

COUNCIL

25 MARCH 2014

REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

A.6 PAY POLICY STATEMENT 2014/15

(Report prepared by Anastasia Simpson)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present a Pay Policy Statement for 2014/15.

EXECUTIVE SUMMARY

Section 38(1) of the Localism Act 2011 requires local authorities to produce a pay policy statement. The matters that must be included in the statutory Pay Policy Statement are as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer.
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest- paid employees" and its reasons for adopting that definition).
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

The pay statement for 2013/14 was presented to Full Council on 26th March 2013. The Council is required to agree a Pay Policy Statement before the end of March each year.

RECOMMENDATION

RECOMMENDED TO FULL COUNCIL

- That the Pay Policy Statement 2014/15 set out at Appendix A be adopted.
- That costs will be met from existing salary/vacancy provision within budgets.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Council's annual consideration and formal approval of a Pay Policy Statement is part of the Council's governance arrangements and provides transparency for the citizens of Tendring.

FINANCE, OTHER RESOURCES AND RISK

The changes to the Pay Policy Statement 2014/15 include a cost of £16,820 to remove spinal column point 8 from the pay band.

LEGAL

The Council is required to consider and approve an annual Pay Policy Statement in accordance with the provisions of the Localism Act 2011 (Section 38).

PART 3 – CHANGES TO PAY POLICY 2014/15

The Council is aware that the three years without a national pay award has been particularly difficult for staff employed on the lower pay bands within the Council. Last year the Council removed points 4-7, three spinal column points on the pay bands, so that the starting salary would be £12,915 per annum for full time employees commencing at the lowest salary scale (e.g. cleaners and casual staff employed in the theatre and leisure centres).

This year it is being recommended that a further one spinal column point is removed so that the pay band will commence at spinal column point 8 , which is £13,321 per annum for full time employees.

The cost of this change is £16,820 (£7,320 for contracted staff and £9,500 for casual staff).

OTHER IMPLICATIONS

None

APPENDICES

Appendix A – Pay Policy Statement 2014/15.

Tendring District Council Pay Policy Statement 2014/15

Introduction

Section 38(1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year. The matters that must be included in the statutory Pay Policy Statement are as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer.
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition).
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

Purpose of the Statement

The Pay Policy Statement 2014/15 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. The framework is based on the principle of fairness and that rewards should be proportional to the weight of each role and each individual's performance. The framework aims to ensure the ability of the Council to recruit talented individuals whilst reassuring the citizens of Tendring that their money is being used efficiently.

Tendring District Council needs to have high calibre leaders within the organisation to deliver high quality public services, especially in difficult fiscal conditions. At the same time taxpayers are right to demand value for money from public resources and an assurance that their money is not being wasted on excessive senior salaries. The primary aim of the Pay Policy is to set a framework to attract, retain and motivate staff so that the organisation can perform at its best. Research shows that individuals are attracted, retained and engaged by a range of both financial and non-financial rewards so a coherent link between reward and the overall approach to people management leads to the best possible outcome.

For the purposes of the Pay Statement, a Chief Officer within Tendring District Council includes the following:

Chief Executive
Corporate Directors
Head of Department
Monitoring Officer
Section 151 Officer
Business Manager

Managing Remuneration

In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or excessive.

Tendring District Council has a fair, equitable and transparent approach to remuneration, following equal pay legislation. This includes incremental progression based on length of service and more proactively on:

- Achieving annual performance levels
- Development progression against defined frameworks (Career Progression for particular posts)

The Council also benchmarks and reviews salary profiles within the job market and has access to the EPayCheck system provided by the East of England Employer's Organisation.

The Council has adopted the National Pay Grades as set by the National Joint Council (NJC) and is subject to the national negotiations regarding pay and conditions of service (commonly known as the 'Green Book'). *The Council previously used a pay spine (Pay Statement 2012/13) that commenced at National Spinal Column (SCP 4) which is the pay for the "lowest paid employee" and ended at local SCP 75. Within the pay structure there are 17 Pay Bands. The Council decided that from 1 April 2013 staff employed within Tendring District Council, should be paid a minimum of SCP 7, to support workers at the lower end of the pay line.*

The Council proposes that from 1 April 2014 staff employed within Tendring District Council are paid a minimum of SCP 8, to support workers at the lower end of the pay line.

The Council's 2013/14 Statement of Accounts includes details of all Chief Officers pay. There has been no further restructuring at the senior level within the organisation, currently the Chief Executive is supported by three Corporate Directors and a Head of Service.

The values of the SCPs are updated by the national pay awards and the Council is notified of any changes by the National Joint Council for Local Government. Employees who are new to the Council and Local Government are usually appointed at the first point of the salary banding, apart from in exceptional circumstances.

National Single Status and the NJC Job Evaluation Scheme have been adopted by the Council with locally agreed conventions, which at the time of adoption were negotiated and agreed with local union officials. Chief Officers are not subject to the NJC Job Evaluation Scheme. Chief Officers within the organisation have their pay set following benchmarking and pay rates which are set to attract and retain key employees. The agreement of pay is subject to Equal Pay legislation.

The highest paid employee is the Chief Executive who is on a salary scale of £112,000 to £121,200 per annum.

