

**THURROCK COUNCIL**

**PAY POLICY STATEMENT 2017/18**

## VERSION CONTROL SHEET

<i>Title:</i>	<b>Pay Policy Statement 2017/18</b>
<i>Purpose:</i>	<b>To advise on the Council's pay policy including requirements under Section 38 of the Localism Act 2011.</b>
<i>Owner:</i>	<b>Human Resources &amp; Organisational Development</b>
<i>Approved by</i>	<b>Full Council</b>
<i>Date:</i>	<b>22 February 2017</b>
<i>Review frequency:</i>	<b>Annually</b>
<i>Next review date:</i>	<b>October 2017</b>

# **Thurrock Council Pay Policy Statement 2017/18**

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## **1. Introduction**

- 1.1 This Statement complies with Section 38 of the Localism Act 2011, which requires local authorities to produce a pay policy statement for each financial year in order to improve transparency and accountability within Local Government.
- 1.2 It may be adapted and/or updated by agreement at a full Council meeting.
- 1.3 Thurrock Council is, in addition, 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 This Statement is applicable to both Council and school-based employees covered by the Council's single status agreement, and to senior officers. Youth workers, those on Soulbury contracts of employment and employees covered by TUPE are also included but their pay is determined by separate processes. This Statement does not apply to teachers, who are employed under separate terms and conditions.
- 2.2 For the purposes of this Statement, Thurrock's senior officers are the chief executive, corporate directors, directors and heads of service.

## **3. Determination of pay grades and salary levels**

### **Senior officers**

- 3.1 The chief executive's and other senior officers' remuneration was determined in 2009. It was based on the median pay point of a market salary and reflected remuneration levels for comparable jobs in unitary authorities and London boroughs.
- 3.2 The 11 senior pay bands are shown in Appendix 1. Heads of service are paid on the HOS bands, ranging from points 1 to 15; directors and corporate directors are placed on a DIR pay band: points 16 to 30, while the chief executive is on the CEX pay band: points 31 to 33.
- 3.3 Since 2010 annual, independent pay reviews have been conducted to reassess the salary levels that these pay bands should attract. These assessments take account 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 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.
- (d) **Affordability:** Producing an affordable pay structure for senior managers is a principal aim of this policy.
- (e) **Transparency and clarity:** Thurrock Council is committed to establishing a pay structure which is clear, rational and able to withstand challenge.

### **Employees who are not senior officers**

- 3.4 Employees other than senior officers are subject to the pay levels set out in the Council's single status agreement which contains 10 pay bands (see Appendix 2). Pay bands contain between 6 and 11 incremental pay points. Posts have been allocated to a pay band through a process of job evaluation.
- 3.5 All new or revised single status posts must be evaluated. This is done by independent job evaluation specialists using the James job evaluation scheme. The results of any such evaluation are subject to approval by the Council's Pay & Reward Board, which comprises of officers and trade union representatives.

## **4. Pay Progression**

### **Senior officers**

- 4.1 Senior officer pay bands contain three pay levels:
  - 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 appointments 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 will be rewarded at this level, which is based on the 75<sup>th</sup> percentile of the market data.
- 4.2 The award of an annual increase to points (ii) or (iii) above is subject to satisfactory job performance.
  - 4.3 For recruitment purposes, posts will be advertised at the median pay point, with the possibility of an additional non-consolidated payment for an exceptional candidate. A newly appointed senior officer’s starting salary will be reviewed on 1<sup>st</sup> April after appointment, regardless of how long they have been in post.

### **Employees who are not senior officers**

- 4.4 New starters are paid in accordance with Section 12.6 of the council’s recruitment policy which states; ‘normally the pay point will be the minimum point of the band. Exceptions to this rule may be considered where the minimum point is below the candidate’s current salary.’
- 4.5 Employees will receive an increase of one incremental point each year, effective from 1<sup>st</sup> April, providing they (i) have performed their role entirely satisfactorily; (ii) have 6 months’ service before 1<sup>st</sup> April; (iii) are not already at the top point of their pay band. Performance objectives will be linked to service delivery plans and priorities.
- 4.6 Until 4<sup>th</sup> September 2014, the award of additional pay increments (known as accelerated increments) on the grounds of special merit or ability were also made on the recommendation of the employee’s line manager and providing they were not already at the top point of their pay band. Such increases were subject to approval by the Council’s Pay and Reward Board.
- 4.7 From 4<sup>th</sup> September 2014, following consultations with the trade unions, it was agreed that in the light of the Council’s financial situation, accelerated pay progression should be suspended until further notice.
- 4.8 Employees who are protected under TUPE arrangements will be paid according to their contract of employment.

