

By: Roger Gough – Cabinet Member for Business Strategy, Performance and Health Reform
Amanda Beer – Corporate Director of Human Resources

To: County Council – 29 March 2012

Subject: Localism Act: Openness and accountability in local pay

Classification: Unrestricted

Summary: This paper addresses the actions the Authority is required to make on pay as part of delivering its responsibilities under the Localism Act 2011.

1. Background

- 1.1 An objective of the Localism Act is to increase transparency of local pay. This requires councils to publish the salaries of senior officials, enabling local people to better understand how public money is being spent in their area.
- 1.2 The Act requires a local authority pay policy to be openly approved by democratically elected councilors.
- 1.3 Personnel Committee has considered and endorsed the attached Pay Policy (Appendix 1) on 25 January 2012 and recommends it to Council for approval.

2. Content of Required Statements

- 2.1 Pay policy statements must be in place by 31 March 2012 and be published annually. The statement relates to:-
 - (a) the level and elements of remuneration for each chief officer
 - (b) remuneration of chief officers on recruitment
 - (c) increases and additions to remuneration for each chief officer
 - (d) the use of performance-related pay (PRP) for chief officers
 - (e) the use of bonuses for chief officers
 - (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority
 - (g) the publication of and access to information relating to remuneration of chief officers.

For the purpose of the Localism Act, a Chief Officer in KCC is defined as being at 'Director level'. This includes the County Council's Corporate Directors and Directors.

- 2.2 The provisions do not apply to the staff of local authority schools.

3. Pay Multiple

3.1 A pay multiple can be calculated in order to measure the difference in pay between the norm and highest salary. This can also be used to show the relative change in pay levels over time. The definition of pay multiple as defined in the 'Code of Recommended Practice for Local Authorities on Data Transparency' document is the ratio between the highest paid salary and the median average salary of the authority's workforce.

3.2 KCC's current Pay Multiple figure is 7.4: 1. This excludes schools.

4. Guidance

4.1 The policy is compliant with expectations and guidance in the Code of Recommended Practice along with supplementary updates which have been received since Personnel Committee on 25 January 2012.

5. Recommendation

5.1 County Council endorses the attached Pay Policy Statement.

Colin Miller
Reward Manager
Ext 6056

Kent County Council Pay Policy Statement 2012-13

The Authority seeks to be able to recruit and retain staff in a way which is externally competitive and internally fair. The Kent Scheme pay policy applies in a consistent way from the lowest to the highest grade.

- The pay policy is influenced by a number of factors which include local pay bargaining, market information, market forces, economic climate, measures of inflation and budgetary position.
- The policy referred to in this Statement is relevant to Council employees generally. The scope of this Statement does not include all Terms and Conditions as some are set on a national basis. These include Teachers covered by the school teachers pay and conditions in (England and Wales) document, Soulbury Committee, Adult Education, National Joint Council (NJC), Joint National Council (JNC) and the National Health Service (NHS).
- The Kent scheme pay range consists of grades KR2 – KR20; details of which are attached.
- The details of the reward package for all Corporate Directors and Directors are published and updated on the County Council's web site.
- KCC will publish the number of people and job title by salary band. This is from £58,200 to £59,999 and then by pay bands of £5,000 thereafter. This will include elements made on a repeatable or predictable basis such as market premium payments.
- Returning Officer responsibilities are a specified element of the designated senior officer's duties for which there will be no additional payment beyond their pay range.
- The appropriate grade for a job is established through a job evaluation process which takes into account the required level of knowledge, skills and accountability required for the role.
- The lowest point of KCC's grading structure (bottom of grade KR2) is set such that the hourly rate is above the National Minimum Wage.
- Staff who are new to the organisation must be appointed at the minimum of the grade unless there are exceptional reasons to appoint higher. These must be based on a robust business case in relation to the level of knowledge, skills and experience offered by the candidate and consideration is given to the level of salaries of the existing staff to prevent pay inequality. For senior staff any such business case must be approved by the relevant Corporate Director.
- Council signs off the pay structure. The subsequent appointment of individuals, including those receiving salaries in excess of £100k, are in accordance with the pay structure and the principles outlined in the pay policy.

- Staff who are promoted should be appointed to the minimum of the grade. However their pay increase should equate to at least 2.5%.
- All progression within a grade is subject to performance as assessed through Total Contribution Pay (TCP) process and a percentage awarded for each appraisal level. This applies to all levels in the Authority and there are no additional bonus schemes for senior managers.
- The award for each appraisal rating is set annually following the outcome of the appraisal process.
- People at the top of their grade have the opportunity to receive a pay award which is consistent with others who have the same appraisal rating. This amount will be paid separately and not built into base pay.
- The 'Lowest' paid employees are defined as those employees on the lowest pay point of KCC's lowest grade, KR2 (£12,903 for 2011-12). They receive relevant benefits and are remunerated in the same proportionate way as others.
- In order to establish the pay difference and the relative change in pay levels over time, a pay multiplier can be calculated. This is the base pay level of the highest paid employee shown as a multiple of the median Kent Scheme salary. This multiplier will be published on the County Council's website annually.
- KCC recognises that managers need to be able to reward performance in a flexible and appropriate way to the particular circumstances.
- Should it be shown that there is specific recruitment and retention difficulties, the Market Premium Policy may be used to address these issues.
- The Council would not expect the re-engagement of an individual who has left the organisation with a redundancy, retirement or severance package.
- Managers have delegated powers to make cash awards and ex-gratia payments when necessary and where not covered by any other provision as defined in the Blue Book Kent Scheme Terms & Conditions.
- Policies about termination payments and employer discretions under the Local Government Pension Scheme will be reviewed annually and published for all staff. These will be produced with the intention of only making additional payments when in the best interests of the Authority and maintaining consistency through all pay grades.

Pay Range

£ (Minimum)

£ (Maximum)

| | | |
|----------|--------------|----------|
| | KR 20 | £185,840 |
| £156,348 | | |
| | KR 19 | £154,530 |
| £134,028 | | |
| | KR 18 | £134,027 |
| £112,716 | | |
| | KR 17 | £106,959 |
| £89,991 | | |
| | KR 16 | £88,577 |
| £70,141 | | |
| | KR 15 | £70,140 |
| £61,694 | | |
| | KR 14 | £61,693 |
| £54,497 | | |
| | KR 13 | £54,496 |
| £48,635 | | |
| | KR 12 | £48,634 |
| £41,524 | | |
| | KR 11 | £41,523 |
| £36,082 | | |
| | KR 10 | £36,081 |
| £30,522 | | |
| | KR 9 | £30,521 |
| £26,686 | | |
| | KR 8 | £26,685 |
| £23,285 | | |
| | KR 7 | £23,284 |
| £20,466 | | |
| | KR 6 | £20,465 |
| £18,657 | | |
| | KR 5 | £18,656 |
| £16,962 | | |
| | KR 4 | £16,961 |
| £16,145 | | |
| | KR 3 | £16,144 |
| £14,241 | | |
| | KR 2 | £14,240 |
| £13,032 | | |