

Personnel Committee

Date: **Monday 27 February 2017**
Time: **10.00am**
Venue: **Conference Room, Ground Floor, South Wing
County Hall, Norwich**

Persons attending the meeting are requested to turn off mobile phones.

Membership

Mr T Coke
Mr C Jordan (Chairman)
Mr G Nobbs
Mr A Proctor
Mrs A Thomas

**For further details and general enquiries about this Agenda
please contact the Committee Officer:**
Karen Haywood on 01603 228913
or email committees@norfolk.gov.uk

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A g e n d a

1 Apologies

To receive any apologies.

2. Minutes

To confirm the minutes of the meeting held on 5 December 2016.

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3. Members to Declare any Interests

If you have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter.

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an Other Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

If that is the case then you must declare such an interest but can speak and vote on the matter.

4. Pay Policy Statement 2017-2018

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Report by the Acting Head of Human Resources

Chris Walton
Head of Democratic Services
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 17 February 2017

Personnel Committee

Minutes of the Meeting held on 5 December 2016 at 9.00am in the Conference Room, Ground Floor at County Hall

Present:

Mr C Jordan (Chairman)

Mr T Coke

Mr G Nobbs

Mrs A Thomas

Substitute members present:

Mrs J Leggett (for Mr A Proctor)

Also Present:

Dr W Thomson

Managing Director

Mr R Graham-Leigh

Reward Manager/Acting Human Resources Manager

Mr S George

Executive Director of Finance

1. Apologies

- 1.1 Apologies for absence were received from Mr A Proctor (Mrs J Leggett substituted).

2. Minutes of the Meeting Held on 21st October 2016

- 2.1 The minutes of the meeting held on 21st October 2016 were agreed as a correct record and signed by the Chairman.

3. Declarations of Interests

- 3.1 There were no interests to declare.

4. Exclusion of the Public

- 4.1 Officers presented the public interest test for the following report, as required by the 2006 Access to Information Regulations, for the consideration of the Committee as follows:
- 4.2 The report contains information about changes to the Council's organisation structure and posts, and consultation with staff and unions has not yet taken place. Disclosure of this information at this stage of the decision making process would therefore be unfair. Staff will be informed of the proposals at the consultation stage, and proposals will be made public when recommended to Full Council for approval on 12 December. The public interest in disclosure will therefore be served at that stage. This conclusion has been reached having

regarding to the guidance from the Head of Law.

The Committee **RESOLVED**:

That the public be excluded while the following report is considered.

5. Senior Management Arrangements

5.1 The annexed report (5) by the Managing Director was received.

Following the recent external review of senior management arrangements for the Council's corporate strategy, support and finance functions, the Committee noted that the Managing Director would be recommending a revised management structure to Full Council on 12 December 2016. Members received a presentation from Aidan Rave of LKS QUAERO (the consultant engaged to conduct the review) and asked questions of the Managing Director.

Simon George left the meeting during consideration of the proposed grade for the post of Executive Director of Finance

This report recommended that Members approve the grades of the proposed new or changed Senior Manager posts which would result from the changes as set out below.

The Committee **RESOLVED** to approve the grades as follows:

- Executive Director of Finance: Scale S (5 votes to 0)
- Strategy Director: Scale Q (4 votes to 0)
- Chief Legal Officer: Scale Q (5 votes to 0)
- Head of HR Scale P (5 votes to 0)

The meeting concluded at 9.30am.

CHAIRMAN

Pay Policy Statement 2017-18

Report by Acting Head of Human Resources

The Council is required to publish a Pay Policy Statement every year. This report provides a draft Statement for 2017/18, for comment and recommendation to full Council for approval.

The Statement has been amended to reflect changes in the Constitution concerning the appointment arrangements to senior officer posts, but is otherwise substantively unchanged.

The report notes possible future regulations which may require in-year amendment to the Statement.

The Personnel Committee is recommended to review and comment on the draft Pay Policy Statement, and to recommend the Statement to full Council for approval.

1 Background

- 1.1 Every Local Authority is required to approve a Pay Policy Statement at the beginning of each financial year, under the Localism Act 2011. Members have previously been provided with the full guidance on the required content of the Statement, and a copy is available in the Members Room or at the web link on page 2. The present Statement was approved by Full Council in February 2016.
- 1.2 A draft Statement for 2017-2018 is attached at Appendix 1. Members are invited to comment and to recommend the Statement to full Council for approval.

