

THURROCK COUNCIL
PAY POLICY STATEMENT 2016/17

VERSION CONTROL SHEET

<i>Title:</i>	Pay Policy Statement 2016/17
<i>Purpose:</i>	To advise on the Council's pay policy including requirements under Section 38 of the Localism Act 2011.
<i>Owner:</i>	Human Resources & Organisational Development
<i>Approved by</i>	Full Council
<i>Date:</i>	27th January 2016
<i>Review frequency:</i>	Annually
<i>Next review date:</i>	October 2016

Thurrock Council Pay Policy Statement 2016/17

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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 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 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 no cost of living pay increase for senior officers in 2016/17.

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 an anticipated 1% cost of living pay increase in 2016/17 for single status staff.

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 2016, this guarantees a minimum, hourly pay rate of £8.25, 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 £3.30 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 14th January 2016 using the 2016/17 pay scales in Appendices 1 and 2 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 = 1:6.67

Chief Executive : median salary of the workforce = 1:7.85

- 8.2 These ratios were calculated from the median chief executive salary level of £170,000; the mean salary of all staff other than the chief executive of £25,760 and the median salary of all staff other than the chief executive of £21,666.

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 the equivalent salary point in Appendix 1.

12. Appointment of senior officers

- 12.1 Full council will agree to the recruitment of any new, permanent, senior officer post prior to the appointment being made.
- 12.2 Contractor appointments to senior officer roles or those exceeding an annual payment of £70,000 will be agreed by full council prior to confirmation of the appointment.

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 2015-16 and a date for implementation is expected in 2016. This will limit the amount a public sector worker could be paid for losing their job to £95k. This 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, will come into force on the 1st April 2016 which will set out the liability to repay, based upon tapering arrangements, any exit payment if the exit payee returns to the same 'sub-sector' within 12 months of receiving the payment. 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. Transparency code

In accordance with Government guidelines¹, the council publishes details of senior managers' pay on its website.²

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.

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

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

Appendix 1

Senior Manager pay scales 2016/17

		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	155,000	32	170,000	33	181,000
DIR5	28	121,002	29	132,000	30	140,001
DIR4	25	113,001	26	125,502	27	131,001
DIR3	22	105,500	23	117,000	24	120,000
DIR2	19	93,500	20	103,000	21	108,000
DIR1	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

Band	Pay Point	Band	2015/16 Salaries	2016/17 Salaries	Hourly rate	Living wage Supplement per hour	Total Salary	
1	1		13,005	13,134	6.81	1.44	15,917	
	2		13,182	13,314	6.90	1.35	15,917	
	3	3	13,359	13,494	6.99	1.26	15,917	
	4	4	13,536	13,671	7.09	1.16	15,917	
	5	5	13,947	14,085	7.30	0.95	15,917	
	6	6	14,358	14,502	7.52	0.73	15,917	
		7	14,757	14,904	7.73	0.52	15,917	
	8	8	15,201	15,354	7.96	0.29	15,917	
	9	9	15,654	15,810	8.19	0.06	15,917	
3	10	10	16,128	16,290	8.44		16,290	
	11		16,605	16,770	8.69		16,770	
	12	4	17,103	17,274	8.95		17,274	
	13		17,622	17,799	9.23		17,799	
	14		18,153	18,336	9.50		18,336	
	15		18,696	18,882	9.79		18,882	
	16		19,254	19,446	10.08		19,446	
			17	19,830	20,028	10.38		20,028
18	18	20,427	20,631	10.69		20,631		
5	19	19	21,039	21,249	11.01		21,249	
	20	20	21,666	21,882	11.34		21,882	
	21		22,320	22,542	11.68		22,542	
	22		22,980	23,211	12.03		23,211	
	23	6	23,670	23,907	12.39		23,907	
	24		24,381	24,624	12.76		24,624	
	25		25,113	25,365	13.15		25,365	
	26		25,863	26,121	13.54		26,121	
			27	26,643	26,910	13.95		26,910
			28	27,441	27,714	14.36		27,714
	29	28,260	28,542	14.79		28,542		
7	30	30	29,106	29,397	15.24		29,397	
	31	31	29,994	30,294	15.70		30,294	
	32	32	30,894	31,203	16.17		31,203	
	33		31,821	32,139	16.66		32,139	
	34		32,772	33,099	17.16		33,099	
	35		33,762	34,101	17.68		34,101	
	36		34,779	35,127	18.21		35,127	
	37	8	35,814	36,171	18.75		36,171	
	38		36,897	37,266	19.32		37,266	
	39		38,004	38,385	19.90		38,385	
	40		39,147	39,537	20.49		39,537	
	41	40,320	40,722	21.11		40,722		
	42	41,523	41,937	21.74		41,937		
	43	42,762	43,191	22.39		43,191		
44	44	44,043	44,484	23.06		44,484		

9	45		45,360	45,813	23.75		45,813	
	46		46,707	47,175	24.45		47,175	
	47		48,093	48,573	25.18		48,573	
	48		49,518	50,013	25.92		50,013	
	49		51,000	51,510	26.70		51,510	
	50		52,518	53,043	27.49		53,043	
	51		54,081	54,621	28.31		54,621	
	52	52	10	55,698	56,256	29.16		56,256
	53	53		57,363	57,936	30.03		57,936
	54	54		59,073	59,664	30.93		59,664
	55	60,756		61,365	31.81		61,365	
	56	62,487		63,111	32.71		63,111	
	57	64,269		64,911	33.65		64,911	
	58	66,096		66,756	34.60		66,756	
	59	67,986	68,667	35.59		68,667		
	60	69,924	70,623	36.61		70,623		