

Personnel Committee

Date: **Tuesday 26 February 2019**
Time: **11.00am***
Venue: **Conference Room, Ground Floor, South Wing
County Hall, Norwich**

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

Membership:

Mr A Adams
Mr G Nobbs
Mr G Plant
Mr A Proctor (Chairman)
Dr M Strong

*** Please note later start time**

**For further details and general enquiries about this Agenda
please contact:**

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 4 December 2018.

(Page 5)

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, to a greater extent than others in your division

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body -
 - Exercising functions of a public nature.
 - Directed to charitable purposes; or
 - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

Of which you are in a position of general control or management.

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

4. Recognition Payments Policy

(Page 7)

Report by the Head of Human Resources

5 Pay Policy Statement 2019-20

(Page 17)

Report by the Head of Human Resources

6. Exclusion of Public

The Committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items below on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 4 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The committee will be presented with the conclusions of the public interest tests carried out by the report author and is recommended to confirm the exclusion.

7. Exempt Minutes

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To confirm the exempt minutes of the meeting held on 4 December 2018

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

Date Agenda Published: 18 February 2019

Personnel Committee

Minutes of the Meeting held on 4 December 2018 at 10.00am in the Conference Room, Ground Floor at County Hall

Present:

Mr A Adams
Mr G Nobbs
Mr G Plant
Mr A Proctor (Chairman)
Dr M Strong

Also Present:

Miss A Kemp

Officers Present:

Ms S Albrow	Senior HR Consultant
Mr S George	Executive Director of Finance and Commercial Services
Ms K Haywood	Democratic Support and Scrutiny Manager
Mrs S Shirtcliff	Head of Human Resources

1. Minutes of the Meeting Held on 25 September 2018

1.1 The public minutes of the meeting held on 25 September 2018 were agreed as a correct record and signed by the Chairman.

2. Declarations of Interests

2.1 There were no declarations of interest.

3. Gender Pay Gap

3.1 The annexed report (4) by the Head of Human Resources was received. The report set out the position in respect of Norfolk County Council's gender pay gap as at 31 March 2018 and compared the position with 1 March 2017.

3.2 The Head of Human Resources drew the Committee's attention to the fluctuations in some of the grades compared to data for 2017, highlighting the factors underlying these variations, as outlined in the report.

3.3 Responding to issues raised, the Head of Human Resources said that the Council had processes in place to ensure that pay arrangements were fair, grading processes were robust, and all posts were assessed through the job evaluation scheme. Work was being undertaken to try and recruit women into roles which had been traditionally undertaken by men and men into roles traditionally undertaken by women, to encourage and ensure, diversity in the

Council's workforce.

3.4 **RESOLVED:**

To agree the Gender Pay Gap report, authorising the Head of Human Resources to publish the 2018/19 results and supporting narrative before the statutory deadline.

4. **Exclusion of the Public**

4.1 Officers presented the public interest test for the following reports, as required by the 2006 Access to Information Regulations, for the consideration of the Committee as follows:

The reports set out sensitive information relating to the terms of employment of County Council employees. The release of this information would prejudice possible forthcoming negotiations and would therefore not be in the public interest. This assessment has been reached in light of the guidance provided by the Head of Law.

The Committee **RESOLVED:**

That the public be excluded while the following minute and reports were considered.

Summary of minutes excluded from public deposit

8. **Exempt minutes for the meeting held on 25 September 2018**

8.1 The exempt minutes of the meeting held on 25 September 2018 were agreed as a correct record and signed by the Chairman.

9. **Pay Structure Review**

9.1 The exempt report by the Head of Human Resources was received and the recommendations agreed.

10 **Proposed Grade of the post of Executive Director of Strategy and Governance and interim pay arrangements for Head of Paid Service**

10.1 The exempt report by the Head of Human Resources was received and the recommendations agreed.

The meeting concluded at 10.45am

CHAIRMAN

Personnel Committee

Item No 4

Report title:	Recognition Payment Policy
Date of meeting:	26 February 2019
Responsible Chief Officer:	Sarah Shirtcliff, Head of HR
Strategic impact The County Council needs to quickly adapt and deploy its resources more flexibly if it is to achieve its objectives while meeting continued budget challenges. Introducing a Recognition payment policy will help facilitate changing services needs efficiently and will enable recognition for exceptional contribution to help retain valuable employees.	