## **5. Cost of living pay increases**

### **Senior officers**

- 5.1 The annual, independent market assessment conducted in December 2016 concluded that there should be 1% cost of living pay increase for senior officers in 2017/18.

## **Employees who are not senior officers**

- 5.2 Under its single status agreement, the council must at least match any pay award agreed by the National Joint Council for Local Government Employees (NJC). This applies to all employees other than senior officers.
- 5.3 The NJC finalised a two year pay agreement in May 2016. The pay rates shown in Appendix 2 reflect the implementation of the second year of the agreement which incorporates a 1% cost of living increase for single status staff from pay point 14 onwards; with an additional weighted uplift for those on pay points 1-13.

## **6. Lowest paid employees / UK living wage**

- 6.1 For the purposes of this Statement, employees on Band 1 of the Council's pay structure are classed as the lowest paid employees. The only staff paid at a lower rate than Band 1 are apprentices (see below).
- 6.2 The Council has paid the UK Living Wage as a discretionary payment since April 2013. This supplements the income of Thurrock's lowest paid employees. With effect from 1<sup>st</sup> April 2017, this guarantees a minimum, hourly pay rate of £8.45, in accordance with the Living Wage Foundation's recommended rate.

## **7. Apprentices**

The starting pay for Council apprentices is the national minimum wage apprentice rate: currently £3.50 per hour. This rises to the national minimum wage rate according to age after six months' satisfactory service.

## **8. Pay Multiple**

- 8.1 Calculations were made using 2017/18 pay scales which show the pay ratios between the chief executive's salary and the average salary of the workforce are as follows:

Chief Executive: mean salary of the workforce = 1:5.8

Chief Executive: median salary of the workforce = 1:7.1

- 8.2 These ratios were calculated from the median chief executive salary level of £171,500; the mean salary of all staff other than the chief executive of £29,204 and the median salary of all staff other than the chief executive of £24,147.

## **9. Acting up payments**

- 9.1 For acting up or secondment arrangements, an individual will be paid at the lowest point of the band being acted into, or one pay point higher than their substantive pay point if pay bands overlap.
- 9.2 If this arrangement continues for over six months, performance will be reviewed and pay may increase to one of the higher pay points in the acting up band.

## **10. Other payments**

- 10.1 The Council pays business user car allowances to single status staff who meet specific criteria relating to the frequency and type of business journeys they are expected to undertake. There are three levels of business user allowance: £1,149, £600 and £300 per annum. Any employee using their own vehicle for work purposes is eligible to claim 40p per mile.
- 10.2 A car allowance is consolidated into the senior officer pay rates given in Appendix 1. In addition, senior officers receive a mileage payment of 10p per mile.
- 10.3 The Council has an employee relocation package, available to all new employees, subject to eligibility criteria.
- 10.4 The Council does not operate a bonus scheme for any employees, nor does it offer any other informal benefits to its senior officers
- 10.5 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 must be agreed by the Council's Pay & Reward Board.

## **11. Contractors and consultants**

- 11.1 Should the Council engage the services of an individual at senior officer level under a contract for services (ie not on the Council's payroll), the level of remuneration paid to the contractor, consultant or agency employing them will not exceed the equivalent salary points outlined in Appendix 1.
- 11.2 In exceptional circumstances, and with the express approval of the chief executive, a contractor or consultant at senior officer level may be engaged at a pay rate outside of the equivalent salary point in Appendix 1.

## **12. Appointment of senior officers**

- 12.1 Full Council will agree the recruitment of any new, permanent, Chief Officer role.
- 12.2 Full council will agree the recruitment of contractors to new Chief Officer roles.