2 The draft Statement for 2017-2018

- 2.1 Sections 6.1 and 6.2 are amended to reflect a change to the wording of the Constitution. Part 6.4 of the Constitution now defines a list of 'senior officer' posts which will be appointed by Member panels, and the change was recommended by the Personnel Committee to the Constitution Advisory Group for consideration, and approved by full Council in December. The amendments bring the wording of the Pay Policy Statement into line with the revised wording in the Constitution.
- 2.2 No other substantive change is proposed.
- 2.3 Members' comments are invited.

3 Proposed new regulations on senior public sector pay

- 3.1 Last year's report on this matter mentioned Government proposals to introduce new regulations on public sector pay, which were expected to take effect in 2016. To date they have not been implemented and the final form of the regulations, and their effective dates, are still unknown, so the draft Statement does not reflect them. The proposed regulations are in relation to:
- a) repayment of severance payments made to public sector employees leaving jobs on salaries of £80,000 pa or more, and who return to work in the same part of the public sector within 12 months (for example, leaving a local authority and then joining another local authority)
 - b) capping public sector severance payments to an individual to a total of £95,000.
- 3.2 When the final form and implementation date of the regulations are known, a revised Pay Policy Statement can be put to the Personnel Committee, to enable referral to full Council for an in-year amendment to the Statement.

4 Implications

- 4.1 The Statement is part of the improved transparency arrangements which all local authorities have been required to adopt under the Localism Act 2011. The revised Statement will replace the 2016-2017 version already published, and there are no financial or other implications.

5 Recommendation


- 5.1 Members are recommended to review and comment on the draft Statement at Appendix 1, and to recommend the final version to full Council ready for publication.

Background Papers

Guidance from the Department for Communities and Local Government is available in the Members Room. It is also available on the DCLG website at <https://www.gov.uk/government/collections/openness-and-accountability-in-local-pay>

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

Name	Telephone Number	Email address
Audrey Sharp	01603 222796	audrey.sharp@norfolk.gov.uk
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DRAFT

NORFOLK COUNTY COUNCIL

Pay Policy Statement 2017-2018Approved by County Council on [date to be inserted]

[Text is the same as for the 2016/17 Statement except where shown in **Bold Italics Underlined**]

1. Introduction and Scope

- 1.1. Norfolk County Council is committed to accountability, transparency, equity and fairness in pay, reward and remuneration. This Pay Policy Statement outlines the Council's pay and reward policies for 2017-2018. These ensure that pay and rewards policies are appropriate for the Council's aims, are competitive and affordable, and are consistently and equitably applied.
- 1.2. The policies referred to in this Statement are relevant to Council employees generally. However the scope of this Statement does not include all pay policies relating to certain categories of employees, including:
 - a) Fire-fighters (covered by the National Conditions for Local Authorities' Fire Brigades)
 - b) Teachers (covered by statutory School Teachers' Pay and Conditions)
 - c) Employees in schools
 - d) Employees paid on national pay rates determined by the Soulbury Committee covering Education Improvement Professionals and Educational Psychologists
 - e) Employees in Public Health on NHS conditions of employment.
- 1.3. The Pay Policy Statement fulfils the Council's statutory requirements under Chapter 8 of the Localism Act 2011.

2. Definitions

- 2.1. The Council defines the total employment package as consisting of both tangible and intangible elements. The pay policy statement focuses on the tangible pay and reward elements, including salary, allowances, benefits in kind, pension enhancement and payments relating to the ceasing of employment.
- 2.2. The Council defines "lowest paid employees" as staff paid on the first spinal column point of the County Council's pay grades for National Joint Council (NJC) for Local Government Services staff, as this is the lowest pay rate generally applied to NCC roles.

2.3. The Council employs some apprentices under the national Apprenticeship framework, who are paid at less than the Council's minimum salary point, in line with the National Minimum Wage for apprentices set by the Department for Business, Innovation and Skills. The rates from October 2016 are from £3.40 to £6.95 per hour depending on age (equivalent to £6,559 to 13,408 per annum for a 37 hour week).

3. The Council's Pay and Rewards Strategy

3.1. The Council's overall approach to pay and reward is set out in its [Pay and Rewards Strategy](#). The objectives set out in that document are to:

- Attract and retain people with the skills and talent the County Council needs to deliver excellent services in Norfolk.
- Encourage and reward high levels of contribution, new ways of working, and relevant skills acquisition through experience and development, by employees at all levels.
- Provide a fair system of reward for employees.