Executive summary

This report summarises a review of the County Council's pay and recognition arrangements and recommends the introduction of a Recognition Payment Policy which enables the Council to financial reward employees who go significantly beyond normal requirements for flexibility and contribution.

The Personnel Committee is recommended to:

- 1. Approve the draft Recognition Payment Policy.**
- 2. Note the parameters put in place to ensure the policy is applied fairly and consistently across the organisation.**
- 3. Authorise the Head of HR to sign off the final details once consultation with unions is complete.**

1. Proposal for a Recognition Payment Policy

1.1 The annual pay policy statement is presented to Personnel Committee today and published in quarter 4. This has provided an opportunity to review the current policy and needs of our pay and recognition arrangements to determine whether they remain fit for purpose. The proposed revised principles and framework is shown in appendix 1. Norfolk County Council increasingly operates in an environment where flexibility, system collaboration, external scrutiny, system redesign and other imperatives impacting the role and employee are a constant. Alongside other workforce strategic levers, introducing a Recognition Payment Policy will help facilitate the continued significant discretionary effort and contribution of employees who go way beyond the parameters expected of their role. This in turn delivers improved service performance and organisational effectiveness.

1.2 Recently some members of the Corporate Leadership Team have asked to make payments or give extra increments for work that goes beyond what is normally expected but is not work at a higher level or grade. Our current policies do not facilitate some of the examples which have been presented, for example when employees:

- deliver significant projects where a change of grade isn't warranted.
- respond to unexpected incidents (eg unplanned inspections) by working a significant number of unplanned additional hours.

- take on short term management of an underachieving team, with a requirement to quickly improve that team's performance while continuing to manage their own team.
 - successfully turn around an under-performing service.
- 1.3 A draft Recognition Payment Policy (see appendix 2) is presented and sets out arrangements for an improved and appropriate recognition response to be made. The draft policy gives parameters and authorisation processes designed to ensure we meet our equal pay and other equality obligations.
- 1.4 Key points:
- A recognition payment would be applicable in wholly exceptional situations where other forms of recognition are not adequate or available.
 - A payment of up to £1000 for one off situations, or of up to two pay increments for longer-term or permanent contribution could be awarded.
 - There would normally be a resulting saving or additional cost avoided.
 - Individuals or whole teams could be given a recognition payment.
- 1.5 Jonathan Dunning, Branch Secretary of UNISON, supports the introduction of the policy and is seeking further feedback from Senior Stewards.

Recommendations

- 1.6 The Personnel Committee is recommended to:
- 1. Approve the draft Recognition Payment Policy.**
 - 2. Note the parameters put in place to ensure the policy is applied fairly and consistently across the organisation.**
 - 3. Authorise the Head of HR to sign off the final details once consultation with unions is complete.**

2. Other organisations

- 2.1 Incentive schemes are more widely used in the private than public sector, but several other Local Authorities have a similar scheme, including Cambridgeshire, Kent, Essex and East Sussex (see appendix 2). They see this as a valuable aid for rewarding behaviours and achievements.

3. Financial Implications

- 3.1 As recognition payments would be reserved for wholly exceptional circumstances, the scheme would cost approximately £15,000 a year based on up to 10 cases.
- 3.2 The Council budgets for staff to be at the top of pay scales, less a percentage reduction to reflect that at any one time some staff will be on lower increments and some posts will be vacant. Therefore, any accelerated increments awarded will not increase the overall Council budget.
- 3.3 The additional costs will be funded by the relevant service budgets.

4. Issues, risks and innovation

Equality legislation

- 4.1 Many organisations have a discretionary element in their pay systems in order to incentivise, improve and reward performance. The law says it is valid to operate such a system, provided it does not result in sex discrimination.
- 4.2 To reduce any risk of discrimination the policy describes criteria that may lead to a payment, and these criteria do not favour either male or female employees.

- 4.3 Also authorisation of payments is limited to Executive Directors, or to the Head of Paid Service in consultation with the Head of HR for senior officer grades.
- 4.4 The policy will deliver equivalent payments to women and men across a group, although obviously the pay levels of individuals will differ.
- 4.5 Regular monitoring will be undertaken to ensure the policy is being applied fairly and consistently across the organisation, particularly with regards to employees in protected groups as defined by the Equality Act.
- 4.6 Payments made under this policy would be included in the Council's Gender Pay Gap calculations and would be reported on in other statutory reporting where they meet publishing criteria.

