

PAY POLICY STATEMENT

2014/2015

Appendix 1

VERSION CONTROL SHEET

<i>Title:</i>	Pay policy statement 2014/2015
<i>Purpose:</i>	To advise on the Council's pay policy in line with requirements under chapter 38 of the Localism Act 2011.
<i>Owner:</i>	Human Resources & Organisational Development
<i>Approved by</i>	Full Council
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Thurrock Council Pay Policy Statement

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1. Introduction

- 1.1 The Council's Pay Policy Statement for 2014/2015 is outlined in this Statement and complies with chapter 8 of the Localism Act 2011. The Act requires English and Welsh local authorities to produce this Statement as agreed by members for each subsequent financial year to improve transparency and accountability within Local Government.
- 1.2 This Statement may be adapted and/or updated following a vote at an open meeting of full Council which may result in changes.
- 1.3 The Council is conducting a pay review with the intention of modernising and simplifying current pay arrangements. Any changes will be reflected in future pay policies.

2. Scope

- 2.1 The Statement is relevant to Council employees and school based employees covered by the Council's Single Status Agreement. Youth Workers, Soulbury and employees covered by TUPE are also included but their pay is determined by separate mechanisms. The scope of this Statement does not apply to teachers whose pay policies are covered by teachers pay and conditions in England and Wales.
- 2.2 For the purposes of this Statement, Thurrock's chief officers comprise of the Chief Executive, Directors and Heads of Service who are responsible for the strategic overview and direction of the Council.

3. Determination of pay

Chief Executive

- 3.1 The Chief Executive's remuneration was determined in 2010 based on the median pay point of a market salary and reflecting remuneration levels for comparable jobs in unitary authorities and London boroughs. The pay band for the Chief Executive is reflected in spinal column points 31 to 33 of the Directors and Head of Services market pay scale (annex 2).

Senior officers

- 3.2 All senior officer posts are treated as individual posts for which independent market comparison data has been obtained. Senior officers are defined by Thurrock Council as all Heads of Service and above, and cover those posts deemed by the Council's Constitution as 'Chief Officers'. This market data takes account of all similar positions in London boroughs and unitary authorities.
- 3.3 Senior officers are subject to the pay bands set out in the Directors and Heads of Service market pay (annex 2).

Account has also been taken of:-

- (a) **The type and size of Thurrock Council:** Thurrock is a medium sized unitary council with a significant degree of complexity due to its location, its changing demographics, its regeneration agenda and its complex external relations.
- (b) **The geographical location of Thurrock Council:** Located on the eastern boundaries of London and within easy commuting distance of London, the Council is clearly competing in the same labour market as many London boroughs as well as Essex County Council and other unitary local authorities.
- (c) **The market for senior posts in Local Government:** In recent years many posts have become more demanding as a result of changes in legislation and public demand. This has led to a position whereby significant differences now exist regarding the remuneration attached to certain posts. At a senior level, Directors of Children's services are an example of this, as they now command higher salaries than many other Director posts.
- (d) **Affordability:** The overall aim has been to develop a pay structure which is affordable.
- (e) **Transparency and clarity:** The aim has been to establish a pay structure which is determined by clear principles that are defensible and rational.

Employees who are not senior officers

- 3.4 Employees other than senior officers are subject to the pay spine set out in the Single Status Agreement, containing 10 pay bands (outlined in Annex 1). Pay bands contain between 6 and 11 incremental pay points. Posts have been allocated to a pay band through a process of job evaluation. All new or revised Single Status posts must be evaluated using the Council's job evaluation system carried out by the Council's independent Job Evaluation Advisers using the James Evaluation Scheme. New or re-evaluated jobs during the year will be subject to the same process to determine their level of pay, as well as approval of the Council's Pay & Reward Board, held jointly between officers and recognised trade union representatives.

4. Pay Progression

Chief Executive and Senior officers

- 4.1 The senior officer pay structure is outlined in Annex 2 and consists of 11 bands, with 3 pay points within each band for flexibility.