## **13. Payment on termination, and re-engagement of officers**

- 13.1 In the event of redundancy or the early retirement of any employee, the Council will pay its standard severance payments within the discretions of the Local Government Pension Regulations.
- 13.2 In exceptional circumstances and where it represents best value for the Council, additional payments may be made to comply with the terms of a settlement agreement. These will be subject to the delegated powers and processes outlined in the Council's Constitution.
- 13.3 The Council will not normally re-engage, either in a contract of employment or a contract for services, any officer who has previously been paid a discretionary payment (via a settlement agreement or 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.
- 13.4 The Government is introducing, through the Small Business, Enterprise and Employment Act 2015, a £95k cap on "exit payments". Regulations will be inserted by the Enterprise Bill 2015-2016 and a date for implementation was expected in 2016. This will limit the amount a public sector worker could be paid for losing their job to £95k. The regulation will be laid before Parliament in the New Year, with a proposed implementation date from early 2017. The regulations will apply to all staff but predominately high earners and will cover:
  - Redundancy payments
  - Payments on voluntary exits
  - Pension strain costs
  - Severance or ex-gratia payments
  - Payment for outstanding entitlement
  - Compensation under the terms of a contract
  - Pay in lieu of notice
  - Any other payments made as a result of loss of employment

13.5 A different set of regulations, the Repayment of Public Sector Exit Payment Regulations 2015, should have come into force on the 1st April 2016; however implementation is projected for spring 2017. It sets out the liability to repay any exit payment if the exit payee returns to the same 'sub-sector' within 12 months of receiving the payment. If they return to the same sub-sector within 28 days the whole amount is due, thereafter tapering arrangements become operational. Full Council may exercise a waiver to exclude such a repayment. If a waiver is issued it must be published along with the reasons for doing so in the preceding twelve months at the beginning of a financial year or published in the annual accounts. Guidance is awaited on the exercise of a waiver. If reclaimed an exit repayment is made to the 'old' employer and the sum passed through to the Treasury.

#### **14. Mandatory Gender Pay Reporting**

As of April 2017, all organisations with more than 250 employees must produce data on gender pay gaps for their employees.

#### **15. Transparency code**

In accordance with Government guidelines<sup>1</sup>, the council publishes details of senior managers' pay on its website.<sup>2</sup>

#### **16. Publication of information**

This Statement will be published on the Council's website. Any in-year changes to this Statement will be published in the same way following full Council approval.

### **Appendix 1**

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<sup>1</sup> 'Local Government Transparency Code 2014' published by DCLG: [Transparency Code](#)

<sup>2</sup> <https://www.thurrock.gov.uk/what-we-publish/local-government-transparency-code>

**Senior Manager Pay scales 2017/18 (with the recommended 1% increase)**

		<b>50/50% Lower Base Pay</b>		<b>50/50% Median Base Pay</b>		<b>50/50% Higher Base Pay</b>
	<b>SCP</b>	<b>Annual Pay £</b>	<b>SCP</b>	<b>Annual Pay £</b>	<b>SCP</b>	<b>Annual Pay £</b>
<b>CEX</b>	<b>31</b>	156,501	<b>32</b>	171,501	<b>33</b>	183,000
<b>DIR5</b>	<b>28</b>	122,001	<b>29</b>	133,500	<b>30</b>	141,501
<b>DIR4</b>	<b>25</b>	114,000	<b>26</b>	126,501	<b>27</b>	132,501
<b>DIR3</b>	<b>22</b>	106,500	<b>23</b>	118,002	<b>24</b>	121,002
<b>DIR2</b>	<b>19</b>	94,500	<b>20</b>	104,001	<b>21</b>	109,002
<b>DIR1</b>	<b>16</b>	87,501	<b>17</b>	96,501	<b>18</b>	101,001
<b>HOS5</b>	<b>13</b>	84,501	<b>14</b>	94,002	<b>15</b>	98,001
<b>HOS4</b>	<b>10</b>	83,502	<b>11</b>	91,002	<b>12</b>	96,000
<b>HOS3</b>	<b>7</b>	78,000	<b>8</b>	87,000	<b>9</b>	90,000
<b>HOS2</b>	<b>4</b>	73,002	<b>5</b>	81,000	<b>6</b>	85,002
<b>HOS1</b>	<b>1</b>	69,000	<b>2</b>	73,002	<b>3</b>	81,000

