

TEIGNBRIDGE DISTRICT COUNCIL

ANNUAL PAY POLICY STATEMENT – 2018/2019

1. PURPOSE AND SCOPE OF THE POLICY

- 1.1 This annual pay policy statement (the **Policy**) has been adopted by the Council following a recommendation by the Appointments and Remuneration Committee. The Council is required under the Localism Act 2011 (the **Act**) to prepare and approve the Policy before 31 March in each financial year, and it can only be amended by resolution of Full Council. The Council must observe the Policy when making decisions on Officer remuneration.
- 1.2 The Act requires the Policy to set out the Council's approach to the remuneration of its Chief Officers and its lowest paid employees in a clear and transparent way. In addition to complying with the Act the Policy includes information to enable the Council to comply with the Local Government Transparency Code 2015.
- 1.3 The Policy has been developed having regard to the statutory guidance issued by central Government.¹
- 1.4 The Policy applies to all Council staff and it (and any amendment) will be published on the Council's website.
- 1.5 For the purposes of this policy the following definitions apply:
- (a) **Chief Officer:** means any of the following posts (Council designated post is shown in brackets):
- The head of paid service designated under section 4(1), 1989 Act (Managing Director);
 - The monitoring officer designated under section 5(1), 1989 Act;
 - A statutory chief officer within the meaning of section 2(6), 1989 Act (currently Section 151 Officer);

¹ *Openness and accountability in local pay: Guidance under section 40 of the Localism Act* (DCLG, February 2012); and *Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 Supplementary Guidance* (DCLG, February 2013).

- A non-statutory chief officer within the meaning of section 2(7), 1989 Act (any Council officer reporting directly to the Head of Paid Service; any Council officer reporting directly to the Council or any committee or sub-committee);
 - A deputy chief officer within the meaning of section 2(8), 1989 Act (any Council officer reporting directly to a statutory or non-statutory chief officer).
- (b) **Hay:** means the job evaluation scheme developed by the Hay Group;
- (c) **JNC:** means the Joint Negotiating Committee;
- (d) **Local Terms and Conditions:** means (as appropriate to the Officer in question), those terms and conditions stated at paragraph 2.1 of this Policy and the local conditions of service handbook that can be found at [INSERT HYPERLINK];
- (e) **lowest-paid:** means the Officer or group of Officers with the lowest rate of pay (full-time equivalent) employed by the Council at the date of assessment. This includes all permanent Officers who meet the criteria for the National Minimum Wage for workers aged 21 years or over; and the National Minimum Wage (national living wage) for workers aged 25 years and over and apprentices;
- (f) **NJC:** means the National Joint Council;
- (g) **median:** means in respect of remuneration, the mid-point remuneration package when all remuneration is arranged in order of size (highest to lowest). Remuneration packages for those Officers who meet the criteria for the National Minimum Wage for workers aged 21 years or over; and the National Minimum Wage (national living wage) for workers aged 25 years and over will be included;

- (h) **Officer:** means any officer of the Council whether an employee or an individual engaged as an officer under a contract for services;
- (i) **remuneration:** means any or all of the following:
- Salary payable to an Officer;
 - Payments made under a contract for services to an Officer;
 - Bonuses payable to an Officer;
 - Charges, fees or allowances payable to an Officer;
 - Benefits in kind that an Officer is entitled to;
 - Increase or enhancement of an Officer's pension entitlement due to a decision of the Council;
 - Amounts payable to the Officer upon ceasing to hold office or to be employed by the Council except those amounts payable by virtue of statute/statutory instrument.
- (j) **Staff Handbook:** means the handbook for Officers adopted by the Council from time to time and which can currently be located at [INSERT HYPERLINK];
- (k) **terms and conditions;** means the terms upon which an Officer is employed by the Council;
- (l) **1989 Act** means the Local Government and Housing Act 1989;

1.6 The Council has adopted the definition of lowest-paid Officer set out in this Policy to ensure that everyone who works at the Council is properly accounted for within this Policy.

