1. **Status of this Policy Statement**

   Section 38 of the Localism Act requires public authorities to publish annual Pay Policy Statements. Pursuant to the Act, this Pay Policy Statement summarises South Norfolk Council’s approach to the pay of its workforce and, in particular, its Chief Officers.

   Any decision under powers delegated in the Council’s Constitution with regard to remuneration to be taken during 2017/18 will be bound by and must comply with this Statement.

   The Director of Business Development must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

2. **Scope**

   This statement sets out the Council’s policy with regard to:
   - the remuneration of Chief Officers
   - the remuneration of the lowest paid employees
   - the relationship between Chief Officers’ remuneration and that of other officers

   “Remuneration” for the purpose of this Statement includes four elements:
   - basic salary
   - performance related pay
   - pension
   - all other allowances arising from employment

3. **Objectives of the Policy Statement**

   (a) To ensure a capable and high performing workforce.

   In respect of the Chief Executive, Chief Officers and all other employees the Council’s policy is to set remuneration sufficient to attract and retain sufficiently experienced and qualified individuals to deliver the Council’s priorities.
(b) Simplicity, clarity and fairness between employees and between the Council and the community.

The Council aims to be transparent on pay related matters to its staff, prospective staff and the wider community. This Policy Statement contains information relating to pay, grading and associated benefits applicable to all employees. The Statement, once approved by full Council, is published on the Council’s website.

Any remuneration package proposed for a Council employee which exceeds £100,000 (calculated by the value of total remuneration to be paid in the first year) must be approved in advance by full Council, and any package with a value of below £100,000 is approved by the Chief Executive under delegated responsibility and in line with this Policy Statement.

(c) To differentiate between remuneration and other employment related expenses.

The Council does not pay any bonus or hospitality payments to any of its employees. It does however reimburse employees for expenses incurred during the course of their employment in line with the Council’s published rates. The Council will meet or reimburse authorised travel, accommodation and subsistence costs for attendance at approved business meetings and training events. The Council does not regard such costs as remuneration but as non-pay operational costs. This policy is applied consistently to the Chief Executive, Chief Officers and other employees.

4. Chief Officers

For the purpose of this Policy Statement, Chief Officers are defined as:

- Chief Executive (and Returning Officer)
- Directors (statutory or non-statutory)
- Deputy Chief Officers (Heads of Service)

5. Job Evaluation

The pay range for each post is set using a recognised analytical job evaluation scheme (Inbucon). A points based scheme assesses each job against a number of factors. The process involves:

- The employee and manager agreeing a job description
- Evaluation of the job data by trained analysts in partnership with the recognised Trade Union(s)
- The evaluation score determining the salary range for the job

Together HR and Trade Union representatives evaluate all new posts. Where substantial change occurs to an existing job the employee and the manager are responsible for providing a revised, and agreed, job description for re-evaluation.
Pay Bandings

South Norfolk Council supports the national pay systems (JNC in respect of Chief Officers and NJC in respect of all other employees) in relation to nationally agreed pay awards, with pay bands being set at a local level. This means the Council applies any nationally negotiated pay award to its pay bands each year. (For bands see section 8 below.)

South Norfolk Council's pay bands were last reviewed in 2008 and adjusted to reflect the appropriate market rate for the job using regional comparative data as it has always been the Council’s policy to maintain pay levels at the middle of the Local Government market for the region. From 1st April 2016 Band 16 was removed to ensure compliance with the legislation around the National Living Wage. One salary structure applies to all employees including Chief Officers.

A new Performance Review scheme was implemented in 2012 and applies to all employees. This scheme moved away from incremental progression to rewarding performance through an agreed ratings matrix. The percentage pay awards applicable to each performance rating are agreed on an annual basis. An example matrix is shown in section 9 below.

6. Pay Review

As stated above, pay levels are reviewed each year in accordance with national agreements (JNC and NJC). Employees pay was increased in April 2016 (through application of the nationally agreed pay award) and will be increased again in April 2017 following a 2 year settlement. SNC pay above the National Minimum Wage.

There are no plans to change the grading system or create locally negotiated pay.

