

Appendix 1

PAY POLICY STATEMENT 2015/16

VERSION CONTROL SHEET

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| <i>Title:</i> | Pay Policy Statement 2015/2016 |
| <i>Purpose:</i> | To advise on the Council's pay policy in line with requirements under Section 38 of the Localism Act 2011. |
| <i>Owner:</i> | Human Resources & Organisational Development |
| <i>Approved by</i> | |
| <i>Date:</i> | |
| <i>Version Number</i> | 2.0 |
| <i>Status:</i> | |
| <i>Review Frequency:</i> | Annually |
| <i>Next Review Date:</i> | November 2016 |

Thurrock Council Pay Policy Statement 2015/16

- 1. Introduction**
- 2. Scope**
- 3. Determination of pay grades and salary levels**
- 4. Pay progression**
- 5. Cost of living pay increases**
- 6. Lowest paid employees / UK living wage**
- 7. Apprentices**
- 8. Pay multiple**
- 9. Acting up payments**
- 10. Other payments**
- 11. Contractors or consultants**
- 12. Posts over £100,000**
- 13. Payment on termination, and re-engagement of officers**
- 14. Transparency Code**
- 15. Publication of information**

Appendix 1 Senior officer pay scales
Appendix 2 Single status pay scales

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 The statement 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 relevant to Council employees and school based employees covered by the Council's single status agreement, and 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, Assistant Chief Executive, 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 2010. 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 18; directors are placed on a DIR pay band (points 19 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 contain 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 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 will be rewarded at this level, which is based on the 75th 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 1st 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 1st April, providing they (i) have performed their role entirely satisfactorily; (ii) have 6 months’ service before 1st 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 4th 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 4th 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 with immediate effect and 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 January 2015 concluded that there should be no increase in chief executive and senior officer pay levels for 2015/16, as existing rates continue to align

closely with market rates. Pay for 2015/16 will, therefore, remain at 2010 levels.

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 pay rates shown in Appendix 2 reflect the 2014-16 NJC pay agreement, including a 1.2% increase awarded to single status staff earning at least £14,880. Higher percentage increases were paid to the 48 Council staff earning less than this amount¹.

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 1st April 2015, this guarantees a minimum, hourly pay rate of £7.85, 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 £2.73 per hour. This rises to the national minimum wage rate according to age after six months' satisfactory service.

8. Pay Multiple

- 8.1 Calculations made on 3rd March 2015 using 2015/16 pay scales show that 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 = 1:7.87

Chief Executive : median salary of the workforce = 1:8.54

- 8.2 These ratios were calculated from the Chief Executive's remuneration of £185,000; the mean salary of all staff other than the chief executive

¹ The national award was, in fact, one percent higher however Thurrock had already paid a discretionary award of 1% in April 2014.

of £23,519.34 and the median salary of all staff other than the chief executive of £21,666.00.

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 employees 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 the equivalent salary point in Appendix 1. These payments will also be published monthly.

12. Posts over £100,000

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

13. Payment on termination and re-engagement of officers

- 13.1 In the event of redundancy or 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.

14. Transparency code

In accordance with the Government's 2014 code of practice for transparency², the council publishes details of senior managers' pay on its website.³

15. 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.

² 'Local Government Transparency Code 2014' published by DCLG:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf

³ <https://www.thurrock.gov.uk/what-we-publish/local-government-transparency-code>

Appendix 1

Senior Manager pay scales 2015/16 (including car allowance)

| | 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 | 159,000 | 32 | 175,000 | 33 | 185,000 |
| DIR4 | 28 | 121,002 | 29 | 132,000 | 30 | 140,001 |
| DIR3 | 25 | 113,001 | 26 | 125,502 | 27 | 131,001 |
| DIR2 | 22 | 105,500 | 23 | 117,000 | 24 | 120,000 |
| DIR1 | 19 | 93,500 | 20 | 103,000 | 21 | 108,000 |
| HOS6 | 16 | 86,502 | 17 | 95,502 | 18 | 100,002 |
| HOS5 | 13 | 83,502 | 14 | 93,000 | 15 | 97,002 |
| HOS4 | 10 | 82,500 | 11 | 90,000 | 12 | 95,001 |
| HOS3 | 7 | 77,001 | 8 | 86,001 | 9 | 89,001 |
| HOS2 | 4 | 72,000 | 5 | 79,500 | 6 | 83,502 |
| HOS1 | 1 | 68,502 | 2 | 72,000 | 3 | 80,001 |