- 4.2 The 'normal' pay for each post has been derived by taking a median point of the salary, weighted 50% towards Unitary Authorities and 50% towards London boroughs. The weighting proportions will be reviewed in 2015 for a 1 April 2015 implementation (if applicable).
- 4.3 There are three pay points for each senior officer post:
- i. A lower point – for a post-holder with sufficient competence or experience but with some development needs. This is expected to apply to some posts at the time of recruitment.
 - ii. A median point – for a fully competent and appropriately experienced/qualified post-holder. This is expected to apply to most appointments.
 - iii. An upper point – for an 'exceptional' post-holder. The difference between the median point and upper point will only be paid as an additional non-consolidated payment for 'exceptional' performance. Few post-holders would be expected to be rewarded at this level. This will be based on the 75th percentile of the market data.
- 4.4 The market median pay points will be reviewed in February 2015 and adjusted to forecast the applicable figure for 1 April 2015 subject to affordability. There will be no other increases or reviews of the market median pay points during the year. However, salaries will not be decreased where the forecast shows a reduction in pay levels.
- 4.5 Post-holders will receive the annual increase in market pay only if they are performing entirely satisfactorily. Performance objectives will reflect Council and national priorities, budget control and efficiency management.
- 4.6 If a post is recruited to during the year then it will be advertised up to the appropriate existing market median pay point, with the possibility of the additional non-consolidated payment for an exceptional candidate/performer. The appropriate pay point will take effect from the first day of service and this will be subject to review with effect from 1 April 2015, regardless of the number of months to elapse before then.
- 4.7 The ratio between the Chief Executive's salary and the mean salary of the workforce at the time of this Statement being published is x 7.3.

Employees who are not senior officers

- 4.8 Appointed officers will be offered a salary corresponding to the lowest spinal column point within the relevant pay band for the job unless a higher spinal column point is required to secure an appointment by matching the appointee's current salary or to secure a specific candidate with particular experience and competence.

- 4.9 Employees on the Single Status scales will receive an increase of one incremental point each year, effective from 1 April providing they have performed their role entirely satisfactorily; have 6 months' service at the time of review and providing they are not already at the top point of their pay band. Performance objectives will be linked to service delivery plans and priorities. The scheme for incremental progression and performance management will be included in the pay review described in paragraph 1.3.
- 4.10 An accelerated increase of one or more increments on the grounds of special merit or ability can also be awarded during the year on the assessment and recommendation of the employee's line manager and providing they are not already at the top point of their salary band. In the case of more than two increments being proposed, the increase must be approved by the Council's aforementioned Pay & Reward Board.
- 4.11 Employees who are protected under TUPE arrangements are paid in accordance with the relevant terms and conditions of employment.

5. Lowest-paid employees

- 5.1 For the purpose of this Statement, employees on *band 1* of the Council's pay spine set out in the Single Status Agreement are defined as our lowest-paid employees. Employees paid at a lower rate than SCP band 1 are apprentices who are not on the pay spine set out in the Single Status agreement but paid in accordance with the national apprenticeship scheme rates.
- 5.2 The Council moved towards paying the UK Living Wage as a discretionary payment in April 2013. This payment is made to the lowest paid employees (excluding apprentices) who will not be paid less than the level of the UK Living Wage currently set at £7.65 per hour.

6. Cost of living market increases

- 6.1 For posts on the Single Status pay scale, the market pay points will be reviewed in February 2015. Any increases will be effective from 1 April and backdated if necessary.
- 6.2 For 2014/5, the Council has implemented a 1% pay increase for single status pay scales (annex 1).

Chief Executive and senior officers

- 6.3 In accordance with the Senior Managers pay policy implemented in 2010, an independent market assessment was conducted for 2015 which determined no increase in pay.

7. Acting up payments

- 7.1 If a post is covered on an 'acting up' or 'secondment' basis then the individual will receive a sum equivalent to the lowest pay point within the band being acted into, for the duration of their tenure, or the lowest point in the new band that is higher than their current pay point (where bands overlap). If their tenure exceeds 6 months their performance will be reviewed and may, subject to performance, increase to a sum equivalent to one of the higher pay points within the acting up band.

8. Other payments

- 8.1 The Council pays essential business user car allowances to post-holders in appropriate circumstances and where specific criteria are met relating to the frequency and type of business journeys that are expected to be undertaken in 2014/2015. There are three levels of business user allowance: £1,149 per annum, £600 per annum, and £300 per annum based on the criteria.
- 8.2 There will be no car allowance provisions for the Chief Executive or senior officers, other than standard mileage payments which will be 10p per mile. Employees other than senior officers are currently paid 40p per mile, and this will not exceed the recommended HMRC rates in 2014/2015.
- 8.3 The Council has an employee relocation package which is available to new entrants (including senior officers) to the Council's employment subject to an eligibility criterion.
- 8.4 The Council does not operate a bonus scheme for employees (including senior officers). No other informal benefits are paid by the Council specifically to its senior officers.
- 8.5 On occasions, for posts below senior officer level, temporary market supplements may be paid where difficult market conditions lead to recruitment and retention problems. Such supplements will have to be approved by the Council's Pay & Reward Board.