3.2. The Council's pay policies are designed to achieve those objectives within the Principles and Core Standards set out in the strategy. Pay policies, and strategy, are kept under review and updated from time to time as necessary.

4. Governance Arrangements

4.1. The Council's Personnel Committee determines the terms and conditions of employment for all staff within the scope of this statement, including the application of any discretions available under the Local government Pension Scheme. The full remit of the Personnel Committee is detailed in the [Council's Constitution](#).

4.2. The Officer Employment Procedure Rules of the [Council's Constitution](#) provide for designated Senior Officers to take certain delegated decisions in relation to employment matters, within the policy framework approved by the Personnel Committee.

5. Publication of and access to information relating to pay

5.1. The Council publishes information about pay in accordance with statutory requirements, and the guidance of the Information Commissioner's Office and the Department of Communities and Local Government. Information is published on the [Council's website](#) and in the [Council's Statement of Accounts](#).

6. Basic Pay Determination

Pay levels for all employees are determined by the following:

- 6.1. The Council uses the Hay Job Evaluation Scheme to establish the relative “sizes” of jobs within the organisation. An evaluation results in an overall job evaluation score, which is used to rank jobs within the organisation. The overall job evaluation score for a job is used to allocate that job to the appropriate pay grade of the Council's [grade structure](#). ~~For jobs at Scale P and above (£78,777+ as at 31st March 2016),~~ **For senior officers as defined in Part 6.4 of the [Council's Constitution](#)** external evaluation specialists will be commissioned to independently review and validate the job evaluation rationale, **and** the outcome is subject to approval by the Personnel Committee.
- 6.2. Appointment - The incremental point at which an individual will be appointed to within the grade will normally be the minimum of the scale. However appointment may be at a higher point within the scale where necessary to appoint the best candidate. In the case of the appointment of ~~Chief Officers and Deputy Chief Officers~~ **senior officers**, views of Members of the Appointments Panel will inform the decision.
- 6.3. As the existing arrangements for determining senior salaries are robust and transparent, the County Council has decided that a vote on salary packages above a defined threshold prior to appointment would not add to democratic accountability, would cause delay in recruitment, and would not be an efficient process.
- 6.4. Progression – all employees are eligible to receive annual incremental increases within the grade structure until they reach the top increment of the grade. There is no further base pay progression once the employee reaches the maximum spinal column point, or maximum of the grade range, for the role. Incremental progression is subject to satisfactory performance as defined by the Council's [performance appraisal policy](#). An increment may be withheld from an individual where a satisfactory rating is not achieved. New starters must complete a 6-month period before becoming eligible for incremental increases.
- 6.5. The Council's pay scale values are subject to annual review. For Norfolk grades from Scale A to Scale O, the Council applies the annual pay award agreed by the National Joint Council for local government services. For grades Scale P and above, the County Council locally reviews pay levels annually having regard to national settlements covering local government and local affordability.
- 6.6. General Review - Pay levels are set with reference to a number of internal and external factors and market forces. Where a need is identified to review the levels of basic pay at all or some pay grades (for example in the light of sustained recruitment and retention difficulties), the Council will commission research into market levels. Any decision on changes as a result of this research would be considered by the Personnel Committee, taking account of affordability.

7. Additional Pay Determination

In addition to basic pay the Council's reward package may include additional pay elements.

- 7.1. The Council will consider the payment of salary supplements in the event of external market pressures for recruitment and retention. Payments must be based on genuine objective grounds and driven by business requirements and not individual circumstances. Payments must be applied consistently based on sound, recognised and robust pay data in accordance with Equal Pay legislation and the [Equal Opportunities in Employment Policy](#). Market supplements are applied, reviewed and withdrawn in accordance with the Council's [Policy and Procedure for Market Supplements \(recruitment and retention\)](#).
- 7.2. There will be occasions where, due to the service needs, employees will temporarily be required to undertake work or perform beyond the normal remit of their substantive role (for example working to a higher level role, or undertaking additional responsibilities). Payment for these extra duties will be made in accordance with the [Acting Up and Honorarium Policy and Procedure](#). All payments are regularly monitored and reviewed as outlined in the policy.
- 7.3. The County Council does not operate a performance pay scheme outside the incremental grading structure that determines basic pay and therefore there are no performance or bonus payments paid to employees of the Council.
- 7.4. Employees that are redeployed, due to redundancy or disability, to a post at a lower grade may be eligible for a redeployment compensation payment. This will be paid in accordance with the [Redeployment Policy and Procedure](#).
- 7.5. The Council employs the use of a number of additional allowances and enhancements to reflect and recompense for additional responsibilities, duties and working patterns. The eligibility to these enhancements varies depending upon the nature of the allowance or enhancement. The applicable principles, scope, eligibility, process and rates are detailed in the respective policy documents. These are kept under review and changes or additional policies would be approved by the Personnel Committee.
- 7.6. The Council operates a Car Provision Scheme, which provides lease cars to employees on a contributory basis. This is restricted to employees that have to travel on a regular basis to fulfil the duties of their role.

