

Tendring District Council Pay and Reward Policy

2023/24

A.2 APPENDIX

Introduction

Section 38 (1) of the Localism Act 2011 requires local authorities to produce an annual Pay Policy Statement. The provisions within the Act do not seek to change the right of each local authority to have autonomy on pay decisions, however, it emphasises the need to deliver value for money for local taxpayers.

This statement is approved by Full Council and published on the Council's website at the earliest opportunity.

Tendring District Council recognises in the context of managing public resources, remuneration at all levels needs to be of an adequate level in order to secure and retain high quality employees dedicated to the service of the public, whilst ensuring value for money to the public purse. The Council's vision includes the provision to adopt a reward strategy that is modern, sustainable, fair and transparent and rewards its workforce appropriately for their contribution to the Council.

The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015. This Code was issued to meet the government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision-making process and help shape public services.

Part of the Code includes publishing information relating to the remuneration of senior officers within a local authority. A full list of senior remuneration and monthly salaries information across all pay bands is available and published on the Council's website www.tendringdc.gov.uk.

The Council's Statement of Accounts includes details of all Chief Officers pay.

The HR Committee has responsibility for the terms and conditions of service for all staff and ensures that remuneration is set within the wider pay context giving due consideration to the relationship between the highest and lowest paid in the organisation.

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 (*for Tendring District Council this comprises the Chief Executive, and Management Team for the authority, which includes the Monitoring Officer and the Section 151 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 2023/24 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. The framework aims to ensure the ability of the Council to recruit talented individuals whilst ensuring value for money for the residents of Tendring.

Tendring District Council requires high calibre leaders within the organisation to deliver high quality public services, especially in difficult fiscal conditions. Taxpayers should be assured of value for money, with public resources not used inefficiently on excessive senior salaries. The primary aim of the Pay Policy is to set a framework to attract, retain and motivate staff to ensure 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.

Managing Remuneration

Tendring District Council has a fair, equitable and transparent approach to remuneration in accordance with 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 many posts).

Determination of Grade and Salary for Chief Officers and lowest paid Employees

The Council's Pay Policy is influenced by a number of factors which include market information, market forces and budgetary position. Pay ranges are revisited from time to time to ensure they remain appropriate when benchmarked against external independent appropriate compensation surveys, applicable to each role.

The Council has adopted the National Pay Grades, as set out 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'*). Within the current pay structure there are 21 Pay Bands and 81 Incremental Pay Points.

However, as part of the 2022/23 pay award, the NJC has agreed that from 1 April 2023, Spinal Column Point (SCP) 1 will be permanently deleted from the NJC pay spine. Any employees currently placed on SCP 1 will be assimilated across to SCP 2. Therefore, from this date, there will be 80 Incremental Pay Points.

Apprentices are not included as they have a contract for learning and training with the Council, rather than an employment contract and are paid according to the Government approved apprenticeship pay rates.

The values of the SCP's 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, save for 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. Training has been provided by the Regional Employers (EELGA) to ensure that there are a sufficient number of managers and union officials within the organisation who have the skills to implement and apply job evaluation within the Council. This Job Evaluation Scheme is recognised by employers and trade unions nationally and the scheme allows for robust measurement against set criteria resulting in fair and objective evaluations.

Chief Officers are not subject to the NJC Job Evaluation Scheme. Chief Officers pay is subject to benchmarking, with pay rates set to attract and retain key employees. The agreement of pay is subject to Equal Pay legislation.

As part of the Senior Management Review undertaken in 2020, it was agreed that Chief Officers would move away from incremental progression to career graded posts, whereby performance is assessed and reviewed annually according to the competency criteria within the job description and career grade. This process includes a panel evaluation process and moderation.

The authority's highest paid employee is the Chief Executive with a salary range of £130,203 - £139,365.

With effect from 1 April 2020, an allowance for the role of Deputy Chief Executive was introduced. This allowance is payable if/when the Chief Executive requires a Deputy Chief Executive to cover particular roles and functions in their absence. The current rate of this allowance is £3,000 per annum. From April 2022 and moving forward, this allowance and that paid for the Statutory Officer roles (*Monitoring Officer and Section 151 Officer*) are index linked to the NJC inflationary awards.