9. Senior contractors or consultants

- 9.1 Should the Council engage the services of an individual at senior officer level under a contract for services and not on the Council's payroll, the level of remuneration paid to the contractor or consultant or the agency employing the contractor or consultant, will not be in excess of the same range as the equivalent salary points outlined in Annex 2 (pro rata if applicable), and any payments will be published monthly in accordance with the terms in section 12 of this Statement.
- 9.2 In exceptional circumstances and with the express approval of the Chief Executive, a contractor or consultant at senior officer level may

be engaged on an amount outside of the equivalent salary point in Annex 2. Payments will still be published monthly in line with section 12.

10. Posts over £100,000

- 10.1 Full Council will agree the recruitment of any new permanent post that exceeds a salary of £100,000 prior to the appointment being made.
- 10.2 Contractor appointments exceeding an annual payment of £100,000 will be agreed by full Council prior to the appointment being confirmed.

11. Payment on termination and re-engagement of senior officers

- 11.1 In the event of redundancy or early retirement, the Council will pay its standard redundancy or early termination of employment terms within the discretions of the Local Government Pension Regulations for all employees including senior officers. The Council's policy on Termination of Employment is attached here:
www.thurrock.gov.uk/uk/opendata/content.php?page=paypolicy
In other exceptional circumstances and where it represents best value for the Council, additional payments may be made where they comply with the specific terms of a compromise agreement. These will be subject to the delegated powers and processes outlined in the Council's Constitution.
- 11.2 The Council will not normally re-engage, either as an employee or under a contract for services, any officer who has previously been paid a discretionary payment (via settlement agreements or a retirement package) on leaving the Council's employment. Only in exceptional circumstances and with the agreement of the Chief Executive and the General Services Committee, will such an arrangement be sanctioned.

12. Publication of information

- 12.1 This Statement will be published on the Council's web page alongside details of the titles and salary ranges of all senior officers and staff earning a salary of more than £58,200:
<http://www.thurrock.gov.uk/opendata/content.php?page=salaries>
Any in-year changes to the principles or operation of this Statement will be published in the same way following full Council approval.