7. Pay Range

The Council operates a single pay and grade structure (Bands 1A to 15). The spread of posts across each of the bands (as at 30 November 2016) is shown in the table below.*

<table>
<thead>
<tr>
<th>Generic Role</th>
<th>Broad Band</th>
<th>Salary Scale</th>
<th>No. Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>Executive</td>
<td>1A</td>
<td>1</td>
</tr>
<tr>
<td>Director</td>
<td>Executive</td>
<td>1 – 3</td>
<td>3</td>
</tr>
<tr>
<td>Chief Officer</td>
<td>Senior Management</td>
<td>4 – 6</td>
<td>6</td>
</tr>
<tr>
<td>Manager</td>
<td>Management</td>
<td>5 – 7</td>
<td>19</td>
</tr>
<tr>
<td>Officer</td>
<td>Technical/Professional</td>
<td>8 – 11</td>
<td>186</td>
</tr>
<tr>
<td>Admin</td>
<td>Support</td>
<td>12 – 15</td>
<td>273</td>
</tr>
<tr>
<td></td>
<td>Headcount</td>
<td></td>
<td>488</td>
</tr>
</tbody>
</table>
The following pay bands include the nationally agreed pay award with effect from 1st April 2016.

**JNC Chief Officer Salary Scales**  
(For SNC this relates to the Chief Executive, Directors and Heads of Service)

<table>
<thead>
<tr>
<th>Band</th>
<th>Quadrant 1</th>
<th>Quadrant 2</th>
<th>Quadrant 3</th>
<th>Quadrant 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>106563</td>
<td>110492</td>
<td>114422</td>
<td>118352</td>
</tr>
<tr>
<td>1</td>
<td>90933</td>
<td>94344</td>
<td>97756</td>
<td>101168</td>
</tr>
<tr>
<td>2</td>
<td>73019</td>
<td>75475</td>
<td>77934</td>
<td>80392</td>
</tr>
<tr>
<td>3</td>
<td>61733</td>
<td>64025</td>
<td>66316</td>
<td>68607</td>
</tr>
<tr>
<td>4</td>
<td>56417</td>
<td>57640</td>
<td>58863</td>
<td>60086</td>
</tr>
<tr>
<td>5</td>
<td>51500</td>
<td>52422</td>
<td>53345</td>
<td>54268</td>
</tr>
<tr>
<td>6</td>
<td>47710</td>
<td>48468</td>
<td>49225</td>
<td>49983</td>
</tr>
</tbody>
</table>

**NJC Salary Scales (For all SNC staff except Chief Officers)**

<table>
<thead>
<tr>
<th>Band</th>
<th>Quadrant 1</th>
<th>Quadrant 2</th>
<th>Quadrant 3</th>
<th>Quadrant 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>57092</td>
<td>58332</td>
<td>59568</td>
<td>60806</td>
</tr>
<tr>
<td>5</td>
<td>52117</td>
<td>53051</td>
<td>53984</td>
<td>54918</td>
</tr>
<tr>
<td>6</td>
<td>48282</td>
<td>49049</td>
<td>49815</td>
<td>50582</td>
</tr>
<tr>
<td>7</td>
<td>43565</td>
<td>44553</td>
<td>45540</td>
<td>46528</td>
</tr>
<tr>
<td>8</td>
<td>38970</td>
<td>39891</td>
<td>40810</td>
<td>41731</td>
</tr>
<tr>
<td>9</td>
<td>34196</td>
<td>35155</td>
<td>35166</td>
<td>36116</td>
</tr>
<tr>
<td>10</td>
<td>29854</td>
<td>30667</td>
<td>31479</td>
<td>32292</td>
</tr>
<tr>
<td>11</td>
<td>25694</td>
<td>26528</td>
<td>27363</td>
<td>28198</td>
</tr>
<tr>
<td>12</td>
<td>21745</td>
<td>22488</td>
<td>23230</td>
<td>23973</td>
</tr>
<tr>
<td>13</td>
<td>18560</td>
<td>19183</td>
<td>19807</td>
<td>20432</td>
</tr>
<tr>
<td>14</td>
<td>16738</td>
<td>17025</td>
<td>17314</td>
<td>17602</td>
</tr>
<tr>
<td>15</td>
<td>14514</td>
<td>14994</td>
<td>15475</td>
<td>15956</td>
</tr>
</tbody>
</table>
Shown below are the comparators between the highest and lowest pay bands over the past five years (salaries given are top of bands):

