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To: Personnel Committee - 10 September 2013

Subject: Pay Policy Statement for 2013/14

Classification: Unrestricted

Summary: This paper proposes an updated Pay Policy Statement for 2013/14 with appropriate consideration of supplementary guidance from Government.

1. BACKGROUND

- 1.1 The requirement for a Pay Policy Statement was introduced under the Localism Act 2011 and was considered and agreed by Personnel Committee on 25 January 2012. There is an explicit requirement to publish an annual statement, approved by elected Members, by the end of March each year. .
- 1.2 Before an updated Pay Policy Statement could be considered by Personnel Committee, Supplementary Guidance was issued by Department for Communities and Local Government (DCLG). Not only did this guidance challenge the manner in which many authorities had implemented pay transparency under the Localism Act, but it also proposed new elements relating to officers earning £100,000 or more. Consequently it was not possible for Personnel Committee and County Council to consider and agree this year's Policy Statement until now.
- 1.3 However to ensure that the published Pay Policy was not numerically inaccurate, the pay rates were updated in accordance with the 1% pay award, with all else remaining unaltered. This paper invites the Personnel Committee to endorse formally the revised Pay Policy and address DCLG's supplementary guidance.

2. PAY POLICY STATEMENT

- 2.1. The core content of the current statement remains an accurate reflection of practice and as such does not require amendment; save the pay ranges have been adjusted to reflect the agreed 1% pay award.
- 2.2. DCLG supplementary guidance (20 February 2013) challenged whether the requirements of the Localism Act had been fully met and concluded that many pay statements were neither comprehensive nor easily found on Council websites. Our current statement fulfills all the

Act's requirements and is readily available on [kent.gov.uk](http://www.kent.gov.uk). (http://www.kent.gov.uk/your_council/council_spending/pay_policy_statement.aspx). The supplementary guidance recommended that the Full Council should be able to vote on all salary packages of over £100,000 along with all severance payments of a similar value..

- 2.3. Kent County Council's Constitution already has explicit provision for the Full Council to approve the structure of the authority down to third tier officers along with associated pay ranges. Consequently the full Council does approve all posts and salary packages of £100,000 or more.
- 2.4. It is very rare for any severance package to exceed a value of £100,000, particularly where there is any discretion in the calculation of the payment beyond contractual entitlements. Any such payment would invariably be subject to a "compromise agreement" (now referred to as "Settlement Agreements"). On 30 November 2009, Personnel Committee agreed 'the Compromise Protocols' for all such cases.
- 2.5. Under KCC's Constitution, all compromise agreements must be authorised by the Director of Governance and Law, who will be guided by the professional expertise of Human Resources and Legal Services. In addition, where a proposed agreement concerns a Senior Officer, the final decision on whether an agreement should be entered into rests with the Personnel Committee. If they are minded to approve an agreement the Corporate Director Finance and Procurement will then consult with our external auditors in order to deal with any objections which may otherwise prevent the agreement from being finalised.
- 2.6. Decisions on redundancies and early retirements of Senior Officers, including decisions to send them on "gardening leave", must be taken by the Corporate Director and the Corporate Director Human Resources, (or the Head of Paid Service and the Corporate Director Human Resources in cases concerning a Corporate Director). Where such a decision is contemplated, there should be consultation with the political group leaders, the Head of Paid Service (where applicable), the Director of Governance and Law and the Corporate Director Finance and Procurement. Any consultation on decisions on redundancies and early retirements must be completed within five working days. Therefore the severance arrangements would be subject to the consideration of all parties represented at Personnel Committee with appropriate confidentiality and in a timely manner.

3. RECOMMENDATION

That the Personnel Committee agrees:

- 3.1. to endorse and recommend to County Council a pay statement for 2013/14 based upon last year's statement as attached in Appendix 1.
- 3.2 that compliance with the principles of transparency of senior salaries and severance packages are discharged via the Council's agreement to the senior structure and pay ranges and the compromise protocol as outlined above.

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Appendix 1.

Kent County Council Pay Policy Statement 2013-14

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, is 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. 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	£187,698
£157,911	KR 19	£156,075
£135,368	KR 18	£135,367
£113,843	KR 17	£108,029
£90,891	KR 16	£89,463
£70,842	KR 15	£70,841
£62,311	KR 14	£62,310
£55,042	KR 13	£55,041
£49,121	KR 12	£49,120
£41,939	KR 11	£41,938
£36,443	KR 10	£36,442
£30,827	KR 9	£30,826
£26,953	KR 8	£26,952
£23,518	KR 7	£23,517
£20,671	KR 6	£20,670
£18,844	KR 5	£18,843
£17,132	KR 4	£17,131
£16,306	KR 3	£16,305
£14,383	KR 2	£14,382
£13,162		