

South Kesteven Pay Policy Statement 2016-17

Introduction

1. It is a requirement of the Localism Act 2011 that the Council produces an annual pay policy statement. This statement summarises current policies and arrangements already in place relating to pay. The Council will honour its contractual arrangements with employees – as such the pay policy statement is one of fact.
2. Any decisions in relation to pay will comply with this pay policy statement for the period 1st April 2016 to 31st March 2017.
3. The Council may amend the pay policy statement at any point in the year.

Context

4. The Council's current 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. These arrangements will be reviewed during the year.
5. The Council employs all staff on local terms and conditions. It has a local pay agreement in place that takes account of the national agreement on annual cost of living pay awards. The Council makes its own determination of cost of living pay awards for all staff (except craft employees) in April every year in accordance with this local agreement. The mechanism for determining the annual pay award will be reviewed during the year.

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 (the Statutory Officers), Strategic Directors, Executive Managers.

7. The Council determines the pay grade for its Chief Executive through the Chief Executive's remuneration panel. The panel and its remit are 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 at rates based on job evaluation and these are detailed in the Council's 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, or salary band, the same holiday entitlement based on length of service, the same sick pay arrangements, the same pension scheme arrangements and no enhanced remuneration elements are included. The Council does not pay essential 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. The Council may review these arrangements in 2016 – 2017 to enable cost effective flexible working.

10. Local government elections are a separate statutory responsibility and rates of pay for local elections 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 will take place during the period of this pay policy statement.

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 level of pay for all staff is determined, except for the Chief Executive as set out in para7, 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 generally pays spot rate salaries based on the job evaluation outcome. Where salary bands are used they are based on an assessment of competency and supported by development plans. The Council does not pay annual bonuses and 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 essential car allowances are paid to staff. The Council offers a range of voluntary benefits paid for by staff.

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. The Council operates an apprenticeship scheme remunerated in line with national terms and conditions.

18. During 2013/14 the Council adopted a local living wage for lower paid staff (SKDC 1-3). This is reviewed annually. This is in line with, and satisfies the newly introduced national living wage.

19. 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.

20. 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 based on job evaluation. Annual cost of living awards, when made, are paid in accordance with the Council's local agreement.

21. 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.

22. 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.

23. 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.

24. 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.

25. Remuneration for staff on secondment will be in line with the Councils secondment policy.

Pay Multipliers

26. 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 2011.

27. The Council defines its lowest paid employees in relation to their grade. This definition has been selected to enable fair comparison on a Full Time Equivalent basis.

28. The Ratio of the highest paid employee to mean salary per Full Time Equivalent is 1:5 (based on actual salary paid).

29. The council has no policy about the maximum or minimum levels of such ratio statistics.

Termination Payments

30. The Council recognises that all 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.

31. The Council has a pensions' policy in place approved in 2008 and 2014 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 11.4% for the highest paid officers. The Pensions Act 2008 requires us to auto enrol new employees into the pension scheme from a staging date, which for South Kesteven District Council is 1 November 2013. The auto-enrolment of current staff will not take place until October 2017. A new pension scheme was introduced in April 2014 for which there is a new pension policy.

32. 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 1st 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. This gives the Council flexibility and to ensure that specialist skills and knowledge are retained.

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 26th 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.

33. The Council has a redundancy policy in place approved by Cabinet on 6th 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.

34. 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.

35. Should the Council ever be required to consider an individual termination payment in excess of £100,000 (excluding payments specified in statutory regulations and council policy), such a decision will be presented to full council in an exempt report. (This may be subject to legislative change in spring/summer 2016).

Shared Staffing arrangements

36. The Council will enter into shared staffing arrangements with other Councils, public and private sector partners 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.