

Pay Policy Statement 2012/2013

1 April 2012

VERSION CONTROL SHEET

<i>Title:</i>	Pay policy statement 2012/2013
<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>	Organisational Development
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Thurrock Council Pay Policy Statement

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1. Introduction

- 1.1 The Council's pay policy for 2012/2013 is outlined in this statement in accordance with the requirements of the Localism Act 2011.
- 1.2 The Council is prepared to adapt its policy on pay where circumstances demand it. Any adaptations will need to be approved following a vote at an open meeting of full Council, and will result in this statement being updated.

2. Determination of pay

- 2.1 Employees other than senior officers are subject to the pay spine set out in the Single Status agreement, containing 10 pay bands (outlined in Annex 1). Bands contain between 6 and 11 incremental pay points. Posts have been allocated to a pay band through a process of job evaluation. New or re-evaluated jobs during the year will be subject to the same process to determine their level of pay, as well as approval of the Council's Pay & Reward Board, held jointly between officers and recognised trade union representatives.
- 2.2 For the purpose of this policy statement, employees on band 1 are defined as our lowest-paid employees. This is because no employee of the Council is paid at a scale point (SCP) that is lower than a point contained in Band 1.

Senior officers

- 2.3 All senior officer posts are treated as individual posts for which independent market comparison data has been obtained. Senior officers are defined by Thurrock Council as all Heads of Service and above, and cover those posts deemed by the Council's Constitution as 'Chief Officers'. This market data takes account of all similar positions in London boroughs and unitary authorities.

Account has also been taken 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 clearly 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. At a senior level, Directors of Children's services are an example of this, as they now command higher salaries than many other Director posts.
 - (d) **Affordability:** The overall aim has been to develop a pay structure which is affordable.
 - (e) **Transparency and clarity:** The aim has been to establish a pay structure which is determined by clear principles that are defensible and rational.
- 2.4 This pay structure is outlined in Annex 2 and consists of 10 bands, with 3 pay points within each band for flexibility.
- 2.5 The 'normal' pay for each post has been derived by taking a median point of the salary data described in (2.3), weighted 50% towards Unitary Authorities and 50% towards London boroughs. The weighting proportions will be reviewed in 2013 for a 1 April 2013 implementation (if applicable).

Chief Executive

- 2.6 The Chief Executive's remuneration was determined as a single salary point on appointment in 2010 based on the median pay point of a market salary and reflecting remuneration levels for comparable jobs in unitary authorities and London boroughs.

3. Pay points & progression

- 3.1 For posts on the Single Status salary scale being recruited to during the year, the full salary range of the band will be advertised. The appropriate pay point will be offered to take effect from the first day of service.
- 3.2 Employees on the Single Status scale will receive an increase of one incremental point each year, effective from 1 April providing they have performed their role entirely satisfactorily, have 6 months' service at the time of review and providing they are not already at the top point of their pay band. Performance objectives will be linked to service delivery plans and priorities.
- 3.3 An accelerated increase of one or more increments on the grounds of special merit or ability can also be awarded during the year on the assessment and recommendation of the employee's line manager and providing they are not already at the top point of their salary band. In the case of more than two increments being proposed, the increase

must be approved by the Council's aforementioned Pay & Reward Board.

Senior officers

- 3.4 Three pay points will exist for each senior officer post:
- 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 would be expected to be rewarded at this level. This will be based on the 75th percentile of the market data.
- 3.5 The market median pay points will be reviewed in February 2013 and adjusted to forecast the applicable figure for 1 April 2013, subject to affordability. As a guide only this would be expected to equate to no more than the amount set aside for pay inflation plus 1%. There will be no other increases or reviews of the market median pay points during the year. Where the forecast shows a decrease in pay this will not be actioned and salary levels will remain the same.
- 3.6 Post-holders will receive the annual increase in market pay only if they are performing entirely satisfactorily. Performance objectives will reflect Council and national priorities, budget control and efficiency management.
- 3.7 If a post is recruited to during the year then it will be advertised up to the appropriate existing market median pay point, with the possibility of the additional non-consolidated payment for an exceptional candidate/performer. The appropriate pay point will take effect from the first day of service and this will be subject to review with effect from 1 April 2013, regardless of the number of months to elapse before then.

