

# Thanet District Council

## Pay Policy Statement 2019-20

# 1. Purpose

This Pay Policy Statement sets out the council's approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the council's approach to setting the pay of its employees by identifying:

- the methods by which remuneration of all employees are determined;
- the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
- the relationship between
  - the remuneration of its Chief Officers and
  - the remuneration of its employees who are not Chief Officers

The Chief Executive (as Head of Paid Service) and General Purposes Committee, in so far as it relates to relevant Chief Officers, are responsible for ensuring the provisions set out in this statement are applied consistently throughout the council.

The council is required to prepare and approve a pay policy statement annually.

## 2. Definitions and interpretation

For the purpose of this pay policy the following definitions will apply:

"Pay" in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments.

For the purposes of this pay policy 'Chief Officers' are as follows:

- Chief Executive, as Head of Paid Services
- Deputy Chief Executive, as Chief Financial Officer
- Director of Corporate Governance and Monitoring Officer, as Monitoring Officer
- Director of Operational and Commercial Services, as non-statutory Chief Officer
- Head of Shared Services, as non-statutory Chief Officer

Deputy Chief Officers (as defined within the Local Government and Housing Act 1989) i.e. direct reports to chief officers, as follows:

- Head of Financial Services
- Head of Communications and Digital
- Head of Housing and Planning
- Head of Port & Technical Services
- Head of Safer Neighbourhoods
- Head of Asset Management
- Head of Operational Services
- Head of Legal and Democratic Services
- Health and Safety Compliance Officer
- Corporate Account Manager
- Head of HR (EK Services)
- Client Officer

“Lowest paid employees” refers to those staff employed within grade TG-B of the Council’s pay framework. This definition for the “lowest paid employees” has been adopted because grade TG-B is the lowest grade to which staff are employed on the Council’s pay framework.

“Employee who is not a Chief Officer” refers to all staff that are not covered under the “Chief Officer” group listed above. This includes the “lowest paid employees” i.e. staff on grades TG-B to TG-P.

This excludes staff governed by national consultation groups, e.g. apprentices.

## 3. Pay framework

### 3.1 General approach

The council recognises the need to exercise the greatest care in managing scarce public resources, whilst also securing and retaining high quality employees. The level of remuneration is a very important factor in both recruitment and retention. In light of the economic pressures there is a need to balance affordability and value for money whilst creating an environment where retention of the wealth of skills and experience within the organisation is cemented and, where external recruitment is required, the organisation can be counted as employers of choice.

In determining the pay and remuneration of all its employees, the council will comply with all relevant legislation. This includes legislation such as the Equality Act 2010, Part-time Employment (Prevention of Less Favourable treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establishes the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

In the application of the pay framework, the council takes into account market rates, individual performance and the need for consistency in the way grades are applied.

### 3.2 Responsibility for decisions on remuneration

With the exception of any groups where pay is governed by national consultation groups, pay for the “lowest paid employees” and “all other employees who are not Chief Officers” is determined by the council’s agreed pay framework.

Pay for ‘Deputy Chief Officers’ is determined by the council agreed pay framework.

The Employee Council, is the council’s recognised negotiating body for the purposes of pay bargaining. This includes Unison and GMB. Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

It is essential for good governance that decisions on pay and reward packages for chief executives and chief officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.

The current framework, in so far as it affects the Chief Executive and the Chief Officers (excluding Deputy Chief Officers) was agreed by the General Purposes Committee on 21 February 2013.

Any future changes to the council’s pay framework where it affects pay for Chief Executive and the Chief Officers are to be agreed by the General Purposes Committee.

### **3.3 Salary grades and grading framework**

Following a national requirement for all Local Authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer, the council implemented the Hay job evaluation scheme.

The full Council will approve remuneration packages for new appointments in excess of £100k (incl. Salary, fees, allowances, benefits in kind etc.).

Grades are determined in line with the Hay job evaluation scheme.

There are 18 grades (TG-B to TG-S) in the pay framework, grade TG-B being the lowest and grade TG-S the highest. Each employee will be on one of the grades based on the job evaluation of their role.

Thanet District Council pays the statutory National Living Wage to all employees, regardless of age, with the exception of staff governed by national consultation groups, e.g. apprentices.

### **3.4 Incremental Progression**

From 1 April 2018, progression within the salary band will be automatic unless there are exceptional circumstances whereby an employee's performance or conduct either falls well below or far exceeds expectation, in which case incremental progression may be withheld or enhanced in accordance with Council policy.

## **4. Remuneration and benefits**

### **4.1 Salaries**

#### **4.1.1 "Chief Officer" – remuneration & the relationship to non-chief officers**

All Chief Officers are currently employed within grades TG-Q to TG-S

#### **4.1.2 "Statutory Chief Officers" – the Chief Executive**

This Chief Executive is paid within the council's pay framework, which applies to all employees.

Salary on appointment will be approved by Full Council acting on the recommendations of an appointments panel with the consent of the Cabinet Leader.