1.7 It is the Council's overriding strategy to ensure that systems for determining remuneration ensure Equal Pay compliance and facilitate the recruitment and retention of Officers with the skills and capabilities that the Council needs whilst avoiding unnecessarily generous or excessive remuneration packages.

2. TERMS AND CONDITIONS

2.1 The terms and conditions offered by the Council to Officers are governed by the following national agreements:

- (a) Managing Director –JNC for Chief Executives of Local Authorities;
- (b) Director – JNC for Chief Officers of Local Authorities;
- (c) All other Officers – NJC for Local Government Services.

3. REMUNERATION – JOB EVALUATION

3.1 Officer posts within the Council are evaluated using a job evaluation scheme. This ensures that jobs are graded fairly and equitably and that the Council complies with its Equal Pay obligations.

3.2 The Council uses Hay to produce a points score for each post. Appendix 1 sets out the Council's salary grade scale that corresponds to the points score. Each salary grade is made up of spinal column points.

3.3 Where a post held by an Officer has a change in duties then the job description for the post is re-assessed in accordance with the Councils job evaluation scheme set out in the Staff Handbook which includes consideration by a job evaluation panel. Where any amended job description is approved then it is allocated points as determined by Hay and any change to salary made.

4. REMUNERATION ON APPOINTMENT

4.1 The same recruitment policies apply to all Officers who take up a new appointment with the Council whether recruited internally or externally.

- 4.2 Subject to paragraph 4.5, appointments are normally made on the lowest spinal column point for the relevant post salary grade. Departures from this approach may be necessary where:
- (a) The individual to be appointed is currently paid more than the lowest spinal column point – the appointment may be made at the equivalent salary or on the next highest increment provided that the salary does not exceed the salary grade for the post;
 - (b) A business case for a higher starting salary (within the salary grade) is evidenced.
- 4.3 Subject to paragraph 4.5, departures under paragraph 4.2 in respect of Officers not covered by paragraph 4.4 may be authorised by the recruiting manager within the Council or the Head of Paid Service.
- 4.4 Departures from paragraph 4.2 in respect of the Head of Paid Service and any other Officer where decisions on the appointment are reserved to Full Council (see the terms of reference of the Appointments and Remuneration Committee) must be authorised by Full Council following a recommendation by the Appointments and Remuneration Committee.
- 4.5 Where any Officer remuneration on appointment is £100,000 or more then the remuneration must be authorised by Full Council following a recommendation by the Appointments and Remuneration Committee.
- 4.6 Chief Officers shall not be entitled to remuneration in the form of bonuses, performance pay or market forces supplements.
- 4.7 Officers who are not Chief Officers:
- (a) May be entitled to market forces supplements on appointment or where a retention issue arises in respect of an Officer. Market forces supplements are awarded in accordance with the relevant provisions of the Staff Handbook.
 - (b) Shall not be entitled to receive bonuses or performance pay.

5. REMUNERATION – CHANGES AND ADDITIONAL PAYMENTS

- 5.1 The Council's policy is to apply the nationally negotiated JNC or NJC (as appropriate) pay award with effect from the relevant 1 April implementation (or such other date as may be agreed through the pay award).