8. Termination of Employment

- 8.1. The Council's policy on redundancy is contained within the [Staffing Adjustment Policy](#), which details the conditions under which redundancy payments can be made. Where an employee is made redundant, severance benefits will be based on the number of weeks in the statutory Redundancy Pay Table based on actual weekly earnings. Where full time weekly earnings are less than the statutory cap, employees will receive a rate equivalent to the statutory cap per week, pro rata for part time staff.

- 8.2. Membership of a pension scheme is determined by the relevant conditions of service and is subject to the rules of the specific scheme. The Council operates the Local Government Pension Scheme (LGPS) for most employees within the scope of this statement. Some employees may be members of the Teachers' Pension Scheme (TPS), the Fire Fighters Pension Scheme (now closed to new entrants) (FPS) and the New Fire Fighters Pension Scheme (NFPS).
- 8.3. The Council's practice for early termination of employment arrangements (for reasons other than redundancy) are detailed in the [Retirement policy and procedure](#); and any additional discretions under the pensions regulations for the LGPS are detailed in [Employer's Statement of Exercise of Discretionary Powers](#).
- 8.4. Only in very exceptional circumstances and where the business case supports it might the Council agree to any arrangements in relation to termination of employment outside those referred to above, to avoid or settle a legal claim.
- 8.5. The Council's policy on the employment of people retired on redundancy grounds from Norfolk County Council, or on ill-health or efficiency grounds from any local authority employment, is that any such case must show clear organisational and financial benefits to the Authority. Each case must be considered by the Head of HR and Organisational Development. The remuneration on employment would be determined in the same way as for any other appointment.
- 8.6. Where severance payments over £100,000 are considered, the Managing Director will consult the members of the Personnel Committee and will refer the matter to full Council.

9. Remuneration of staff on a Contract for Services

- 9.1. In common with any large organisation in the public or private sector, from time to time and on a temporary basis the Council needs to use interim staff who are not directly employed. In such cases the Council would not incur the costs of national insurance, pension contributions, annual leave or sick pay.
- 9.2. This happens where we have a short term need for particular skills or where we are experiencing recruitment and retention difficulties. When we use interim staff they are usually sourced through specialist agencies.
- 9.3. In line with the Agency Workers Directive, the Council will aim to pay staff on a Contract for Services at a rate consistent with the pay and reward of the Council's directly employed staff performing a role of comparable responsibility. However, as with the employed workforce the Council retains the discretion to take into account market factors in determining the appropriate pay level, whilst demonstrating value for money for the remuneration offered.
- 9.4. The Council's guide to [Recruiting to Temporary Appointments-Types of Temporary Resources](#) outlines the actions required when there is a requirement for interims or consultants. This confirms the financial threshold at

which a business case will need to be submitted for Chief Officer approval and Member endorsement, prior to any contractual commitment.

10. Fairness in pay

10.1. As already stated, the Council recognises the importance of fairness in pay and utilises the following approaches to maintain this:

- a) the Council's pay and reward policies are applied equally to all employees, except where there are good reasons reflecting genuine factors which apply only to certain employee categories;
- b) the Council's Personnel Committee is responsible for setting the pay and conditions policies of all employees within the scope of this statement;
- c) the Council involves the workforce and trades unions in any proposals to change pay and rewards policies and practices. Regular consultation and negotiation take place on all employment matters, including pay and reward;
- d) all categories of employees are covered by recognised trades unions;
- e) the Council's approach to publishing information on pay is set out in paragraph 5.1 to ensure that pay policies are open to scrutiny.

10.2. The current ratio of the Managing Director's pay to the median pay in the organisation is published as set out in paragraph 5.1.

11. Review

11.1. The pay policy statement is reviewed by the Personnel Committee and is recommended to Full Council for annual approval. The statement for **2018-19** will be submitted to Full Council for approval by 31 March **2018**.

For queries contact hrreward@norfolk.gov.uk