Band	Pay Point	Band	2016/2017 Salaries	2017/2018 Salary	2017/18 Rate / hr	Living wage Supplement	2017/2018 Total Salary
1	1	2	£13,905	£14,505	£7.52	£1,797	£16,302
	2		£14,082	£14,582	£7.56	£1,720	£16,302
	3		£14,259	£14,759	£7.65	£1,543	£16,302
	4		£14,436	£14,936	£7.74	£1,366	£16,302
	5		£14,847	£15,247	£7.90	£1,055	£16,302
	6		£15,258	£15,633	£8.10	£669	£16,302
	7		£15,657	£15,957	£8.27	£345	£16,302
	8		£15,801	£16,101	£8.34	£201	£16,302
	9		£15,954	£16,254	£8.42	£48	£16,302
3	10	4	£16,377	£16,677	£8.64		£16,677
	11		£16,806	£17,106	£8.87		£17,106
	12		£17,304	£17,553	£9.10		£17,553
	13		£17,799	£18,024	£9.34		£18,024
	14		£18,333	£18,516	£9.60		£18,516
	15		£18,882	£19,071	£9.88		£19,071
	16		£19,446	£19,641	£10.18		£19,641
	17		£20,028	£20,229	£10.48		£20,229
	18		£20,631	£20,838	£10.80		£20,838
5	19	6	£21,249	£21,462	£11.12		£21,462
	20		£21,882	£22,101	£11.45		£22,101
	21		£22,542	£22,767	£11.80		£22,767
	22		£23,211	£23,442	£12.15		£23,442
	23		£23,907	£24,147	£12.51		£24,147
	24		£24,624	£24,870	£12.89		£24,870
	25		£25,365	£25,620	£13.28		£25,620
	26		£26,121	£26,382	£13.67		£26,382
	27		£26,910	£27,180	£14.09		£27,180
7	28	8	£27,714	£27,990	£14.51		£27,990
	29		£28,542	£28,827	£14.94		£28,827
	30		£29,397	£29,691	£15.39		£29,691
	31		£30,294	£30,597	£15.86		£30,597
	32		£31,203	£31,515	£16.33		£31,515
	33		£32,139	£32,460	£16.82		£32,460
	34		£33,099	£33,429	£17.33		£33,429
	35		£34,098	£34,440	£17.85		£34,440
	36		£35,127	£35,478	£18.39		£35,478
9	37	10	£36,171	£36,534	£18.93		£36,534
	38		£37,266	£37,638	£19.51		£37,638
	39		£38,385	£38,769	£20.09		£38,769
	40		£39,537	£39,933	£20.70		£39,933
	41		£40,722	£41,130	£21.32		£41,130
	42		£41,937	£42,357	£21.95		£42,357
	43		£43,191	£43,623	£22.61		£43,623
	44		£44,484	£44,928	£23.29		£44,928
	45		£45,813	£46,272	£23.98		£46,272
9	46	10	£47,175	£47,646	£24.69		£47,646
	47		£48,573	£49,059	£25.43		£49,059
	48		£50,013	£50,514	£26.18		£50,514
	49		£51,510	£52,026	£26.96		£52,026
	50		£53,043	£53,574	£27.77		£53,574
	51		£54,621	£55,167	£28.59		£55,167
	52		£56,256	£56,820	£29.45		£56,820
	53		£57,936	£58,515	£30.33		£58,515
	54		£59,664	£60,261	£31.23		£60,261
9	55	10	£61,362	£61,977	£32.12		£61,977
	56		£63,111	£63,741	£33.04		£63,741
	57		£64,911	£65,559	£33.98		£65,559
	58		£66,756	£67,425	£34.94		£67,425
	59		£68,664	£69,351	£35.94		£69,351
	60		£70,623	£71,328	£36.97		£71,328