Appendix 2

| Single Status Pay Scales (£) | | | | | | | |
|------------------------------|-----------|--------|------------------|------------------|-------------------|------------------------|--------------|
| Band | Pay Point | Band | 2014/15 Salaries | 2015/16 Salaries | 2015/16 Rate / hr | Living wage Supplement | Total Salary |
| 1 | 1 | | 12,852 | 13,005 | 6.7408 | 2,144 | 15,149 |
| | 2 | | 13,026 | 13,182 | 6.8326 | 1,967 | 15,149 |
| | 3 | 2 | 13,203 | 13,359 | 6.9243 | 1,790 | 15,149 |
| | 4 | | 13,377 | 13,536 | 7.0161 | 1,613 | 15,149 |
| | 5 | | 13,782 | 13,947 | 7.2291 | 1,202 | 15,149 |
| | 6 | | 14,190 | 14,358 | 7.4421 | 791 | 15,149 |
| | 7 | 14,583 | 14,757 | 7.6490 | 392 | 15,149 | |
| 3 | 8 | | 15,024 | 15,201 | 7.8791 | | 15,201 |
| | 9 | | 15,471 | 15,654 | 8.1139 | | 15,654 |
| | 10 | | 15,939 | 16,128 | 8.3596 | | 16,128 |
| | 11 | 4 | 16,410 | 16,605 | 8.6068 | | 16,605 |
| | 12 | | 16,902 | 17,103 | 8.8649 | | 17,103 |
| | 13 | | 17,415 | 17,622 | 9.1340 | | 17,622 |
| | 14 | | 17,940 | 18,153 | 9.4092 | | 18,153 |
| | 15 | | 18,477 | 18,696 | 9.6906 | | 18,696 |
| | 16 | | 19,029 | 19,254 | 9.9799 | | 19,254 |
| | 17 | | 19,599 | 19,830 | 10.2784 | | 19,830 |
| 18 | 20,187 | 20,427 | 10.5879 | | 20,427 | | |
| 19 | 20,793 | 21,039 | 10.9051 | | 21,039 | | |

| | | | | | | |
|----|----|--------|--------|---------|---------|--------|
| 5 | 20 | 20 | 21,414 | 21,666 | 11.2301 | 21,666 |
| | 21 | | 22,059 | 22,320 | 11.5691 | 22,320 |
| | 22 | | 22,710 | 22,980 | 11.9112 | 22,980 |
| | 23 | 23 | 23,391 | 23,670 | 12.2688 | 23,670 |
| | 24 | 24 | 24,096 | 24,381 | 12.6373 | 24,381 |
| | 25 | 25 | 24,819 | 25,113 | 13.0167 | 25,113 |
| | 26 | 26 | 25,557 | 25,863 | 13.4055 | 25,863 |
| | 27 | 6 | 26,331 | 26,643 | 13.8098 | 26,643 |
| | 28 | | 27,120 | 27,441 | 14.2234 | 27,441 |
| | 29 | | 27,927 | 28,260 | 14.6479 | 28,260 |
| 7 | 30 | 30 | 28,764 | 29,106 | 15.0864 | 29,106 |
| | 31 | 31 | 29,643 | 29,994 | 15.5467 | 29,994 |
| | 32 | 32 | 30,531 | 30,894 | 16.0132 | 30,894 |
| | 33 | | 31,449 | 31,821 | 16.4937 | 31,821 |
| | 34 | | 32,388 | 32,772 | 16.9866 | 32,772 |
| | 35 | | 33,366 | 33,762 | 17.4998 | 33,762 |
| | 36 | | 34,368 | 34,779 | 18.0269 | 34,779 |
| | 37 | 37 | 35,394 | 35,814 | 18.5634 | 35,814 |
| | 38 | 38 | 36,462 | 36,897 | 19.1247 | 36,897 |
| | 39 | 39 | 37,557 | 38,004 | 19.6985 | 38,004 |
| | 40 | 8 | 38,688 | 39,147 | 20.2910 | 39,147 |
| | 41 | | 39,849 | 40,320 | 20.8989 | 40,320 |
| | 42 | | 41,034 | 41,523 | 21.5225 | 41,523 |
| | 43 | | 42,258 | 42,762 | 22.1647 | 42,762 |
| 9 | 44 | 44 | 43,527 | 44,043 | 22.8287 | 44,043 |
| | 45 | 45 | 44,829 | 45,360 | 23.5113 | 45,360 |
| | 46 | 46 | 46,158 | 46,707 | 24.2095 | 46,707 |
| | 47 | | 47,529 | 48,093 | 24.9279 | 48,093 |
| | 48 | | 48,939 | 49,518 | 25.6665 | 49,518 |
| | 49 | | 50,400 | 51,000 | 26.4347 | 51,000 |
| | 50 | | 51,900 | 52,518 | 27.2215 | 52,518 |
| | 51 | | 53,445 | 54,081 | 28.0316 | 54,081 |
| | 52 | 52 | 55,044 | 55,698 | 28.8698 | 55,698 |
| | 53 | 53 | 56,688 | 57,363 | 29.7328 | 57,363 |
| 54 | 54 | 58,380 | 59,073 | 30.6191 | 59,073 | |
| | 55 | 10 | 60,042 | 60,756 | 31.4915 | 60,756 |
| | 56 | | 61,755 | 62,487 | 32.3887 | 62,487 |
| | 57 | | 63,516 | 64,269 | 33.3124 | 64,269 |
| | 58 | | 65,322 | 66,096 | 34.2593 | 66,096 |
| | 59 | | 67,188 | 67,986 | 35.2390 | 67,986 |
| | 60 | | 69,102 | 69,924 | 36.2435 | 69,924 |