

**THURROCK COUNCIL**

**PAY POLICY STATEMENT 2019/20**

## VERSION CONTROL SHEET

<i>Title:</i>	<b>Pay Policy Statement 2019/20</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>Council</b>
<i>Date:</i>	<b>28 February 2019</b>
<i>Version:</i>	<b>0.5</b>
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<i>Next review date:</i>	<b>October 2019</b>

# **Thurrock Council Pay Policy Statement 2019/20**

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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 has, in addition, been conducting a pay review with the intention of modernising and simplifying current pay arrangements. The outcomes of that project are contained in this pay policy.
- 1.4 Thurrock Council reserves the right to review, revise, amend or replace the content of this Statement from time to time to reflect service delivery needs and to comply with new legislation.

## **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 assistant directors.

## **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. Assistant directors are paid on the AD 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 a single 'Thurrock Living Wage' grade for the lowest paid employees (excluding apprentices), plus 9 pay grades containing between 5 and 8 incremental pay points. Posts have been allocated to a pay band through a process of job evaluation, using the GLPC job evaluation scheme.
- 3.5 All new or revised single status posts must be evaluated. This is done by trained evaluators in-house, as is common in other local authorities, using the GLPC job evaluation scheme. The results of any such evaluation are subject to moderation by the Council's Pay & Reward Board, which comprises of officers and trade union representatives and open to a fair and transparent appeals process.
- 3.6 Changes to this structure are being phased in over the next four years, as agreed with General Services Committee in October 2018, which will lead to bands of 6 points, meaning staff can progress through in 5 years, in line with the Equalities and Human Rights Commission guidance on having no more than 5 increments (6 points within each Band)

## **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 2018 concluded there should be a 2% cost of living pay increase for senior officers in 2019/20.

### **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 In April 2018, the NJC agreed a two year pay deal with a flat rate increase of 2% both 2018/19 and 2019/20 and new spinal structure for 2019/20. The 2% agreement has been factored into the adoption of the new pay structure, with any individual not receiving at least this increase, either through structural changes or shifts in job evaluation to be paid a Transition Protection Allowance for the difference.

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

- 6.1 For the purposes of this Statement, employees on the lowest grade of the Council's pay structure are classed as the lowest paid employees. The only employees paid at a lower rate than the Thurrock Living Wage are apprentices (see paragraph 7).
- 6.2 With effect from 1<sup>st</sup> April 2019, the previous pay point structure, beginning at pay point 5, was replaced with a new structure. The Thurrock Living Wage pay point and grade are the Council's minimum pay point with hourly pay set to £9.06 from the 1<sup>st</sup> April 2019.
- 6.3 For 2019/20 the Council continues its commitment to pay the UK Living Wage (£9 per hour from November 2018) to its lowest paid employees; the arrangement has been in place since April 2013. For 2019/20, the pay scales will begin higher than the UK Living Wage.

## **7. Apprentices**

The starting pay for Council apprentices is the national minimum wage or national living wage according to their age at the point of recruitment. The lowest pay rate for apprentices will be £4.35 from 1<sup>st</sup>

April 2019. The full ranges of NWM/NLW rates for 2019/20 are set out at appendix 3.

## **8. Pay Multiple**

- 8.1 Calculations were made using 2019/20 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 = 1:6

Chief Executive: median salary of the workforce = 1:7.5

- 8.2 These ratios were calculated from the median chief executive salary level of £178,500; the mean salary of all staff other than the chief executive of £29,155 and the median salary of all staff other than the chief executive of £23,788.

## **9. Acting up payments**

- 9.1 For acting up or additional duties 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 Management do however have the discretion to award an acting up or additional duties allowance up to a maximum of 5 additional points from the employee's substantive pay point. The rationale for payment is subject to approval by the Councils Pay and Reward Board and evidence should be clearly documented on the employee's personal file.
- 9.3 Secondments are subject to the same pay allowances as stated above, however managers can make secondment arrangements according to the needs of their service are these are not subject to approval by the Council's Pay and Reward Board. Further details can be found in the Secondment policy.

## **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. Business User Allowance is due to be reviewed and any future changes will be consulted on and included within future pay policy statements.