<table>
<thead>
<tr>
<th>Date</th>
<th>Band 16 (Band 15 wef 1.4.16)</th>
<th>Band 1A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 April 2010</td>
<td>£13189</td>
<td>£121072</td>
</tr>
<tr>
<td>1 April 2011</td>
<td>£13189</td>
<td>£121072</td>
</tr>
<tr>
<td>1 April 2012</td>
<td>£13189</td>
<td>£121072</td>
</tr>
<tr>
<td>1 April 2013</td>
<td>£13321</td>
<td>£121072</td>
</tr>
<tr>
<td>1 April 2014</td>
<td>£13321</td>
<td>£121072</td>
</tr>
<tr>
<td>1 April 2015</td>
<td>£13938</td>
<td>£121072</td>
</tr>
<tr>
<td>1 April 2016</td>
<td>£16436</td>
<td>£122283</td>
</tr>
</tbody>
</table>

NB Band 16 was deleted in April 2016

The mean of South Norfolk Council’s salaries paid as at 30th November 2016 is £26,992 and the median is £24,717. Excluding apprentices (who are paid in line with the National Minimum Wage), the lowest paid employees are on Band 15 - these are the Council’s cleaning staff.

The principles that guide the relationship between pay levels are described in this Policy Statement, e.g. Job Evaluation, Pay Bandings.

The Chief Executive also receives Returning Officer fees. The fees in respect of County, District and Parish Council Elections are set by the Chairpersons of the Norfolk Authorities’ Member Remuneration Panels and the fees for conducting European, Parliamentary and Policy & Crime Commissioner elections are set by the Home Office and Ministry of Justice.

8. Pay Multiples

The Council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required.

In terms of overall remuneration packages, the Council’s policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities, but not to differentiate on other allowances, benefits and payments it makes, other than performance related pay – see section 9 below.

The Council does not expect the remuneration of its highest paid employee to exceed ten times that of the lowest group of employees.
9. Salary Progression

Salary on appointment is usually at the entry level of the band. Although the entry level can be varied by the skills and experience of the successful candidate, a higher point can only be agreed following a pay comparison. This would entail being able to justify the reason for giving the individual a higher salary than others. All salary amendments will be subject to the prior approval of the HR Specialist. Following the annual Performance Review each employee is rated on the following basis: Outperforming, Performing, Developing or Underperforming.

Depending on their position in their respective salary band, employees are awarded a percentage increase in line with the agreed matrix with effect from 1st April each year. Should the increase result in employees’ salary exceeding the top of their pay band the difference is paid as a non consolidated one-off payment. The budget for performance related pay is set by Cabinet and Council each year.

The matrix for 2016 is shown below. The 2017 matrix is yet to be agreed:

<table>
<thead>
<tr>
<th>Performance Rating</th>
<th>Quadrant 1</th>
<th>Quadrant 2</th>
<th>Quadrant 3</th>
<th>Quadrant 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outperforming</td>
<td>5.00%</td>
<td>5.00%</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Performing</td>
<td>2.50%</td>
<td>2.00%</td>
<td>1.50%</td>
<td>1.00%</td>
</tr>
<tr>
<td>Developing</td>
<td>1.50%</td>
<td>1.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Underperforming</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Grade</td>
<td>Quadrant 1</td>
<td>Quadrant 2</td>
<td>Quadrant 3</td>
<td>Quadrant 4</td>
</tr>
</tbody>
</table>

10. Exceptional Contribution Rewards

In support of the Council’s performance management culture and to reward exceptional performance, the Performance Review Scheme includes an “Exceptional Contribution Reward” (ECR) element. The purpose of this is to recognise employees whose contribution may not have been acknowledged through other reward systems, i.e. through the performance review salary matrix, honoraria process, etc.

