



Performance Related Pay Policy



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1. Purpose

The Council operates performance related pay for the Chief Executive. The purpose of the scheme is to reward achievement of individual objectives aligned with priorities set by the Council Leader.

2. Scope

This policy applies to the Chief Executive of Derbyshire County Council only. Payments are paid in addition to salary.



3. Performance Criteria

Performance will be measured based on achievement of individual objectives, set on an annual basis.

Between four and six objectives will be agreed between the Leader of the Council and the Chief Executive and will include:

- An objective related to organisational performance
- An objective related to residents and customers
- An objective related to relationships with partner organisations

Objectives must be strategic, measurable and aligned with council priorities set by the Leader of the Council.

Achievement of these objectives will be reviewed at the conclusion of the performance period. At a midpoint in the performance period the Chief Executive and the leader will review the objectives to ensure they are still relevant for the focus of the Chief Executive's performance.

4. Performance review

Objectives will be set in line with the Council's annual performance review cycle:

April	performance objectives set and agreed between the Leader of the Council and Chief Executive
October	performance objectives reviewed to ensure still relevant and agreed between Leader of the Council and the Chief Executive
February	review of performance commences including performance review meetings facilitated by East Midlands Councils
April	objective outcomes agreed
May	payment paid to employee

The annual performance assessment will be undertaken each year by the Leader of the Council and facilitated by East Midlands Councils. Feedback will be shared with the Chief Executive.

There will be no officer input in the decision.

5. Eligibility and award

The Leader of the Council will confirm the number of objectives achieved and payment will be made as follows:

A maximum of £20,000 is payable on successful achievement of all objectives. The outcome of any nationally agreed pay agreement for Chief Executives will be applied to this payment amount on an annual basis.

A minimum of 50% of the agreed objectives must be achieved before a payment is made.

The total payment available will be divided by the number of objectives and once 50% of objectives have been achieved, the payments will be made per objective as follows:

Number of objectives set	4
Achievement of two objectives	£10,000
Achievement of three objectives	£15,000
Achievement of four objectives	£20,000

Number of objectives set	5
Achievement of three objectives	£12,000
Achievement of four objectives	£16,000
Achievement of five objectives	£20,000

Number of objectives set	6
Achievement of three objectives	£10,000
Achievement of four objectives	£13,333
Achievement of five objectives	£16,666
Achievement of six objectives	£20,000

Performance related payments will not be made in the following circumstances:

- the Chief Executive is under period of notice as a result of resignation or dismissal
- the Chief Executive is being managed through the Performance Capability Procedure
- the Chief Executive is not employed at the payment date unless this is as a result of the planned end date of the fixed term contract.

6. Payment and Impact of leave

Any payments due are paid as a lump sum with salary and subject to the usual deductions for tax and national insurance.

Maternity, Paternity, Adoption Leave, Shared Adoption Leave

Provided the performance objectives are met, the payments outlined in section 5 will be made on a pro rata basis for the time the Chief Executive was:

- at work before their statutory leave started
- were on compulsory maternity leave (the first 2 weeks of maternity leave following the birth of the baby)
- were working a keeping in touch (KIT) day or a shared parental leave in touch (SPLIT) day

Sickness absence

Any payments due will be pro-rated to exclude periods of long-term absence (a continuous period of 28 days or more) unless the employee's absence is related to their disability.

Suspension

Entitlement to payments due will be unaffected by any periods of suspension.

Holiday Pay

Holiday Pay is calculated and paid in line with the Council's Holiday Pay Framework.