5. Background

- 5.1 The County Council's current pay and conditions were brought in under the Modern Reward Strategy in April 2010.
- 5.2 Jobs are graded using the Hay Job Evaluation Scheme and there is provision to make payments outside the grade as follows:
 - **Acting up or honorarium payments** to reward temporary requirements to take on work at a higher level, eg to cover a vacant job or an absent employee. The payment rate is set using the Hay Job Evaluation Scheme.
 - **Market supplements** to enable payments in addition to the grade for the job to help recruit or retain employees when market forces show this is necessary.
 - A number of **allowances and enhancements** to recompense for additional responsibilities (eg winter services) and working patterns (eg weekend working).
- 5.3 The Outstanding Contribution Awards (OSCA's) provide a way to give non-financial recognition for a job well done.

Officer Contact

If you have any questions about questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

Officer Name: Sarah Shirtcliff **Tel No:** 01603 222796 **Email address:**
sarah.shirtcliff@norfolk.gov.uk



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Reward and recognition principles

- Fair, right rate for the job (note gender pay equality and other equality responsibilities)
- Consistent for similar value jobs in council/partner organisations with integrated working
- Aligned nationally to minimise internal markets
- Clarity and transparency
- Can attract and support retention
- Appropriate payments for additional/unsociable hours – aligned to market expectations
- Recognise temporary planned additional responsibilities
- Recognise temporary unplanned, acute response needs, unprecedented discretionary effort (and no other payment is available)
- Recognise personal accelerated performance growth and contribution in role
- Clear business case process for timely payments and thanks
- Recognise values/volunteers/partners/service in a refreshed NCC recognition scheme

Reward and recognition framework



Proposed policy

The Recognition payment policy will be incorporated into the Acting up and honorarium policy and procedure P212 and renamed Recognition payments policy suite. It will have the following generic introduction and then details of each policy:

Recognition payments policy suite P212

1. Introduction

There are circumstances where temporary additional responsibilities or exceptional contribution, work or flexibility should be financially recognised.

This pay policy suite is designed to provide clear frameworks for recognising additional responsibility and exceptional commitment or effort.

Payments must be applied consistently based on a sound, recognised and robust business case in accordance with Equal Pay legislation and the [Equal Opportunities in Employment Policy](#).

To ensure a common and fair approach across the organisation, HR routinely monitors payments of all descriptions to ensure compliance with pay policies and fairness of application.

2. Which type of payment to use

Arrangement	Policy
Temporary additional responsibility at a higher level - employee undertakes the full duties and responsibilities of a higher graded post	Acting up payment
Temporary additional responsibility at a higher level – employee undertakes some but not all duties and responsibilities of a higher graded post.	Honoraria payment
One off projects, or substantial increase in workload not falling within the above two categories	Recognition payment
Measurable increase in responsibility insufficient to warrant a regrading, or consistent high effort and contribution above the normal expectations of the post over a sustained period	Accelerated increment

Managers are responsible for carrying out these policies in an effective and accurate manner in accordance with the delegated rules of authority within the Council's Constitution.

3. Scope

The recognition payment policies suite applies to employees within scope of the National Joint Council for Local Government Services (the Green Book) and the Council's Modern Reward Strategy Agreement. This excludes Teachers, Firefighters and employees in Public Health employed on NHS conditions of employment.

Governing Bodies in schools and academies can choose to apply or adopt this policy.

The policies set out the payments and arrangements that apply when employees are required to undertake work at a higher grade with additional levels of responsibility, or to recognise exceptional effort and contribution. Payments must be made in accordance with the relevant policy.

A payment under these policies can be considered for any employee but it should be recognised that higher management grades have a wider remit and are often required to work above and beyond the call of duty to fulfil the function of their post. Therefore activity and effort needs to be viewed in the context of the grade of the post.

Recognition payments are mutually exclusive - only one type of payment may be used to reward an employee at any one time.

Except for accelerated increments, pay recognition payments are temporary and short term.

4. Honorarium policy – as current

5. Acting up policy – as current

6. Recognition payment and accelerated increment policy and procedure

Introduction

Under normal circumstances employees are expected to be flexible and perform their duties in a competent and committed way, and this is rewarded through the normal salary for the job.