Annex 1-Single Status Pay Scales

Band	Pay Point	Band	2013/14 Pay	2014/15 Pay	2014/15 Hourly Rate	Annual Living Wage Allowance	Total Annual Salary
1	1	2	£12,726.00	£12,852.00	6.6615	£1,908.00	£14,760.00
	2		£12,897.00	£13,026.00	6.7517	£1,734.00	£14,760.00
	3		£13,071.00	£13,203.00	6.8435	£1,557.00	£14,760.00
	4		£13,245.00	£13,377.00	6.9337	£1,383.00	£14,760.00
	5		£13,647.00	£13,782.00	7.1436	£978.00	£14,760.00
	6		£14,049.00	£14,190.00	7.3551	£570.00	£14,760.00
	7		£14,439.00	£14,583.00	7.5588	£177.00	£14,760.00
3	8	4	£14,874.00	£15,024.00	7.7874		£15,024.00
	9		£15,318.00	£15,471.00	8.0190		£15,471.00
	10		£15,780.00	£15,939.00	8.2616		£15,939.00
	11		£16,248.00	£16,410.00	8.5058		£16,410.00
	12		£16,734.00	£16,902.00	8.7608		£16,902.00
	13		£17,244.00	£17,415.00	9.0267		£17,415.00
	14		£17,763.00	£17,940.00	9.2988		£17,940.00
5	15	6	£18,294.00	£18,477.00	9.5771		£18,477.00
	16		£18,840.00	£19,029.00	9.8633		£19,029.00
	17		£19,404.00	£19,599.00	10.1587		£19,599.00
	18		£19,986.00	£20,187.00	10.4635		£20,187.00
	19		£20,586.00	£20,793.00	10.7776		£20,793.00
	20		£21,201.00	£21,414.00	11.0995		£21,414.00
	21		£21,840.00	£22,059.00	11.4338		£22,059.00
7	22	8	£22,485.00	£22,710.00	11.7712		£22,710.00
	23		£23,160.00	£23,391.00	12.1242		£23,391.00
	24		£23,856.00	£24,096.00	12.4896		£24,096.00
	25		£24,573.00	£24,819.00	12.8644		£24,819.00
	26		£25,305.00	£25,557.00	13.2469		£25,557.00
	27		£26,070.00	£26,331.00	13.6481		£26,331.00
	28		£26,850.00	£27,120.00	14.0570		£27,120.00
9	29	10	£27,651.00	£27,927.00	14.4753		£27,927.00
	30		£28,479.00	£28,764.00	14.9092		£28,764.00
	31		£29,349.00	£29,643.00	15.3648		£29,643.00
	32		£30,228.00	£30,531.00	15.8251		£30,531.00
	33		£31,137.00	£31,449.00	16.3009		£31,449.00
	34		£32,067.00	£32,388.00	16.7876		£32,388.00
	35		£33,036.00	£33,366.00	17.2945		£33,366.00
10	36	11	£34,029.00	£34,368.00	17.8139		£34,368.00
	37		£35,043.00	£35,394.00	18.3457		£35,394.00
	38		£36,102.00	£36,462.00	18.8992		£36,462.00
	39		£37,185.00	£37,557.00	19.4668		£37,557.00
	40		£38,304.00	£38,688.00	20.0530		£38,688.00
	41		£39,453.00	£39,849.00	20.6548		£39,849.00
	42		£40,629.00	£41,034.00	21.2690		£41,034.00
11	43	12	£41,841.00	£42,258.00	21.9035		£42,258.00
	44		£43,095.00	£43,527.00	22.5612		£43,527.00
	45		£44,385.00	£44,829.00	23.2361		£44,829.00
	46		£45,702.00	£46,158.00	23.9249		£46,158.00
	47		£47,058.00	£47,529.00	24.6356		£47,529.00
	48		£48,453.00	£48,939.00	25.3664		£48,939.00
	49		£49,902.00	£50,400.00	26.1237		£50,400.00
12	50	13	£51,387.00	£51,900.00	26.9012		£51,900.00
	51		£52,917.00	£53,445.00	27.7020		£53,445.00
	52		£54,498.00	£55,044.00	28.5308		£55,044.00
	53		£56,127.00	£56,688.00	29.3829		£56,688.00
	54		£57,801.00	£58,380.00	30.2599		£58,380.00
	55		£59,448.00	£60,042.00	31.1214		£60,042.00
	56		£61,143.00	£61,755.00	32.0093		£61,755.00
13	57	14	£62,886.00	£63,516.00	32.9221		£63,516.00
	58		£64,674.00	£65,322.00	33.8582		£65,322.00
	59		£66,522.00	£67,188.00	34.8254		£67,188.00
	60		£68,418.00	£69,102.00	35.8174		£69,102.00

ANNEX 2

Directors and Heads of Service market pay, to be applied from 1 April 2014

	SCP	Number of Posts	50/50% Lower Base Pay	SCP	50/50% Median Base Pay	SCP	50/50% Higher Base Pay
			Annual Pay		Annual Pay		Annual Pay
CEX	31	1	£159,000.00	32	£175,000.00	33	£185,000.00
DIR4	28	1	£121,002.00	29	£132,000.00	30	£140,001.00
DIR3	25	1	£113,001.00	26	£125,502.00	27	£131,001.00
DIR2	22	2	£105,500.00	23	£117,000.00	24	£120,000.00
DIR1	19	1	£93,500.00	20	£103,000.00	21	£108,000.00
HOS6	16	0	£86,502.00	17	£95,502.00	18	£100,002.00
HOS5	13	6	£83,502.00	14	£93,000.00	15	£97,002.00
HOS4	10	0	£82,500.00	11	£90,000.00	12	£95,001.00
HOS3	7	3	£77,001.00	8	£86,001.00	9	£89,001.00
HOS2	4	1	£72,000.00	5	£79,500.00	6	£83,502.00
HOS1	1	2	£68,502.00	2	£72,000.00	3	£80,001.00

Notes:

The figures above take car allowance provision into account

SCP = Spinal Column Points

SCP represent pay points but not number of posts