Awards are made against a clear set of guidelines and require Chief Executive/Director approval; the intention is that Exceptional Contribution Rewards are the exception rather than the norm.

11. Honoraria

The Council retains an Honoraria Policy to provide financial recognition for (for example) additional responsibilities undertaken by employees throughout the year.

12. Market Supplements
Market supplements were removed as part of the 2008 pay review. Should it be necessary in the future due to changing labour market pressures or other external factors, following the agreement of the Chief Executive a post may attract a salary supplement, in which case this can be applied for a maximum duration of twelve months before review. If the supplement is no longer relevant or appropriate the post holder will automatically revert back to the maximum of the original grade. Data may be obtained from Councils and other employers in the local geographical area for salary comparison purposes.

13. Travel Rates

In addition to pay, the Council pays travel allowances for the use of private vehicles on Council business. The Council pays such allowances in accordance with HMRC rates; these are the same for Chief Officers and other employees. The current rates are:

First 10,000 miles per year: 45 pence per mile

Beyond 10,000 miles per year: 25 pence per mile

These rates are set at the maximum tax free level approved by the HMRC and are reviewed each year.

Posts within the Council designated as Essential Car User are reviewed on a regular basis. Any such posts attract £963 p.a. (pro rata to hours worked), which is subject to tax and National Insurance deductions.

14. Car Loan/Cycle Scheme

The Council operates a car loan and cycle to work scheme which is available to all permanent staff, subject to meeting terms and conditions.

15. Termination Payments

The Council has a single redundancy scheme which applies to all employees without differentiation. The Council does not provide any further payment to employees leaving the Council’s employment other than in respect of accrued leave which by agreement is untaken at the date of leaving.

On leaving the Authority due to redundancy the agreed Redundancy Policy will apply. The amount of compensation will be up to a maximum of 1.6 times actual weekly pay but will not exceed 104 weeks’ pay. This will be payable in the form of a lump sum, with any statutory redundancy payment offset against the discretionary award.

Any severance payment made outside the scope of this Policy will reasonably comply with Council policy at any given time and be agreed with the Chief Executive and Director of Business Development. Any such agreement will remain confidential.
16. Re-employment

Any individual who has been previously employed by South Norfolk Council will need to compete for the position in accordance with the agreed Recruitment and Selection Policy. If the individual is successful and has previously been in receipt of severance benefits from the Council this must be referred to the Chief Executive and Director of Business Development before appointment is confirmed.

17. Professional Fees Subscriptions and Unison costs

No professional fees or subscriptions are paid in respect of Chief Officers or any other employee with the exception of any members of staff who TUPE into South Norfolk Council and who do not transfer on to SNC Terms and Conditions.

For the financial year ending 31.3.17 our expenditure on UNISON representation will be approx £4141. The Unison Representative ceased being paid by SNC on 5th June 2016.

18. Relocation Expenses

The offer of relocation assistance will be agreed and offered to a successful candidate at the time of confirming appointment, subject to the agreement of the Director of Business Development.

Eligibility

The full package applies to newly appointed officers who have accepted a permanent post and who are genuinely required to move. It is usual to only offer relocation to posts at band 6 and above or if it is necessary as part of an attraction package or where there is exceptional difficulty in filling posts. Part-time employees can claim the same entitlements as full-time employees.

Limit

The overall maximum that can be claimed is £8,000.

The total paid in 2015/16 was £5,390.

19. Overtime

All overtime worked in excess of normal hours of work must be authorised in advance. Overtime from Monday to Saturday is paid at time and a half; Sundays and Public Holidays are paid at double time.

Eligibility for overtime payments is restricted to employees on salary band 12 and below. Employees who work less than 37 hours will be paid at plain time until they have worked over the full-time equivalent. In exceptional circumstances overtime may be granted on a plain time basis for individuals on band 11 and above.
20. Sickness Benefit

Employees are entitled to a sliding scale of sickness benefit according to their length of recognised continuous service, as follows:

Less than 4 months service – statutory sick pay only
4 months up to 2 years – 1 month full pay plus 2 months half pay
On or after 2 years – 2 months full pay plus 2 months half pay
On or after 3 years – 4 months full pay and 4 months half pay
On or after 4 years – 5 months full pay and 5 months half pay
On or after 5 years service – 6 months full pay and 6 months half pay

21. Annual leave

The standard annual leave entitlement is 23 days (pro rata for staff working less than the standard working week) rising to 28 days after 5 years continuous service. JNC (Head of Service and above) conditions of service entitlement is 31 days. The Council recognises 8.5 public holidays, which are fixed throughout the year.