There may be circumstances however when an employee demonstrates exceptional discretionary effort or shows dedication and performs over and above the normal remit for the job. This may be following an unprecedented event or unplanned circumstance, or when special projects are required for delivery such as the introduction of new ways of working, large scale inspections or other pieces of work where it is recognised that there are difficulties in delivery, and additional assistance or work is required to ensure success, to make financial savings or to avoid costs which would otherwise be incurred.

Recognition payments must have a clear link to the delivery of the Councils strategic priorities and/or values.

Permanent additions to the responsibilities of a post should lead to a re-evaluation of the grade of the post and should not be considered for a recognition payment. Please see the [Grading of Hay Evaluated Posts Procedure P216](#).

A recognition payment or accelerated increment can only be awarded where no other payment has or could be made for the work it is recognising and where recognition is not covered under other policies, for example acting up, honoraria, overtime, or weekend working.

Managers should be careful to use rewards as an exception rather than the norm. Awarding employees for non-exceptional circumstances may lessen the impact of the reward strategy.

Employees should not be promised any financial reward for undertaking additional duties by managers until authorisation has been given.

Payments are discretionary and not an entitlement.

7. Option A - Recognition payment

A recognition payment is applicable in exceptional situations where other forms of recognition are not adequate but there is justification for recognising that an employee has gone beyond the normal non-financial recognition of extra effort.

Individuals or whole teams can be given a recognition payment, depending on the circumstances.

A one-off recognition payment should normally be considered once the additional work has been completed. It would need to be clear why the amount is to be paid, and why a particular employee should receive the payment – why they have performed above and beyond the normal duties of the job and flexibility expected from all employees.

8. Relevant factors

Relevant factors to consider when requesting a recognition payment could be:

- work or working pattern outside the normal expectations of the flexibility we expect of all employees to such an extent that the normal recognition tools in terms of good performance management are not considered adequate
- taking on subsequent work outside the normal job requirements

In addition, there will normally be a resulting cost saving or avoidance of extra cost.

It is important that issues of fairness and transparency are considered when determining who should undertake the work and what the level of reward should be. This helps ensure that rewards are a motivating factor.

9. Recognition payment calculation

There is no standard formula and each case will be considered on an individual basis.

Recognition payments of up to £1000 can be awarded.

The calculation of the payment would depend on the circumstances of the case and on the exceptional reasons, the dedication, flexibility and exceptional effort made by the individual, together with the level and time spent on the work.

The following options could be considered:

- A flat payment of an amount of money
- An amount equivalent to an increment

Payments are subject to tax and National Insurance Contributions and are pensionable.

A recognition payment would not have any effect on pay awards or incremental progression.

10. Option B - Accelerated increment

Accelerated increments can be used to reward accelerated performance growth and contribution which is sustained and consistent over six months or longer, which falls into one or more of the following categories:

- Consistent performance for at least six months of high quality work over and above that normally expected of the post holder and/or
- Performance of work to such a high standard that little supervision is required in circumstances where there is usually a strong supervisory element, or
- A permanent, measurable increase in responsibility, which is insufficient to warrant regrading.
- Consistent performance of work of the same level and quality as employees at a higher salary point on the grade

Accelerated increments are permanent.

Performance goals and objectives agreed at performance conversations must be consistently met before an increment is awarded.

Up to a maximum of two additional increments within a salary scale may be awarded, provided the maximum of the salary scale is not exceeded.

11. Financial Provisions

It is up to the Head of Service to ensure that any payment being recommended can be funded from within the service's staffing budget.

12. Business case

The business case for a recognition payment or accelerated increment should be put forward by the Manager. This should include:

- The reason for the request
- An outline of the tasks undertaken
- The timescale covered
- How the individual or team have gone above and beyond the call of duty
- Options for recognition which have been considered
- Suggested payment value and breakdown of how this was reached, or the number of increments requested (up to a maximum of two).

The business case should be stored on the employee's HR file so that it is available for auditing and monitoring purposes.

13. Authorisation

Authority to award recognition payments and accelerated increments is as follows:

NCC Services

The Head of Paid Service in consultation with the Head of HR where:

- the post is graded Scale P or above, and/or
- the post is eligible for member appointments

In all other cases, the relevant Executive Director or their designated deputy.

Schools

The Headteacher.

14. Administration

The business case and details of the agreed payment or accelerated increments should be sent to hrnccservices@norfolk.gov.uk for processing.

Details of all payments made under this policy will be maintained, audited and monitored for equality purposes by HR.

