

# **BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK**

## **PAY POLICY STATEMENT**

### **1. Background**

Section 38 of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for each financial year.

Matters that must be included within the statutory pay policy are as follows:

- Policy on the level and elements of remuneration for each Chief Officer
- Policy on the remuneration of lowest paid employees (together with the definition of “lowest paid employees”).
- Policy on the relationship between the remuneration of its Chief Officers and other officers.
- Policy on 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 transparency).

The Authority’s website includes salary information for senior Managers who earn more than £58,200 and this can be accessed at [www.west-norfolk.gov.uk](http://www.west-norfolk.gov.uk)

### **Definitions**

“Remuneration” for the purposes of this statement includes three elements:

- basic salary
- pension
- all other allowances arising from employment

The Council regards the following as its Chief Officers:

- Chief Executive
- Executive Directors

Employees on PG12 are defined as our lowest-paid employees. The salary band for PG12 as at 01.04.2017 is £15009 - £21945 (Mid Point £18477). An exception will be any Apprentices who are supernumerary to the establishment and engaged on Fixed Term contracts. They are paid in line with Government guidelines on Apprentices.

### **2. Performance Management**

This Authority operates a comprehensive Performance Management system for all employees, which includes:

- Local salary scales
- A process of employee appraisal linked to objectives
- A formal process for identifying learning and development needs
- A system of performance related pay

There are 12 local grades within the Borough Council’s pay scheme all linked to formal evaluation using the PE Inbucon job evaluation system. Progression through the grades is linked to the achievement of agreed target areas each year – there is no system of automatic incremental progression. Performance ratings are given as follows:

- 1 – Partially met targets to agreed standards – No performance payment

- 2 – Consistently met targets to agreed standards – Performance payment equivalent to 1.5% of the grade mid-point.
- 3 – Consistently exceeded agreed standards across target areas – Performance payment equivalent to 2.5% of the grade mid-point.

All associated payments will be granted as progression within salary bands until the grade maximum (or any agreed qualification/experience “bars” within grades) is reached. After this a non-consolidated lump sum, equivalent to half the progression payment will be made. No other form of bonus payment is made to staff at any level within the organisation.

Cost of living pay increases are locally determined having regard to national, regional and local pay and labour market information. Increases for the last 5 years are detailed below and have applied to all staff:

2013/14	1%
2014/15	1%
2015/16	1%
2016/17	1%
2017/18	1%

### **3. Remuneration of the Chief Executive**

The Chief Executive is the Council’s Head of Paid Service. The salary band for this post as at 01.04.2017 is SM01 £95436 - £126522 (Mid Point £110979). Progression through the grade is linked to performance against agreed targets, with no automatic annual increments.

The mid-point of SM01 is currently 6 times the mid point of PG12 on which the Council’s lowest paid employees are paid.

The Chief Executive also receives Returning Officer’s fees in respect of European, General, County, District and Parish Elections. The fee for undertaking County, District and Parish elections within the Borough Council of King’s Lynn and West Norfolk is calculated in accordance with a formula approved annually by the Chairs of the Norfolk Local Authorities’ Member Remuneration Panels, supported by the County Electoral Officers’ Group. Fees for conducting Parliamentary and European Elections are determined by the relevant government department.

### **4. Remuneration of Executive Directors**

The Council’s 4 Executive Directors are paid on salary band SM02/03 £51360 - £95391 (Mid Point £73374). Progression through the grade is linked to performance against agreed targets, with no automatic annual increments.

The mid point of SM02/03 is currently 4 times the mid point of PG12.

### **5. Remuneration of Service Managers**

Service Managers within the Authority are paid on the following grades:

SM04 £44019 - £63591 (Mid Point £53805)

PG05 £41598 - £58770 (Mid Point £50184)

PG06 £36246 - £51177 (Mid Point £43710)

The Council's Monitoring Officer is a Service Manager included within range SM04 set out above. The Council's Section 151 Officer is an Executive Director included within the range SM02/03 set out above.

## **6. Pay Multiple**

The median salary for Chief Officers for 2016/17 is £84,989 and for non-Chief Officers £22,120. This gives a ratio between the highest paid employees and the median average salary of the whole of the authority's workforce of 1:3.8. The Council does not have a policy on maintaining, reaching or applying a specific pay multiple. However the Council is conscious that whilst remuneration at all levels needs to be adequate and competitive to secure and retain high-quality employees, it must not be excessive.

## **7. Salary on Recruitment**

Individuals are normally recruited between the bottom and the mid-point of the grade for their post at a salary level appropriate to their existing qualifications, skills and experience. Recruitment to Chief Executive and Executive Director posts and related salary arrangements on appointment are delegated to the Appointments Board. Access to appropriate elements of the Council's Relocation Scheme may also be granted when new starters need to move to the area.

## **8. Car Allowances**

Essential and casual user car allowances are payable in appropriate circumstances. The Essential lump sum allowance is paid in accordance with rates agreed by the NJC for Local Government Services, but mileage rates for both essential and casual users are paid in accordance with the HMRC's Approved Mileage Allowance Payments (currently 45 pence per mile).

The Council operates a 'contract hire' scheme for designated posts (as an alternative to Essential user allowances) with mileage rates being paid in accordance with HMRC Advisory Fuel Rates.

## **9. Pension Provision**

All employees will join the local government pension scheme. However, new employees have the choice to opt out of the pension scheme. The scheme is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the local government pension scheme see:

[www.norfolkpensionfund.org.uk](http://www.norfolkpensionfund.org.uk)

Neither the scheme nor the council adopt differing policies with regard to pension benefits for any category of staff.

## **10. Severance Arrangements**

The Authority operates a standard approach to the award of compensation for relevant staff in the event of redundancy in accordance with our published Policy Statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme. No special arrangements are made for Senior Managers.

Requests for Early Retirement/Voluntary Redundancy are normally only granted when they represent net savings to the salary bill over a maximum period of 5 years.

## **Flexible Retirement**

Flexible retirement may be offered to employees aged 55 or over who reduce their grade or hours of work (or both). It enables them to receive all or part of their Local Government Pension Scheme benefits immediately, even though they have not left the Council's employment. The Council recognises that Flexible Retirement has potential benefits for both employer and employee, but it can represent a cost for the employer. All requests are therefore normally only granted when the overall financial position is neutral for the Authority. No special arrangements are made for Senior Managers.

### **11. Re-employment of Senior Managers**

Whilst recruitment decisions are made on merit, there are no instances over the last ten years of the Authority re-employing a Senior Manager who had previously left the organisation in receipt of a severance or redundancy payment, either directly or under a contract for services.

### **12. Review**

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each financial year.