For the avoidance of doubt no other cash benefits will apply;
- (4) The terms and conditions of employment for Chief Officers, except those relating to rate of pay, are covered by the National Scheme for the Joint Negotiating Committee (JNC) for Chief Executives and Chief Officers;
- (5) Salary progression will be assessed annually as a minimum;
- (6) Annual cost of living increases, where applicable, will be applied in line with NJC increases.

### 3.3 Pay principles applying to all staff

- (1) The Council's policy on compensation payments for termination on the grounds of redundancy, early retirement and efficiency will be in accordance with the Adjustment to Staffing Agreement.
- (2) The Council's policy on flexible retirement, early payment of pension, the augmentation and / or award of additional pension will be in accordance with the Council's Pensions Discretionary Policy.
- (3) Staff in receipt of a Local Government Pension may be employed by the Council where there is a justifiable business case. This would be justifiable where the member of staff is the best match for the organisation's requirements. The salary level of the member of staff on appointment may be adjusted to reflect the payment of a pension through the Local Government Pension Scheme.
- (4) Staff who have received a redundancy or compensation payment from Broadland District Council will not normally be re-employed by the Council. Approval from the Managing Director will be required. If this occurs any re-engagement will be in accordance with 3.3 (3) above

- (5) Staff previously employed by Broadland District Council may be engaged under a contract for services where there is a business case for doing so. This may be for financial, risk mitigation and / or skills shortage reasons. Approval from the Managing Director will be required. If this occurs any re-engagement will be in accordance with 3.3 (3) above
- (6) Pay and benefits will be monitored and assessed to identify any discriminatory aspects and whether they benefit any group of employees with a particular protected characteristic(s). Protected characteristics particularly relevant include gender (Equal Pay issues) and age (Minimum Wage, and National Living Wage).
- (7) The Council will annually publish this Policy and associated pay data on the Council's website.

#### **4 PUBLIC SECTOR EXIT PAYMENT CAP AND RECOVERY REGULATIONS**

- 4.1 The Council will comply with any regulations aimed at capping public sector exit payments which may come into force in the next 12 months.
- 4.2 The Council will comply with any recovery regulations which may come into force within the next 12 months. These regulations being aimed at recovering exit payments from public sector employees who return to public sector employment.

#### **5 CHIEF OFFICERS' REMUNERATION**

- 5.1 Chief Officers within this Council will include the Managing Director; the Directors and the Assistant Directors and any other role that may be created at this level within the Senior Management Team.
- 5.2 Remuneration information for Chief Officers will include:
  - salary or where there is a contract for services, payments made by the authority for those services;
  - bonuses information;
  - any charges, fees or allowances payable (which would include election fees);
  - any increase in or enhancement of pension entitlement where that is the result of the resolution of the authority; and

- any amounts payable on ceasing to hold office or being employed by the authority other than amounts that may be payable by virtue of any enactment.
- benefit in kind information.

5.3 Salary progression will be assessed annually as a minimum.

5.4 Annual cost of living increases, where applicable, will be applied in line with NJC increases.

5.5 The salary of the Managing Director will be reviewed at least annually by the Leader of Broadland District Council and Leader of South Norfolk Council.

5.6 The salary review of the other Chief Officers will be undertaken by the relevant line manager.

5.7 Payment for membership of professional bodies will only be paid where there is demonstrable benefit to the Council.

5.8 The Managing Director also receives Returning and Neighbourhood Planning Referenda Officer fees. The fees in respect of County, District and Parish Council Elections are set by the Norfolk Chief Executives Group and the fees for conducting European, Parliamentary and Police and Crime Commissioner elections are set by the Cabinet Office.

5.9 Information relating to Chief Officers' payments will be published annually to provide transparency. The information will include contextual data such as areas of responsibility, number of staff within the service, capital and revenue expenditure, salary ceiling, the contract type and identify any current vacancies.

5.10 For appointments on large salary packages, defined as ones in excess of £100,000 pa, Council approval will be obtained.

## **6 REMUNERATION OF LOWEST PAID EMPLOYEES**

6.1 The Council's lowest paid employees are those employees in trainee / apprentice roles. These roles will be paid within Local Grade (LG)13. These roles will be for employees who are joining as the first step in their career.

6.2 The lowest pay point will be that of LG13. The bottom of LG 13 will be the National Minimum Wage for 18 – 20 year olds (£11,832 pa from April 2019).