Car mileage payments for the Chief Executive, Corporate Directors and the Head of Service are paid at the Inland Revenue rate and all new appointments to senior roles within the Council have and will continue to be paid mileage at the Inland Revenue Rates. The 2013/14 Policy also mentioned that the Council would undertake a review of all allowances including mileage across the organisation in the near future. *The Council has now concluded this review and all staff with effect from 1 April 2014 will be paid mileage at Inland Revenue rates (currently 45p per mile) and essential lump sum payments are being phased out, via protection payment arrangements, which splits the allowance into 12 equal instalments and reduces payments by 25% every three months during 2014/15. These changes enable the Council to have a fair and consistent rate of reimbursement for business mileage across the Council.*

There are local rates in force for individuals who use their motorcycles or bicycles on official business *and to encourage Officers to car share on business journeys the Council has also adopted the additional 5p per passenger per mile, in accordance with Inland Revenue guidance.*

During 2014/15 a review will be undertaken of all other allowances payable within the Council including the following:

*Committee Attendance
Overtime Payments
Standby Payments
Telephone Line Rental
First Aider Payments*

The aim of the review will be to ensure consistency and fairness across all employee allowances.

The Council does not currently operate any performance related pay or bonus schemes.

The Council has a revised subsistence policy (adopted by HR Committee on 19th September 2012). Any payment is made on production of actual receipts and payments adhere to the rates provided by the East of England, Local Government Association.

The Chief Executive also receives a (Deputy/Local/Acting) Returning Officer fee in respect of Parliamentary, European Parliamentary, Referendums, County, Police and Crime Commissioner and District and Parish Council Elections. The fee for undertaking this role within Tendring District is calculated in respect of District and Parish Council Elections by reference to the Scale of Fees and Expenses payable to the Returning Officer at elections of District and Parish Councillors which has been approved under powers delegated to the Chief Executive in consultation with the Chairman of the Regulatory Committee. In respect of acting as Deputy Returning Officer at elections of County Councillors, reference is made to the Scale of Fees and Expenses payable at Elections of County Councillors supplied by Essex County Council. Fees for conducting Parliamentary, European Parliamentary Elections, Police and Crime Commissioner Elections and National Referendum are determined by way of a Statutory Instrument. *The Returning Officer received a total payment of £6,796.50 in 2013.*

The Council is an admitted body of the Local Government Pension Scheme and the Pension Scheme for the Council is administered by Essex County Council.

Transparency within Tendring District Council

Existing legislation already requires the Council to publish statements regarding remuneration and each year in the Council's Statement of Accounts includes a detailed analysis of the pay, benefits and pension entitlements for all Chief Officers within the Council. The Council will continue to publish this information on an annual basis and it is readily available to view on the Council's website www.tendringdc.gov.uk. This information also includes a structure of the Council's Senior Officers.

In 2014/15 the remuneration for the lowest paid member of staff within the Council will be £13,321 per annum and the most senior officer within the Council will be paid £121,200 per annum. This is a multiple of slightly lower than 10, which is half of the pay multiple detailed as the cap for Local Government pay as detailed in the Hutton Review of Fair Pay in the Public Sector. The Council aims to keep this multiple under review to ensure that it is kept at an appropriate level.

The Council publishes on the Tendring District Council website a monthly report of salaries paid, by pay band and the number of staff within each pay band - www.tendringdc.gov.uk.

Severance Payments

The Council has adopted policies regarding severance payments. Full details can be found in the following;

- Organisational Change and Redundancy Policy
- Flexible Retirement Policy

In the case of the Organisational Change and Redundancy Policy the authority has to ensure that the policy is workable, affordable and reasonable having regard to foreseeable costs.

The terms of severance all policies and payments are the same for the "lowest paid employee" and the Chief Officers of the Council.

Tendring District Council needs to ensure sufficient flexibility to allow for responding to unforeseen circumstances and there may be occasions when the Council has to take a pragmatic approach to severance. Any enhanced severance agreements will not be entered into without the advice of the External Auditor.

Other Rewards

The Council has both financial and non-financial rewards for staff; these are to reflect the different expectations and priorities of staff.

These other rewards include the following:

- Access to the Local Government Pension Scheme for all staff
- Training Support
- Being tax efficient and at nil cost to the Council– Salary Sacrifice Schemes, including Childcare Vouchers, *Car Purchase Scheme and a Cycle to Work Scheme*
- Health Schemes – the Council has been able to offer a number of Weight Management courses, Quit smoking clubs and Health Checks for employees in partnership with ACE and at nil cost to the Council.
- Occupational health and independent counselling
- Additional career development opportunities – secondments, special projects, flexible working and recognition through awards such as the Celebration of Success
- Free car parking
- Flexi time scheme
- Providing discounts at local shops and cafes for employees
- *Additional days annual leave granted after 5 years of continuous service with Tendring District Council*

There are no rewards that only benefit Chief Officers within the Council.

Review of the Pay Policy Statement

The Localism Act stipulates that the Council's Pay Policy Statement should be kept under regular review on an annual basis. This includes a publication of the salaries of the most senior employees within the organisation compared to the lowest paid employees. This includes using pay multiples.

The Policy is approved by the Human Resources Committee and presented to Full Council.

The Human Resources Committee will take responsibility for the role of the Council's Remuneration Panel. In fulfilling this role the Committee will ensure that decisions will be based on the following:

- Support the achievement of the Council's aims
- Take account of wider public sector pay policy and good practice
- Are proportionate, fair and equitable and support equal pay principles
- Take account of appropriate pay differentials
- Attract, retain and motivate Officers of the right quality and talent
- Take account of the resources required in transitioning to any revised arrangements

Other Policies

The Council has a number of policies that could have a financial benefit and should be read in conjunction with this Pay Policy Statement including the following:

- Disturbance Allowances Policy
- Organisational Change and Redundancy Policy
- Market Forces Policy
- Flexible Retirement Policy
- Acting Up Policy
- Relocation Policy
- Long Service and Retirement Gifts Policy

All of the above policies apply equally to all employees of Tendring District Council.