The annual performance for the Chief Executive is considered by the Leader of the Council in consultation with the Group Leaders following the council's agreed performance appraisal process. Progression through the salary band will be as outlined above.

Typically pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

The Chief Executive's remuneration is published annually on the council's website.

#### **4.1.3 "Statutory Chief Officers" – other than the Chief Executive**

These Chief Officers are paid within the council's pay framework, which applies to all employees.

The annual performance for these Chief Officers is considered by the Chief Executive in line with the council's agreed performance appraisal process. Progression through the salary band will be as outlined above.

For this group of Chief Officers appointment, and salary on appointment, will be made by the General Purposes Committee.

Typically pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

The remuneration of these Chief Officers are published annually on the council's website.

#### **4.1.4 “Non Statutory Chief Officers” – Head of Shared Services**

The Head of Shared Services is paid within the council's pay framework, which applies to all employees.

Salary on appointment will be approved by the General Purpose Committee acting on the recommendation of the East Kent Services Committee.

The annual performance for the Head of Shared Services is considered by the Chief Executive of Thanet District Council in consultation with the Chief Executives of Canterbury City Council and Dover District Council. Progression through the salary band will be as outlined above.

Typically pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

The Head of Shared Services' remuneration is published annually on the council's website.

#### **4.1.5 “Non Statutory Chief Officers” other than the Chief Executive and Head of Shared Services.**

These Chief Officers are paid within the council's pay framework, which applies to all employees.

The annual performance for these Chief Officers is considered by the Chief Executive in line with the council's agreed performance appraisal process. Progression through the salary band will be as outlined above.

For this group of Chief Officers appointment, and salary on appointment, will be made by the General Purposes Committee.

Typically pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

Remuneration of Non Statutory Chief Officers are published annually on the council's website.

#### **4.1.6 “Deputy Chief Officers” (direct reports to non-statutory chief officers who report to statutory chief officers)**

Deputy Chief Officers are paid within the council's pay framework, which applies to all employees.

Progression through the salary band will be as outlined above.

Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

#### **4.1.7 “Lowest paid employees” and “other employees”.**

Each “lowest paid employee” is paid within the salary range for grade TG-B and all “other employees” are paid within the salary range TG-C to TG-P, within the council's pay framework, which applies to all employees.

Progression through the salary band will be as outlined above.

Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

#### **4.1.8 Relationship between remuneration of “Chief Officers” and “employees who are not Chief Officers”**

The highest paid employee’s salary is 4.65 times that of the “median” average earnings across the authority.

#### **4.2 Salaries on appointment for new starters**

New starters will normally be appointed to the minimum of the salary scale of the grade for the post.

If any relevant factors such as a requirement for unique knowledge and skills or extensive previous experience exist, a Manager may make a documented business case for a higher starting salary to be approved by the Senior Management Team/EK Services Management Team meeting before the candidate is offered the job. In such cases Managers must take due regard of the salaries of existing staff doing similar work to ensure pay equity.

#### **4.3 Salaries on promotion**

A promotion is defined as an appointment to a higher graded post.

Employees who are promoted will normally be awarded a basic salary on a point of the salary scale of the new grade 2.5% higher than their previous salary. If any relevant factors exist which substantiate an increase above 2.5% a Manager may make a documented business case to be approved by the Senior Management Team/EK Services Management Team meeting having due regard of the salaries of existing staff doing similar work to ensure pay equity.

The basic salary on promotion should not be below the minimum of the salary scale of the new post.

#### **4.4 Market supplements**

There may be exceptional circumstances from time to time when a particular job or jobs require payment of a market supplement in order to recruit or maintain adequate staffing levels.

Payment of a market supplement will only apply when alternative ways of recruiting and retaining staff have been fully explored; it is expected that the use of market supplements will be rare.

A market supplement put forward for approval must be supported by a documented business case with the following information:

- A clear definition of the job or group of jobs affected.
- Market supplements will be reviewed at least every two years
- Evidence of pay-related recruitment and retention difficulties compared to other groups of staff using appropriate indicators e.g. turnover rates, stability rates, numbers of responses to job advertisements, quality assessment of applicants and interviewees, data on competitive pay.
- Confirmation that the proposed market supplement would not create any indefensible internal pay inequities.

The business case must be approved by the Senior Management Team at the monthly workforce forum meeting/EK Services Management Team meeting.

Market supplements at Thanet District Council must be approved by the Chief Executive. Market supplements at EK Services must be approved by the Head of Shared Services.

Market supplements approved under this policy will apply for a period not exceeding two years without review. The duration of the market supplement will be clearly identified in recruitment and appointment discussions and documentation for new staff, and in contractual variations for existing staff. Any continuation of a market supplement beyond the initial period will require submission of a fresh business case for approval.