Chief Executive

- 3.8 There is one single, totally inclusive salary point for the Chief Executive. This pay point will be reviewed in February 2013 and adjusted to forecast the applicable figure for 1 April 2013, subject to affordability.

- 3.9 As there is no flexibility to move within pay points, a payment of 5.7% of salary may be made as an additional non-consolidated payment for exceptional performance. Performance objectives will reflect Council and national priorities, budget control and efficiency management.
- 3.10 The ratio between the Chief Executive's salary (including any bonus payment as outlined in 3.9) and the mean salary of the workforce at the time of this statement being published, is x7.4.

4. Cost of living increases

- 4.1 For posts on the Single Status pay scale, the market pay points will be reviewed in February 2013 and any increase will not be less than the national position on percentage pay increases for local government as determined by the National Joint Council (NJC). Any increases will be effective from 1 April and backdated if necessary.

Chief Executive and senior officers

- 4.2 There will be no cost of living increases. The annual review of market pay points for senior officers (see 3.5) will replace the NJC arrangements in place.

5. Acting up payments

- 5.1 If a post is covered on an 'acting up' or 'secondment' basis then the individual will receive a sum equivalent to the lowest pay point within the band being acted into, for the duration of their tenure, or the lowest point in the new band that is higher than their current pay point (where bands overlap). If their tenure exceeds 6 months their performance will be reviewed and may, subject to performance, increase to a sum equivalent to one of the higher pay points within the acting up band.

6. Other payments

- 6.1 The Council pays essential business user car allowances to post-holders in appropriate circumstances and where specific criteria are met relating to the frequency and type of business journeys that are expected to be undertaken in 2012/2013. There are three levels of business user allowance: £1,149 per annum, £600 per annum, and £300 per annum based on the criteria.
- 6.2 There will be no car allowance provisions for the Chief Executive or senior officers, other than standard mileage payments which will be 10p per mile. Staff other than Chief Officers are currently paid 40p per mile, and this will not exceed the recommended HMRC rates in 2012/2013.
- 6.3 No other informal benefits are paid by the Council specifically to its senior officers.

- 6.4 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 will have to be approved by the Council's Pay & Reward Board.

7. Increases in pension entitlements

- 7.1 No increases in pension entitlements of individuals will be determined by the resolution of the Council, other than those offered by discretion under the Local Government Pension Regulations, on recruitment or termination of employment (see section 10).

8. Senior contractors or consultants

- 8.1 Should the Council engage the services of an individual at senior officer level under a contract for services and not on the Council's payroll, the level of remuneration paid to the contractor or consultant or the agency employing the contractor or consultant, will not be in excess of the same range as the equivalent salary points outlined in Annex 2 (pro rata if applicable), and any payments will be published monthly in accordance with the terms in section 13 of this statement.
- 8.2 In exceptional circumstances and with the express approval of the Chief Executive, a contractor or consultant at senior officer level may be engaged on an amount outside of the equivalent salary point in Annex 2, subject to the £100,000 threshold outlined in section 9. Payments will still be published monthly in line with section of 13.

9. Posts over £100,000

- 9.1 Any posts filled during 2011/2012 that exceed a salary of £100,000, must be approved by a meeting of full Council, following a vote, before their recruitment can proceed. These will be Director roles or Heads of Service who progress to scale point 18 (see Annex 2).