Staff may ‘buy’ additional annual leave subject to their Director’s approval.

22. Recovery of Overpayments

If an overpayment of salary or expenses occurs the Payroll Manager will notify the member of staff concerned and agree how the monies will be repaid within a six-month timescale.

23. Pension Provision

All employees may join the Local Government Pension Scheme. The scheme is a statutory scheme with a sliding scale of contributions from employees and the employer, based on annual salary. For more comprehensive details of the Local Government Pension Scheme see

www.norfolkpensionfund.org or www.lgps.org.uk

Neither the Scheme nor the Council adopt different policies with regard to pension benefits for any category of employee; the same terms apply to Chief Officers and all other employees.

The Scheme provides for the exercise of discretion that allows for retirement benefits to be enhanced. The Council will consider each case on its merits but has determined that its usual policy is not to enhance benefits for any of its employees. This Policy Statement reaffirms this in respect of Chief Officers and all other employees.

The Pension Scheme provides for flexible retirement. In applying the flexible retirement provision no distinction is made between Chief Officers and other employees. The scheme requires that a minimum reduction in working hours of 25%
is made and/or there is a reduction in grade and that any consequential payments to the pension fund are recoverable.

24. Auto Enrolment

In complying with Government legislation to auto enroll workers into a workplace pension scheme, with effect from 1 November 2013 South Norfolk Council auto enrolls all workers into the Local Government Pension Scheme if they meet the following criteria:

- earn over £10,000 per year
- are aged 22 or over
- are under State Pension Age
- are not already in a pension scheme

The re-enrollment date for this Council was 1st November 2016.

25. Non-Pay Benefits

The Council also has a number of non-pay related benefits such as occupational maternity/paternity/shared parental/adoption leave, flexible working, staff restaurant and employee recognition awards. These are not part of the Council’s Pay Policy Statement, but are referred to here for completeness.

26. Transfer of Undertakings (Protection of Employment) Regulations (TUPE)

On 1 April 2013, 34 employees (31.4 FTE) within the building control service transferred to the Council under TUPE an additional 5 FTE transferred on 5 January 2015, retaining their original terms & conditions of employment in accordance with TUPE legislation. All but 1 have now moved over to South Norfolk Council’s terms and conditions. Employees joining the building control service since the date of transfer are employed on South Norfolk Council terms & conditions and the full provisions within this Statement apply to them.

27. Review of the Pay Policy Statement

This Statement will be kept under review and is subject to annual approval by full Council. Changes will be agreed through appropriate consultation with the recognised Trade Union(s) and will be considered with regard to external good practice, legislation, recruitment and retention data and external pay information. Any potential departure from this Policy Statement during the course of the year requires the approval of the Chief Executive and Leader of the Council.

28. Gender Pay Reporting

It is expected that new regulations will take effect from 1 April 2017 requiring Gender Pay Reporting for all organisations with 250+ employees. Although specific guidance is not available yet it is expected that the Council will be reporting annually from April 2018 on the mean and median pay gap including allowances, bonuses, overtime etc. These must be published for 3 years.
In addition the Council must also publish differences between mean bonus payments to men and women, the proportion of men and women receiving a bonus and the number of men and women in each quartile of the employers pay distribution.

29. Publication of Data, Access to Information and Transparency

The code of recommended practice for local authorities on data transparency requires that the Council should publish public data that includes Senior Officer salaries, names (discretionary), job descriptions, responsibilities, budgets and numbers of staff (with “Senior Officer” employees defined as those earning greater than £58,200). This information will be published on the Council’s website by 1 April of each year and included, as required, within the Statement of Accounts which are subject to audit inspection.

1st February 2017