EK Human Resources will maintain a database of all market supplements that are approved and will ensure that the appropriate Senior Management Team reviews these annually. A review will also be carried out when an individual leaves a post that has attracted a market supplement, in order to assess the need to advertise the vacancy with a market supplement in the current labour market. Further reviews will be carried out whenever a post is re-evaluated through the job evaluation process. If a review results in a decision that the market supplement is no longer justified, it will be withdrawn. In these circumstances, for employees still in receipt of a market supplement, three months' written notice will be given that the market supplement is being withdrawn. Where such a review leads to a decision to withdraw the market supplement, this will apply with immediate effect for vacant posts.

Market supplements are paid monthly and are pensionable.

#### **4.5 Honoraria payments**

Honoraria payments are a means of adjusting salaries on a temporary basis for undertaking additional duties for a limited period normally not exceeding one year.

Employees undertaking the full duties and responsibilities for a higher graded post for a continuous period over four weeks should receive payment in accordance with the grade of the post temporarily occupied as if they had been promoted into the post.

A partial payment may be made to an individual who performs some of the duties and responsibilities of a higher graded post. The amount of payment should be assessed taking into account the specific circumstances of each case.

Honoraria payments at Thanet District Council must be approved by the Chief Executive. Honoraria payments at EK Services must be approved by the Head of Shared Services.

The duration of the period of acting up should be indicated before it commences and confirmed in writing. It must be remembered that acting up is a temporary arrangement and in no circumstances should be allowed to exceed 12 months without re-approval. EK Human Resources will maintain a central log of all current honoraria payments. All honoraria payments will cease at the agreed date. Six weeks prior to the end period of a payment, EK Human Resources will inform the relevant line manager that the payment will cease on the due date unless re-approval is sought. For a further honorarium to be paid, a further request will need to be submitted via the relevant approval process. Should circumstances change before the previously agreed end date the payment may be withdrawn earlier. In these circumstances the value of the honorarium will not be protected. One month prior to the honorarium ceasing, EK Human Resources will write to the employee to inform them that the payment will be ceasing.

Honoraria payments are paid monthly and are pensionable.

#### **4.6 Charges, fees or allowances**

Any allowance or payments will only be made to employees in connection with their role or the patterns of hours they work and must be in accordance with the council's agreed policies/approach for pay, benefits and allowances. These will apply to all staff, unless otherwise specified within the policy, and include:

- Disturbance allowance scheme
- Disturbance and travelling allowances following reorganisations
- Emergency call outs
- Irregular hours working
- Mileage reimbursement
- Payment in lieu of a lease car
- Overtime
- Standby/call out allowance
- Expenses and Subsistence allowance
- Training and development scheme – financial assistance
- Contribution towards annual bus pass
- Professional Fees for specific posts
- Professional fees whilst undertaking post entry training
- First aid payment
- Personal protective equipment
- Free parking

Information is available to staff on the council's website or by telephoning EK Human Resources on 01304 872799 and are available to the public on request.

Election duties - the returning officer receives a one-off payment for election duties. Payments are made on the basis of population in the district and whether the election is local, national – the payment for national elections is agreed nationally and the payment for local elections agreed at county level. Other officers who undertake specific duties in relation to elections (e.g. Presiding Officers etc.) will receive additional payments for those roles.

#### **4.7 Employee discount scheme**

The council currently offers all employees access to an employee discount scheme. This offers employees the chance to purchase a range of goods and services at discounted rates from a variety of suppliers.

#### **4.8 Benefits in kind**

Present benefits in kind are:

- Reduced leisure centre membership – available to all staff
- Relocation allowance – available in some cases for staff moving into the area for work
- VDU eye tests – all staff
- 25 Year Long service award

Other in kind schemes may be considered and introduced in year

#### **4.9 Pension**

All employees as a result of their employment are eligible to join the Local Government Pension Scheme (LGPS).

#### **4.10 Severance payments**



We are already required to publish our policy on discretionary payments on early termination of employment as well as publishing our policy on increasing an employee's total pension scheme membership and on awarding additional pension. This information is disclosed within the council's statement of accounts, available on the website and in council policies in respect of:

- Discretionary Functions of the LGPS
- Early Termination of Employment
- LGPS Banding report and Policy
- Flexible Retirement
- Employment Stability

These policies are available to staff on the council's intranet or on request from the EK Human Resources and available to the public on request.

The full Council will approve severance packages in excess of £100k. The Council in considering a package over £100k will be provided with the components of relevant severance packages. This will include salary paid in lieu, redundancy compensation, holiday pay and any fees, allowances or benefits in kind paid (it will not include payments made by the council to the Local Government Pension Scheme).

The government legislated for a cap of £95,000 on exit payments in the public sector in the Small Business Enterprise and Employment Act 2015 as amended by the Enterprise Act 2016. The government is currently consulting on draft regulations to implement this legislation.

## 5. Data transparency

To support data transparency the council publishes on the website salary related information in accordance with the Local Government Transparency Code 2015.

Salary scales are currently published on the intranet and available to the public on request.

<https://www.thanet.gov.uk/info-pages/senior-management-salaries/>