

Tendring District Council Pay and Reward Policy

2018/19



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 any changes during the year will be brought back to Full Council for adoption at the earliest opportunity.

Tendring District Council recognises in the context of managing 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 excessive. *The Council's vision includes the provision to adopt a reward strategy that is modern, sustainable, fair and transparent and rewards people 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 published by the Department for Communities and Local Government in February 2015 and the Local Transparency Guidance issued on 30 November 2015 by the Local Government Association.

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

The Council's 2017/18 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 includes the Chief Executive, Corporate Directors/Head of Department, 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 2018/19 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 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.

Managing Remuneration

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 many 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 currently has a Pay Spine that commences on SCP (Spinal Column Point) 8, which is the pay for the "lowest paid employee" and ends at SCP 83. Within the pay structure there are 20 Pay Bands

Over the past few years the Council has deleted a number of Spinal Column Points to support workers at the lower end of the pay line. From 1 April 2015 it was agreed that staff employed within Tendring District Council should be paid a minimum of SCP 8.

During 2015/16 the government introduced a National Living Wage for employees aged over 25. The National Living Wage is currently £7.50 per hour.

The Council, however, proposes to continue to pay all employees a minimum of SCP 8, £7.90 per hour during 2018/19 and this rate will apply to all employees, regardless of age.

Apprentices, however, are not included as they have a contract for learning and training with the Council, rather than an employment contract.

At the current time the NJC Pay Award 2018/19 is yet to be determined, negotiations between the national employers and unions are on-going and there is no decision whether the national pay cap across the sector will continue.

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. 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. *Further training is planned during 2018 to ensure that the pool of trained managers and union officials continues to be sufficient.* This job evaluation scheme is recognised by employers and trade union nationally and the scheme allows for robust measurement against set criteria resulting in fair and objective evaluations. The Council plans to continue to re-assess and benchmark its structure and salaries during 2018, which may initiate a further need for job evaluation and grading reviews.

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 £126,356 per annum.

Car mileage payments for all employees are paid at the Inland Revenue Rate. This is currently 45p per mile (for the first 10,000 miles). Use of the Inland Revenue rate enables 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.

Other allowances payable within the Council included the following:

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

Following a review it was determined that the majority of allowances as detailed above would remain for 2018/19, however the Council is in the process of a consultation exercise reviewing overtime and standby payments , which aims to ensure that the Council has a fair system of pay and reward across all services. The consultation aims are as follows:

- *Tendring wants to ensure that staff are paid in a consistent way throughout the organisation.*
- *The organisation wants to compensate staff that provide a contractual out of hour's standby service to meet the Council's statutory duties.*
- *Tendring wants to ensure that payment structures are fair and sustainable for the future.*
- *The Council will meet increased financial on-costs associated with overtime and call out payments. This includes an employer pension contribution of 16.6% and payment of accrued holiday pay for regular overtime worked.*
- *The Council wants to be a responsible employer to meet the health, safety and well-being needs of staff by encouraging the use of TOIL for recovery from working additional hours through the night.*

Consultation is currently taking place with UNISON and Officers across the organisation, with a view to implementing any changes during 2018.

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

The Council has a Subsistence Policy, adopted by HR Committee. 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 the 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. 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 fees received by the Chief Executive in 2017/18 in respect of duties performed relating to the election of Councillors to Essex County Council, a United Kingdom Parliamentary Election for the Clacton constituency and a District Council by-election, equated to a total payment of £8,971.40.

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 2018/19 the remuneration for the lowest paid member of staff within the Council will be £15,246 (based on £7.90 per hour) per annum and the most senior officer within the Council will be paid £126,356 per annum. This is a multiple of 8.21, which is lower than 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. It should be noted that this multiple has reduced by 2 points in comparison to the Pay Statement 2014/15. The Council aims to keep this multiple under review to ensure that it is kept at an appropriate level. The median average pay for Chief Officers is £76,328 (this is based on full time equivalent annual salary, excluding election fees). The median pay for other staff other than Chief Officers is £24,174 per annum.

These figures are likely to change during 2018/19 when the negotiations regarding the 2018/19 pay award are concluded and updated rates of pay are introduced.

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.

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

During 2018 the Council is obliged to introduce mandatory gender pay reporting, to meet the requirements of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. By 30 March 2018, the Council will have to publish the first snapshot of 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

This information will be published on the Council's website as well as a designated government website, which has yet to be determined. Three of the above questions, will not be applicable, as the Council does not operate bonus schemes for any Officers.

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

In preparation for the mandatory reporting the Council has been undertaking an analysis of gender pay data during 2017 which includes an analysis by gender across four pay quartiles. Early results indicate the following:

Mean Difference Across Gender

The difference between the male and female mean hourly rate is £0.50p. The female mean hourly rate is 4.37% higher than the male mean hourly rate.

Median Difference Across Gender

The difference between the male and female median hourly rate is £1.25. The female median hourly rate is 13.63% higher than the male median hourly rate.

Off- Payroll working in the public sector (IR35)

From time to time, due to the requirement for particular specialist skills or due to peaks in workloads the Council uses agency workers or consultants, for short term assignments. With effect from 1st April 2017, HMRC has updated the requirements and regulations for off payroll workers within the public sector. From April 2017, individuals working through their own company in the public sector will no longer be responsible for deciding whether the intermediaries' legislation applies and then paying the relevant tax and NICs. This responsibility will instead move to the public sector employer.

The Council has undertaken and reviewed the current status of workers with individual agencies and HMRC.

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 and will adhere to current legislation.

The Enterprise Bill 2015 proposed a cap of £95k on public sector exit payments, including pension strain costs alongside the recovery of exit payments within the sector. The government have decided to undertake fresh consultation on the draft regulations and implementation of both reforms could be within the first half of 2018. The further consultation in relation to the cap on exit payments, is to consider where it is appropriate to waive the cap. The consultation regarding the recovery of exit payments, is to determine which public bodies are to be included within the legislation.

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 (Ultra Low emission cars) 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 PROVIDE 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 and STARS Event
- 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.