6.3 All employees will be paid at least at a level equating to the National Minimum Wage legislation.

- 6.4 Employees aged 25 years and over will be paid at least at a level equating to the National Living Wage (NLW).
- 6.5 The lowest point of Local Grade 12 will be the NLW which will be £15,796 pa from April 2019.

## **7 RELATIONSHIP BETWEEN CHIEF OFFICER'S REMUNERATION AND OTHER STAFF**

- 7.1 Pay relationships will be measured by the use of a pay multiple. This is defined as the highest paid taxable earnings for the year including base salary, variable pay, bonuses, allowances and the median earnings of the whole Council. The highest taxable earnings, will normally be no greater than 7 x the median earnings of the whole Council.
- 7.2 The pay multiple as at 1 January 2019 is 4.59. This is a decrease of 0.23 from 2018. The highest paid officer on 1 January 2019 was the Chief Executive and the taxable earnings of that post also include Returning Officer fees. No Returning Officer fees were paid during 2018, which accounts for the fluctuation in the multiplier.

## **8 RESPONSIBILITIES**

- 8.1 This Policy will be approved by Council.
- 8.2 The appointment and appointment salaries for Chief Officers will be determined by Elected Members.
- 8.3 The appointment and starting salaries of staff new to the Council will be determined by an Officer Recruitment Panel, which will consist, as a minimum, of a management representative for the relevant service and a representative from HR.
- 8.4 The level of any annual pay awards will be determined in accordance with policy agreed by Council.
- 8.5 The level of any PRP awards will be agreed by Cabinet.

## **9 REVIEW OF POLICY**

- 9.1 The Policy will be reviewed annually and the Council's approach for the following financial year will be confirmed.
- 9.2 However, the Council recognises that a variety of circumstances (foreseen or unforeseen) may arise and require the Pay Policy to be sufficiently flexible to

deal with these circumstances such as the use of market supplements. The Council will have regard to the extent to which the exercise of any flexibility could lead to a serious loss of confidence in the public service.

## **10 APPROACH FOR THE FORTHCOMING YEAR (2019/20)**

- 10.1 As part of the budget setting process for 2019/20 a two percent annual increase in the salary budget is currently modelled as part of the Council's Medium Term Financial Plan.
- 10.2 The market related award applicable in April 2019 will be recommended by independent pay consultants. Any recommendation for a market related award will be applied to the Local Grades and to individuals' salary. Any market related award will be provided for as part of the two percent increase in the salary budget.
- 10.3 The Pay Scheme must be affordable taking into consideration the medium term budget implications for the Council. Therefore if, once the market related award has been applied, there is any excess budget this will be made available for PRP.
- 10.4 The lowest Local Grade (LG) of LG13 is identified as a trainee grade, specifically for those staff employed under apprenticeship / trainee arrangements. These arrangements are likely to apply where the employee is entering work with little and/or out dated experience.
- 10.5 Roles other than those evaluated as LG 13 may also be appropriate for apprentice employees. An apprentice employee will be someone who is studying for a recognised qualification that enhances and / or widens their skills and knowledge. Apprentices may study for a range of qualifications including National Vocational Qualifications (NVQs), degrees and professional qualifications. Apprentice employees will be paid within the appropriate grade for the role they are undertaking.
- 10.6 The minimum salary point for LG13 will be the National Minimum Wage for workers aged 18 – 20 years and will remain in line with this figure.
- 10.7 The minimum salary point for LG12 will be the NLW and will remain in line with this figure.
- 10.8 Work on the future design and funding options for the Council's Pay Scheme will be progressed as part of collaborative working.
- 10.9 Actual salaries of Chief Officers for the most recent financial year will be published on the website (as per the statutory code of recommended practice on data transparency).

10.10 No bonuses will be paid.

10.11 No benefits in kind will be made to Chief Officers.

10.12 An individual personal reward statement will be available for any member of staff where it is specifically requested by that individual. The statement will show the value of the individual's benefits package, including the value of the employer's pension contributions.

10.13 From 2 January 2019 Broadland and South Norfolk Council have appointed a Managing Director who will undertake to bring the two Councils together under one team. This means there will be a single officer team serving both independent Councils. As a result work will be undertaken throughout the year to achieve this including aligning terms and conditions of service.

