

# **South Kesteven Draft Pay Policy Statement 2012-2013**

## **Introduction**

1. It is a requirement of the Localism Act 2011 that the Council produces an annual pay policy statement. This pay statement summarises current policies and arrangements already in place.
2. Any decisions in relation to pay will comply with this Pay policy statement for the period 1st April 2012 to 31<sup>st</sup> March 2013 .
3. The Council may amend the pay policy statement any point in the year.

## **Context**

4. The Councils pay and reward arrangements have been designed to ensure consistency through the job evaluation process and with reference to the external market. It does not currently make any specific arrangements with respect to personal performance and does not pay bonuses.
5. The Council employs all staff on local terms and conditions. It has a local pay agreement in place in respect of the payment of the national agreement on annual pay awards. The Council will make its own determination of cost of living awards in April every year in line with this agreement.

## **Chief officer pay determination**

6. The Localism Act refers to Chief Officers. The Chief Officers at South Kesteven District Council are the following:  
The Chief Executive who is Head of Paid Service , S.151 Officer ,  
The Monitoring Officer, Strategic Directors, Heads of Service
7. The Council determines its pay for its Chief Executive through the Chief Executive's remuneration panel. The panel and its remit is detailed in the Council's constitution.
8. The appointment of the Chief Executive and Statutory officers is a decision of the Council, in line with the Council's constitution. The

Council does not have a separate pay policy in relation to Chief Officers and their pay determination is the same process as the determination of all staff.

9. The Council pays its chief officers on spot rates based on job evaluation and these are detailed in the Councils salary scale each year. The total remuneration package defined in employment contracts for the Chief executive and chief officers is the same as all staff. It includes a spot rate salary, the same holiday entitlement, the same sick pay arrangements, the same pension scheme arrangements, No enhanced remuneration elements are included. The Council does not pay car allowances or provide cars to any individual member of staff as the Council operates a pool car system available to all employees. Where the Chief executive, chief officers or staff use their own cars for Council business they are reimbursed at a flat rate of 45p. per mile in line with the HMRC guidelines.
10. Local government elections are a separate statutory responsibility and election rates are set in accordance with a Lincolnshire County wide election scale of fees and charges . These rates differ according to the size of the ward contested. Local elections do not necessarily take place every year.
11. The Council publishes senior management salary rates on its website in line with the requirements of the Government's transparency agenda.

### **Pay Determination Arrangements**

12. The Council determines its pay for all staff through the relevant job evaluation scheme. The job evaluation score determines the grade at which the employee is paid and a collective agreement is in place with regard to the implementation of job evaluation.
13. The Council pays spot rate salaries based on the job evaluation outcome. It does not use salary bands, pay annual bonuses nor is pay a subjective decision. There are no additional benefits payable.

14. There are currently no performance related pay schemes or bonus schemes in operation for any staff, including chief officers. No car allowances are paid to staff and the Council no longer has an active health care scheme or any other additional benefits.
15. The Council will monitor pay locally and nationally as required and will undertake market reviews in relation to specific posts.
16. The salary for newly appointed staff (including chief officers) is determined on appointment in relation to the job evaluation score for the post. The job evaluation score assumes full competence at the job. Where a new appointee for the job has some development needs, the Council may choose to place the employee on a salary progression until full competence has been confirmed or qualifications have been completed. The Council will apply this approach to trainees.
17. Where a post is hard to recruit to at any level, particularly where there are supply pressures, the Council has a process in place to consider applying market supplements to pay or to offer recruitment incentives. Market supplements are kept under review and may be withdrawn if market conditions change.
18. As pay is determined through job evaluation it follows that pay rates can only increase if an individual's post has changed and they take on additional responsibilities. The council has a clearly defined process in place to ensure that employees are paid the correct rate of pay for the job they do. Annual cost of living awards, when made, are reflective of any national agreements and are paid in accordance with the Councils local agreement.
19. The Council will pay job related allowances to staff where it is a requirement of the job to do so. For example, instead of providing craft employees directly with tools it pays an allowance in line with JNC rates. Staff who are required to respond to emergencies outside normal working hours are also in receipt of standby and call out arrangements, depending on the nature of the work.
20. Overtime is payable at flat rate and can only be done with the prior approval of the line manager. Chief Officers and Managers are

required to work evenings and weekends to meet the requirements of the job and are expected to balance their hours with time off in lieu without any overtime payments and no overtime is payable.

21. Honoraria and acting up payments may be paid for those staff who have taken up additional responsibilities for a defined period of time to cover absence or additional responsibilities. Where possible such payments will be based on the job evaluated rates of pay for those responsibilities. Each case will be considered on its own merits and a fair recompense will be calculated.
22. Temporary short term appointments of chief officers and staff will be paid in line with the job evaluated rate for the job and the prevailing market rate for such short term appointments.
23. Remuneration for staff on secondment will be in line with the Councils secondment policy.

### **Pay Multipliers**

24. Whilst job evaluation and the market determines the relationship between the highest and lowest paid employees, an analysis of pay multiples has been undertaken in the light of the requirements of the Localism Act.
25. The Council defines it's lowest paid employees in relation to their grade. This definition has been selected to enable fair comparison on a Full Time Equivalent basis.
26. The Ratio of the highest paid employee to mean salary per Full Time Equivalent is 1:5 (based on actual salary paid).
27. It is not anticipated that the ratio should increase over the pay year 2012 – 2013.

### **Termination Payments**

28. The Council recognises that chief officers and staff leave the council for a whole range of reasons, including retirement, redundancy, voluntary resignation, employment termination. Each case will be treated on its own merit and will comply with Council

policies and the law. The Council reserves the right to make any appropriate payments to protect the reputation of the Council and manage risk of litigation. This will be in line with legislation and with reference to best value.

29. The Council has a pension's policy in place approved in 2008 and it has exercised its discretion not to augment pensions. No chief Officer or any other employee has a contractual right to an increase in pension entitlement other than through their actual service. Employee contribution rates are linked to pay and set by an independent actuarial review. The lowest paid staff pay the lowest level of pension contribution currently 5.5% rising to 7.5% for the Chief Executive and Directors.
30. The Council has determined that it will allow flexible retirements in line with its retirement policy statement and Regulation 18 of the Pension Regulations. This permits flexible retirement from age 55 from 1<sup>st</sup> April 2010 with consent. The policy has a provision for individuals to retire from their substantive post and continue in employment at a lower grade or with reduced hours. The Council's policy is that any consent given for flexible retirement will only be given in the interests of the efficiency of the service. The Council has already defined interests of the efficiency of the service on 26<sup>th</sup> October 2006 as "efficiency shall include (but not be limited to) both financial savings and or quantifiable quality improvements judged on a case by case basis". It will take into account service delivery / efficiency considerations, skill retention and the financial implications of the cost of early release in every case.
31. The Council has a redundancy policy in place approved by Cabinet on 6<sup>th</sup> July 2009 which applies equally to all staff. Where redundancy payments are made to any employee the Council reserves the right to recover the redundancy severance payment under the Continuity in Local Government (Modification order) 1999 if the employee obtains employment within a month and a day of their termination date.
32. The Council does not have any specific termination payments built into any employee's employment contracts. It reserves the

right to do so should such a need arise in the interests of the efficiency of the service.

### **Shared Staffing arrangements**

33. The Council will enter into shared staffing arrangements with other Councils and agencies as and when it is advantageous to do so in order to deliver efficiencies. Such arrangements will be determined on a case by case basis on terms agreed between the partners in a formal agreement.

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