- 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 (i.e. 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 has been delayed and is now expected to be laid before Parliament in 2020. 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 should have come into force on the 1st April 2016, however implementation has been substantially delayed, however is still awaited. 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 the gender pay gaps of their employees. The deadline for the Council to report this date is 30 March each year.

## 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 - Senior Manager Pay Scales 2019/20

	50/50% Lower Base Pay		50/50% Median Base Pay		50/50% Higher Base Pay	
	SCP	Annual Pay £	SCP	Annual Pay £	SCP	Annual Pay £
CEX	31	163,002	32	178,500	33	190,500
DIR5	28	126,501	29	138,501	30	147,501
DIR4	25	118,500	26	131,502	27	138,000
DIR3	22	110,502	23	122,502	24	125,502
DIR2	19	98,502	20	108,000	21	113,001
DIR1	16	91,500	17	102,501	18	105,000
AD5	13	88,500	14	98,001	15	102,000
AD4	10	87,000	11	95,001	12	97,500
AD3	7	81,501	8	91,002	9	94,002
AD2	4	76,500	5	84,501	6	88,500
AD1	1	72,000	2	76,500	3	84,501

### Appendix 2: National Minimum and Living Wage Rates 2019/20

	Age 25 and over	Age 21 to 24	Age 18 to 20	Age under 18	Apprentice Rate
Rates from April 2019	£8.21	£7.70	£6.15	£4.35	<b>£3.90 N/A</b>

<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>

### Appendix 3: Single Status Pay Chart 2019/2020

Grade	Pay Point	2019/20 rate per hour		2019/20 salary	
I	54		£ 39.12		£ 75,481
	53		£ 37.98		£ 73,281
	52		£ 36.87		£ 71,140
	51		£ 35.79		£ 69,056
	50		£ 34.74		£ 67,030
	49		£ 33.72		£ 65,062
H	48	£ 32.73		£ 63,152	
	47	£ 31.77		£ 61,299	
	46	£ 30.84		£ 59,505	
	45	£ 29.94		£ 57,769	
	44	£ 29.07		£ 56,090	
	43	£ 28.23		£ 54,469	
	42	£ 27.42		£ 52,906	
	41	£ 26.61	£ 26.61	£ 51,343	£ 51,343
G	40		£ 25.83		£ 49,838
	39		£ 25.08		£ 48,391
	38		£ 24.36		£ 47,002
	37		£ 23.64		£ 45,613
	36		£ 22.95		£ 44,281
	35		£ 22.29		£ 43,008
	34	£ 21.63	£ 21.63	£ 41,735	£ 41,735
F	33	£ 21.00		£ 40,519	
	32	£ 20.40		£ 39,361	
	31	£ 19.80		£ 38,204	
	30	£ 19.23		£ 37,104	
	29	£ 18.66		£ 36,004	
	28	£ 18.12		£ 34,962	
	27	£ 17.58	£ 17.58	£ 33,920	£ 33,920
E	26		£ 17.07		£ 32,936
	25		£ 16.56		£ 31,952
	24		£ 16.08		£ 31,026
	23		£ 15.60		£ 30,100
	22		£ 15.15		£ 29,232
	21	£ 14.70	£ 14.70	£ 28,363	£ 28,363
D	20	£ 14.28		£ 27,553	
	19	£ 13.86		£ 26,743	
	18	£ 13.47		£ 25,990	
	17	£ 13.08		£ 25,238	
	16	£ 12.69		£ 24,485	
	15	£ 12.33	£ 12.33	£ 23,790	£ 23,790
C	14		£ 11.97		£ 23,096
	13		£ 11.73		£ 22,633
	12		£ 11.49		£ 22,170
	11	£ 11.25	£ 11.25	£ 21,707	£ 21,707
B	10	£ 11.04		£ 21,301	
	9	£ 10.83		£ 20,896	
	8	£ 10.62		£ 20,491	
	7	£ 10.41		£ 20,086	
	6	£ 10.20		£ 19,681	
	5	£ 9.99	£ 9.99	£ 19,275	£ 19,275
A	4		£ 9.78		£ 18,870
	3		£ 9.60		£ 18,523
	2		£ 9.42		£ 18,176
	1		£ 9.24		£ 17,828
TLW	TLW	£ 9.06		£ 17,481	