Other Councils Recognition Payment Policies

Other Council's that have a recognition payment policy include:

Authority	General information given
East Sussex	<p>Has a pay recognition policy suite consisting of four options for managers to select from and which schools can choose to adopt for support staff:</p> <ul style="list-style-type: none"> • Temporary additional responsibility at a more senior level: Recognition of Additional Responsibility (equivalent to NCC's acting up policy). Payments are authorised by managers. • Temporary additional duties or responsibilities related to the implementation of the County Council's key priorities: Recognition of Additional Responsibility (equivalent to NCC's honoraria policy) Policy. Payments are authorised by chief officers. • One off projects, or substantial increase in workload not falling within the above two categories: Special Merit Scheme. Payments are authorised by chief officers (equivalent to the proposed NCC Recognition Payment policy). • Permanent, measurable increase in responsibility insufficient to warrant a regrading, or consistent high performance above the normal expectations of the post over a sustained period: Performance Increment (equivalent to the proposed NCC Performance Increment policy). <p>Payments are authorised by Assistant Directors, except for increments awarded to posts eligible for elected member appointment. In these cases the performance increment must be approved by the Chief Officer.</p> <p>Number of payments awarded each year is small.</p>
Essex	<p>Five ways employees can be rewarded/recognised:</p> <ul style="list-style-type: none"> • individual reward* • team reward* • reward vouchers (for M&S £25-£100) • additional leave (up to five days) • thank you letters <p>*no standard amount but gives factors to consider (eg savings achieved).</p> <p>Designed to reward employees who undertake additional duties that are significantly outside the scope of their normal role or to reward excellent performance. Used as an exception rather than the norm.</p> <p>Approved by Head of Service or Head of Paid Service if over specified amounts.</p> <p>Being reviewed in 2019 to ensure the level of rewards is consistent across functions and to align any future offer to a</p>

	forthcoming workforce strategy.
Cambridgeshire	Awards payments between £50 to £500 and no more than £1000 in any one year for project work or one-off pieces of work. Approved at Director level and subject to monitoring and auditing.
Kent	<p>Cash and non-cash awards for one off achievements. Non-Cash awards could be a bunch of flowers or box of chocolates They can be used for teams too (eg taking a team out for a meal).</p> <p>A cash award is up to £1000 and can be used:</p> <ul style="list-style-type: none"> •To reward specific performance over and above what is normally expected. (Simply meeting targets or competent performance within the job would not attract an award). •Upon completion of a special task or project requiring exceptional performance by a project team or individual over and above normal expectations. •To recognise effective handling of additional duties which have not been recognised by other means, such as under an 'acting up' or other arrangement. <p>These can also be used for individuals or teams.</p> <p>These are designed to give managers as many tools as possible to recognise performance and enhance employee engagement. Kent Council expects managers to choose different ways to engage with individuals, the key aspect being that everyone has the same opportunity to be rewarded or recognised.</p>
Basildon Borough Council	Allows managers to award double increments to award high performance.
Broadland District Council	Has operated performance related pay (PRP) for over 25 years and employees' financial reward has been linked to their achievement of agreed objectives. In the last few years the "commercialisation" of this approach has been developed further. The pay scheme must be affordable taking into consideration the medium-term budget implications for the Council. Subject to formal negotiation and agreement, the Council intends that the principle of sharing budget efficiencies/savings to fund PRP will be adopted permanently to fund the pay scheme. The PRP pot will be based on 100% of all recurring revenue budget savings in excess of the annual savings target identified in the Medium Term Financial plan, up to a maximum of £200,000 in any payment year.

(Source: Hay Job Evaluation User Group and East of England Local Government Association surveys 2018-date).

Personnel Committee

Item No 5

Report title:	Pay Policy Statement 2019-20
Date of meeting:	26 February 2019
Responsible Chief Officer:	Head of Human Resources
Strategic impact Every Local Authority is required to approve and publish a Pay Policy Statement at the beginning of each financial year, under the Localism Act 2011.	

Executive summary

The Council is required to publish a Pay Policy Statement every year. This report provides a draft Statement for 2019/20, for comment and recommendation to full Council for approval.

A substantive change from the 2018-19 version is an added reference to the Recognition Payment Policy the Council plans to introduce to permit payments to employees who show exceptional dedication and contribution that warrants financial recognition.

Other factual updates include those required to reflect changes to the Council's constitution and leadership structure.

The report gives an update on the revised pay structure which takes effect from 1 April 2019 and notes possible future regulations which may require in-year amendment to the Statement.