Car mileage, motorcycle and bicycle payments for all employees are paid at the Inland Revenue Rate. This is currently £0.45/mile (*for the first 10,000 miles, after which a rate of £0.25/mile is applicable*) for car mileage, £0.24/mile for motorcycles, and £0.20/mile for bicycles.

Use of the Inland Revenue Rate enables the Council to have a fair and consistent rate of reimbursement for business mileage across the Council.

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.

Other allowances payable within the Council include the following:

- Committee Attendance
- Overtime Payments
- Standby Payments

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- Disturbance Payments
- First Aider Payments

The Council's Allowances Policy, supplements the Pay Policy Statement this, recognises that on occasion officers will be required to respond outside of standard working hours to provide services to its residents.

The principles of this policy are as follows:

- To ensure staff are paid in a consistent way throughout the organisation;
- To compensate staff providing a contractual out of hour's standby service to meet the Council's statutory duties;
- To ensure that payment structures are fair and sustainable for the future;
- The Council wants to be a responsible employer to meet the health and safety and well-being needs of staff by encouraging the use of TOIL for recovery from supporting service delivery outside of standard working hours.

Within Tendring District Council there are three distinct categories of service provision:

- 1) Services that have 24 hour, 7 day a week scheduled provision;
- 2) Services that are delivered predominantly during standard office hours, but also provide a standby service outside of these hours. Standby is used to address calls that require attention which cannot wait until standard opening hours;
- 3) Services delivered during standard office hours, occasionally needing to provide an extra response on an ad hoc basis.

In addition, the Council has a statutory requirement to maintain an Emergency Response service for the district. Officers who support this service (*in an on-call capacity*) are referred to as First Call Officers.

Furthermore, the Council's Emergency Planning Manager holds a staff call down list, whereby, staff are stood up when an emergency incident occurs.

A review of the Emergency Planning allowances is currently being undertaken, any changes to rates of payment will be fully outlined in the Council's Allowances Policy.

The following overtime arrangements were introduced from 1 April 2018:

- Staff up to SCP 43 (the top of Grade 11) can claim overtime. Overtime will only be paid if the time off is not an option for operational service delivery. Overtime must be authorised in advance by the relevant Corporate Director;
- Overtime will be paid at plain rate only for Category 2 and 3 services;
- Category 1 services may be paid enhanced rates of overtime for evenings, weekends and bank holidays for those staff having already worked 37 hours any one week.

The Council does not currently operate any bonus schemes.

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With effect from 1 April 2020, the Council adjusted subsistence rates to mirror HMRC rates of reimbursement and to ensure alignment with mileage payments. Any payment is made on production of actual receipts and subsistence payments are only allowable when an Officer is working outside of the District.

The current rates of reimbursement are as follows:

Working outside of the District for more than 5 Hours - £5

Working outside of the District for more than 10 Hours - £10

Working outside of the District for more than 15 Hours, or if the travel is ongoing after 8pm - £25

In a personal capacity as (Deputy/Local/Acting) Returning Officer, the holder of the post of Chief Executive is separately remunerated in respect of his statutory duties at Parliamentary, European Parliamentary, Referendums, County, Police and Crime Commissioner and District and Parish Council Elections.

Fees for conducting Parliamentary, European Parliamentary Elections, Police and Crime Commissioner Elections and National Referendum are determined by way of a Statutory Instrument.

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 determined by Essex County Council.

The fee for undertaking the role of Returning Officer in respect of District and Parish Council Elections is by reference to the Scale of Fees and Expenses payable to the Returning Officer at elections of District and Parish Councillors.

During the 2021/22 financial year, remuneration received by the holder of the post of Chief Executive in relation to Returning Officer duties was £12,224.

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

Transparency within Tendring District Council

Existing legislation already requires the Council to publish statements regarding remuneration each year. The Council's Statement of Accounts includes a detailed analysis of the pay, benefits and pension entitlements for all Chief Officers.