10. Payment on termination and re-engagement of senior officers

- 10.1 In the event of redundancy or early retirement, the Council will pay its standard redundancy or early termination of employment terms within the discretions of the Local Government Pension Regulations and in line with all other staff. The Council's policy on Termination of Employment is attached here:
www.thurrock.gov.uk/opendata/content.php?page=paypolicy.
In other exceptional circumstances and where it represents best value for the Council, additional payments may be made where they comply with the specific terms of a compromise agreement. These will be subject to the delegated powers and processes outlined in the Council's Constitution.

- 10.2 The Council will not normally re-engage, either as an employee or under a contract for services, any officer who has previously been paid a discretionary payment 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.

11. Publication of information

- 11.1 This pay policy statement will be published on the Council's web page alongside details of the titles and salary ranges of all senior officers and staff earning a salary of more than £58,200:
www.thurrock.gov.uk/opendata/content.php?page=salaries
Any in-year changes to the principles or operation of this policy will be published in the same way following full Council approval.

ANNEX 1

Band	SCP	Salary	Band	SCP	Salary	Band	SCP	Salary
1	1	£12,600	6	23	£22,932	10	52	£53,958
	2	£12,768		24	£23,619		53	£55,572
	3	£12,942		25	£24,330		54	£57,228
	4	£13,113		26	£25,053		55	£58,860
	5	£13,512		27	£25,812		56	£60,537
	6	£13,911		28	£26,583		57	£62,262
2	3	£12,942		29	£27,378		58	£64,035
	4	£13,113		30	£28,197		59	£65,862
	5	£13,512		31	£29,058		60	£67,740
	6	£13,911		32	£29,928			
	7	£14,295	7	30	£28,197			
	8	£14,727		31	£29,058			
	9	£15,165		32	£29,928			
	10	£15,624		33	£30,828			
3	8	£14,727		34	£31,749			
	9	£15,165		35	£32,709			
	10	£15,624		36	£33,693			
	11	£16,086		37	£34,695			
	12	£16,569		38	£35,745			
	13	£17,073		39	£36,816			
	14	£17,586	8	37	£34,695			
	15	£18,114		38	£35,745			
	16	£18,654		39	£36,816			
4	12	£16,569		40	£37,926			
	13	£17,073		41	£39,063			
	14	£17,586		42	£40,227			
	15	£18,114		43	£41,427			
	16	£18,654		44	£42,669			
	17	£19,212		45	£43,947			
	18	£19,788		46	£45,249			
	19	£20,382	9	44	£42,669			
	20	£20,991		45	£43,947			
5	18	£19,788		46	£45,249			
	19	£20,382		47	£46,593			
	20	£20,991		48	£47,973			
	21	£21,624		49	£49,407			
	22	£22,263		50	£50,877			
	23	£22,932		51	£52,392			
	24	£23,619		52	£53,958			
	25	£24,330		53	£55,572			
	26	£25,053		54	£57,228			

ANNEX 2

Directors and Heads of Service market pay, to be applied from 1 April 2012

		50/50% Lower Base Pay		50/50% Median Base Pay		50/50% Higher Base Pay
	SCP	Annual Pay	SCP	Annual Pay	SCP	Annual Pay
DIR4	28	£121,002.00	29	£132,000.00	30	£140,001.00
DIR3	25	£113,001.00	26	£125,502.00	27	£131,001.00
DIR2	22	£105,500.00	23	£117,000.00	24	£120,000.00
DIR1	19	£93,500.00	20	£103,000.00	21	£108,000.00
HOS6	16	£86,502.00	17	£95,502.00	18	£100,002.00
HOS5	13	£83,502.00	14	£93,000.00	15	£97,002.00
HOS4	10	£82,500.00	11	£90,000.00	12	£95,001.00
HOS3	7	£77,001.00	8	£86,001.00	9	£89,001.00
HOS2	4	£72,000.00	5	£79,500.00	6	£83,502.00
HOS1	1	£68,502.00	2	£72,000.00	3	£80,001.00

Notes:

The figures above represent April 2010 Values.
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The figures above take car allowance provision into account

Chief Executive single salary point as at April 2012: £175,000