Recommendations

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 April 2018.
- 1.2 A draft Statement for 2019-2020 is attached at Appendix 1. Members are invited to comment and to recommend the Statement to full Council for approval.

2 Proposal – the draft Statement for 2019-2020

- 2.1 There is a separate item on the agenda, which recommends the introduction of a Recognition Payment Policy. If this is authorised the following substantive change to the Pay Policy Statement is proposed:

Addition of the following paragraph:

- 2.2 The County Council's recognition payment scheme, which allows a flat rate payment of up to £1000 in recognition of a particular "one-off" contribution or a substantially increased workload, applies to all staff, including Senior Officers. The decision to award a recognition payment to a Senior Officer would be taken by the Head of Paid Service in consultation with the Head of HR.
- 2.3 There are no further substantive changes, however where factual updates have been made they are indicated in ***Underlined*** in Appendix 1. These updates reflect the forthcoming changes to the Council's Constitution and already implemented changes to the Corporate Leadership Team, performance development framework and the status of "off payroll" workers (Off-payroll working through an intermediary IR35 Regulations).
- 2.4 Members should be aware of the following statutory developments:

New pay structure effective from 1 April 2019

Following changes to the National Joint Council for Local Government Services ("the Green Book") national pay spine which the Council uses to construct its pay structure, the Personnel Committee has approved a revised pay structure in September 2018 to take effect from 1 April 2019. The revised pay structure contains the same number of salary scales but amends the number of pay points within salary scales B-G.

Public sector exit payment reforms

- 2.5 Last year's report 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. These relate 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.
- 2.6 When the final form and implementation date of the regulations are known, a revised Pay Policy Statement can be considered under the new constitutional arrangements to enable referral to Council for an in-year amendment to the Statement.

3 Financial implications

- 3.1 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 2018-2019 version already published, and there are no financial or other implications.

4 Background papers

- 4.1 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 Sarah Shirtcliff on 01603 222796 or sarah.shirtcliff@norfolk.gov.uk.



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DRAFT

NORFOLK COUNTY COUNCIL

Pay Policy Statement 2019-2020

Approved by County Council on [date to be inserted]

[Text is the same as for the 2018/19 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 2019-2020. 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 **April 2019** are from **£3.90** to **£8.21** per hour **depending on age** (equivalent to **£7,524 to 15,839** 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. *In future, the Pay Policy will be approved by council and the Officer Employment Procedure Rules will provide the delivery mechanism. 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 Council**.

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 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 **Council**.

- 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 senior officers, views of Members of the Appointments Panel will inform the decision.
- 6.3. As the **existing** arrangements for determining senior **officer** salaries are robust and transparent, the County Council has decided that a vote on **individual** salary packages **above a pre-determined 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 development framework](#). An increment** may be withheld from an individual **where a satisfactory rating is not achieved who has an action plan under the Council's policy for Dealing with unsatisfactory performance**. 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, **(deemed Senior Officers)** 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 Head of Paid Service**, taking account of affordability. **Any resulting changes would be reported to Cabinet.**

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 [Equalities in Employment Policy](#). Market supplements are applied, reviewed and withdrawn in accordance with the Council's [Market Supplements policy and procedure \(recruitment and retention\)](#).

- 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 [Recognition Payments Policy and Procedure](#). All payments are regularly monitored and reviewed as outlined in the policy.
- 7.3. The County Council's recognition payment scheme, which allows a flat rate payment of up to £1000 in recognition of a particular "one-off" contribution or a substantially increased workload, applies to all staff, including Senior Officers. The decision to award a recognition payment to a Senior Officer would be taken by the Head of Paid Service in consultation with the Head of HR.**
- 7.4. 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.
- 7.5. 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](#).
- 7.6. 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 Head of Paid Service**.
- 7.7. 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. 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 **due, these will be** considered by the, the **Managing Director Head of Paid Service will consult the members of the Personnel Committee and and the Cabinet will be advised 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 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 [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.
- 9.5. **Workers employed directly by the Council will be assessed to establish whether they fall within scope of the IR35 legislation using the HMRC employment status tool. Workers that fall within scope will have Income**

Tax and National Insurance contributions deducted and paid over to HMRC.

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 highest paid Officer'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 **2019-20** will be submitted to Full Council for approval **in April 2019**.

For queries contact hrstrategy@norfolk.gov.uk