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 Chief Officers.

Following the 2022/23 pay award, remuneration for the lowest spinal column point on the authorities' pay scale is £20,258 per annum, which is equivalent to £10.50 per hour. Following the deletion of SCP 1 (*as outlined above*) this will rise to £20,441 per annum, which is equivalent to £10.60 per hour.

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By comparing the midpoint of the highest paid post (£134,784) and the lowest SCP on the latest agreed pay scale, post April 2023, £20,441, a multiple of 6.60 can be calculated, which is comfortably in range of the pay multiple 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 current median pay for 'Chief Officers' (*excluding the Chief Executive*) is £79,717 (*this is based on full time equivalent annual salary, excluding election fees*).

The current median pay for employees (*excluding Chief Officers and the Chief Executive*) is £31,681.

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

Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

Since 2018, the Council has been required to publish mandatory gender pay gap reporting in order to meet the requirements of the Equality Act 2010 (*Specific Duties and Public Authorities*) Regulations 2017. The Council has a requirement to publish data including the following:

- The mean gender pay gap;
- The median gender pay gap;
- *The mean bonus gender pay gap;*
- *The median bonus gender pay gap;*
- *The proportion of males and females receiving a bonus payment;*
- The proportion of males and females in each quartile band.

Three of the above requirements will not be applicable, as the Council does not operate bonus schemes for Officers.

The challenge within Tendring District Council and across the UK is to eliminate any gender pay gap. If any gaps are determined, as the Council interprets data, an action plan will be prepared.

Data for the 2022/23 reporting period shows the following:

Mean difference across Gender

The difference between the male and female mean hourly rate is £0.78. The male mean hourly rate is 5.8% higher than the female mean hourly rate.

Median difference across Gender

The difference between the male and female median hourly rate is £0.00.

At an organisational level, male and female employees represent 43% and 57% respectively.

Each reporting quartile is broadly representative of the overall staff ratio for the organisation, within a tolerance of 3%.

Our data shows there is no material disparity at each pay level within the organisation, when viewed within the context of the UK average (*ONS October 2021*).

This information is published on the Council's website as well as a designated Government website.

Off-Payroll working in the Public Sector (IR35)

Due to the requirement for particular specialist skills or due to peaks in workloads, the Council occasionally engages the services of agency workers or consultants for short term assignments.

With effect from 1st April 2017, HMRC updated the requirements and regulations for off payroll workers within the public sector. From this date, individuals working through their own company in the public sector are no longer responsible for determining the application of intermediaries' legislation and paying the relevant tax and NICs. This responsibility was moved to the public sector employer.

The Council has undertaken and reviewed the current status of all workers with individual agencies and HMRC, all of which are compliant with the legislation.

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 looks to ensure that the policy is workable, affordable and reasonable having regard to foreseeable costs.

For 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 in order to respond 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 and will adhere to current legislation.

Other Rewards

The Council has both financial and non-financial rewards for staff; in order to reflect the different expectations and priorities of staff as follows:

- Access to the Local Government Pension Scheme for all staff;
- Learning & Development;
- 'Salary Sacrifice' schemes, such as a cycle to work scheme (*being tax efficient and at nil cost to the Council*);
- Health schemes – the Council has been able to offer a number of Weight Management courses and Health Checks for employees in partnership with ACE and PROVIDE and at nil cost to the Council;
- Occupational Health and a fully funded Employee Assistance Programme;
- Additional career development opportunities – secondments, special projects, flexible working and recognition through awards such as the Celebration of Success and STARS events;
- Free car parking;
- Flexi time scheme;
- Discounted gym membership;
- 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.

The Human Resources & Council Tax Committee and Full Council approve this Policy.

The Human Resources & Council Tax 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:

- Supporting the achievement of the Council's aims;
- Taking account of wider public sector pay policy and good practice;
- Are proportionate, fair and equitable and support equal pay principles;
- Taking account of appropriate pay differentials;
- Attracting, retaining and motivating Officers of the right quality and talent;
- Taking 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:

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- 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 irrespective of their seniority.