Date	Ref	Comment
Feb 13	3.9	Replaced 'appointments' with 'commencement salaries.' Deletion of 'the midpoint is recognised as the salary reflecting the skills, experience, qualifications required for the role'.
	4.1	Replaced 'Head of Paid Service' with 'Chief Executive'.
	4.10	Inserted 'contextual'.
	6.1	Update to the year to show that the measure is still being met.
	9.1 & 9.2	Change to the year.
	9.6	Change to the benefits in kind figures and inserted the word 'innate'.
	9.7	Reward statements will now only be produced where an employee requests their personal statement.
Aug 13	2.1	Include 'associated guidance'.
	2.2	Insert fourth bullet point re thresholds.
	4.6	New point Performance assessments for DCE undertaken by CE.
	4.10	RO fees no longer agreed by Norfolk Branch of Assoc of DC but by CE group.
	4.12	New point re appointment of salaries of £100,000+.
	4.13	New point re severance packages of £100,000+.
	6.1	Updated to refer to 2014.
	9	References to year updated.
	9.6	Medical figures updated.
Jan 2015	3.6	Include principle of applying market award to grades and individual salaries.
	3.13	Pensions Discretionary Policy, 2008 removed.
	4.9	Deleted 'payments will be treated separately from salaries'.
	4.10	Additional info added (salary ceiling, contract type, vacant posts).
	4.11,	Inserted 'Full Council approval will be sought'.
	4.12	Inserted 'Full Council approval will be sought'.
	6.1	Definition of pay multiple added.
	6.2	Pay multiple as at Jan 2015 updated.
	7.3	Inserted new to the Council.
	9.1	Re-establish cost of living award.
	9.2	Market related award to be applied to individual salaries.



Date	Ref	Comment
	9.3	Efficiency savings becomes a permanent feature New point PRP pot calculation explained.
	9.7	Update to figures.
Jan 2016	3.15	New point Recovery of Public Sector exit payments.
	4.12	Reference that a new exit payment cap is likely of £95,000.
	5.4	Inclusion of National Living Wage.
	5.14	Removal of reference to other cash benefits e.g. car benefits
	6.2	Update on pay multiple.
	8.2	Appointments made by Elected Members (Appointments & Pay Panel removed)
	9.1	2 percent budget identified for salaries.
	9.3	Deletion of using efficiencies for PRP instead any excess from 2 percent budget to be for PRP.
	9.4	New point to work with staff reps to design a pay scheme for the future.
	9.8	Update on figures.
Jan 2017	2.1	Benefits in kind added to fourth bullet point.
	2.2	New point on public sector exit payments.
	2.3	Reference made to Transparency Code 2015.
	3.12	Added reference to Public Sector Exit Payment Regs.
	3.15	Reference to new Recovery regulations.
	3.16 3.17	Reference made to Public Sector Exit payment regs.
	3.18	New point.
	Sect 4	New section.
	Sect 5	Deletion of reference to exit payments in excess of £100,000.
	5.9	New wording fees set by Chairs of Norfolk Authorities Member Remuneration panels.
	6.5	Insert rate will be min of NMW for age.
	7.2	New multiplier figure.
	8.5	PRP agreed at Cabinet (not Council).
	10	Update to 2016/17 figures.
Jan 2018	2.1	New final bullet point re references to PS Exit Payments
	3.12	Removal of PS Exit Duty 2016
	4.0	This section contained details of how the PS exit payments and recovery regulations were to be applied but as these have not come into force, this section confirms the council's approach should the government progress these.
	7.2	Update to multiplier figure
	10	Year updated to 2018 /19
	10.4	LG 13 becomes an apprentice/trainee grade and comment re apprentices may be paid outside of LG13 deleted as not necessary
	10.5	Definition of apprentice explained
	10.6	Salary range of LG13 to be linked to NMW
	10.7	Salary minimum of LG12 linked to NLW
	10.11	Medical insurance decreased
Jan 2019	3.1 3.2 3.3	Separation of pay principles for Chief Offices and all other staff and new principles for Chief Officers
	5.1	Roles which are deemed Chief Officers
	5.4	Removal of reference to Local Grades. Removal of reference to additional benefits may be identified.

Date	Ref	Comment
	5.7	Payment for Professional membership may now be made where criteria met
	5.8	Inclusion of Neighbourhood Planning Referenda
	6.3 6.6	Update to figures
	10.8	Work on pay scheme now able to progress
	10.11	No benefits in kind, removal of reference of medical benefits and lease car
	10.13	New para