- 5.2 Officer salaries will be subject to annual increments within the salary grade applicable to the post. The conditions for annual increments and any accelerated increments are set out in the Staff Handbook.
- 5.3 Where any Officer on a temporary basis (and in accordance with any minimum time period specified in the Staff Handbook) for either some or all of their working hours:
- (a) Acts up to carry out the full responsibilities and duties of a post with a higher salary grade;
- then the Officer may receive the difference in salary between their own post and the post with a higher salary grade provided that where the additional duties under (a) are only undertaken for part of their working hours only a proportionate amount of the difference may be payable.
- 5.4 In circumstances where paragraph 5.3 does not apply by virtue of the fact that an Officer does not assume the full responsibilities and duties then an honorarium may be payable where the same is authorised in accordance with the Staff Handbook, Local Terms and Conditions and National Conditions of Service and any requirements of this Policy relating to authorisation of remuneration by Full Council.
- 5.5 Where a change in duties as described at paragraph 3.3 occurs then the re-evaluation of the Officer post job description will take place in accordance with the Council's job evaluation scheme.
- 5.6 Additional payments may be made to Officers who carry out duties at elections. For the majority of elections, these payments are calculated by reference to an external scale or determined by central Government depending upon the nature of the election. In respect of local elections the payments are set in accordance with the approach adopted by the Council or the relevant returning officer from time to time for each local election.
- 5.7 Salary protection, payments for overtime and standby payments may be available to Officers but only where the conditions for the same set out in the Staff Handbook are met.

6. PAYMENTS ON TERMINATION OF EMPLOYMENT/CEASING TO HOLD OFFICE

- 6.1 Officers who leave their employment with the Council are entitled to payment of their contractual notice and payment in respect of any outstanding holiday pay.

6.2 Where any Officer (including all Chief Officers):

- (a) Is made redundant from their employment with the Council then any redundancy payments will be made to them in accordance with the Staff Handbook, the Restructure and Redundancy Policy/Circular and the Local Terms and Conditions and National Conditions of Service;
- (b) Retires early in the interest of the efficiency of the Councils' service then any termination payment will be made in accordance with the Staff Handbook, the Restructure and Redundancy Policy/Circular, Local Terms and Conditions and National Conditions of Service.

6.3 Where any Officer leaves the employment of the Council and the severance package payable (including salary paid in lieu, termination payment, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances) is £100,000 or greater than the severance package must be approved by Full Council on a recommendation from the Appointments and Remuneration Committee before the severance package is agreed with the Officer leaving. This will apply even where the severance package is in line with the Officer's contractual entitlements or their entitlements under the LGPS; however, in these circumstances, the Full Council cannot override such entitlements.

7. RE-ENGAGING OFFICERS

7.1 Recruitment and selection procedures adopted by the Council are designed to identify the best applicant for an Officer post by reference to the job description and specification developed. This ensures that the Council complies with the requirement under the Local Government Act 1972 to appoint Officers on the basis of merit.

7.2 Subject to paragraph 7.4:

- (a) Where any Chief Officer leaves the employment of the Council for whatever reason and has received a severance package or other form of termination payment then that Chief Officer may not be re-employed by the Council on any basis (including under a contract for services) without the prior approval of the Head of Paid Service following consultation with the Portfolio Holder for Corporate Resources and the Chair of the Appointments and Remuneration Committee;

- (b) Where any Officer who is not a Chief Officer leaves the employment of the Council for whatever reason and has received a severance package or other form of termination payment of £1,000 or more then that Officer may not be re-employed by the Council within the period of six months following the Officer leaving the employment of the Council on any basis (including under a contract for services) without the prior approval of a service manager.

7.3 Where any Officer leaves the employment of the Council on redundancy grounds and received a voluntary enhanced redundancy payment (i.e. more than the Council was obliged by law to pay either under statute or terms and conditions), then the Officer may only be considered for re-employment by the Council within the first twelve months following redundancy after a minimum statutory period of four weeks has elapsed from redundancy and subject to the following conditions:

- (a) The vacant post they are being considered for did not exist or was not foreseeable at the time of redundancy;
- (b) The vacancy has been advertised in accordance with the Council's policy and procedures for advertising vacant posts; and
- (c) The Officer is considered to be the best applicant for the job in accordance with paragraph 7.1 above.

7.4 In developing the policy the Council has noted that there is a power under the Small Business, Enterprise and Employment Act 2015 for Regulations to be made requiring the repayment of exit packages. No such regulations are in force at this time.

8. TRANSPARENCY

8.1 In accordance with the Local Government Transparency Code (and where applicable the Accounts and Audit Regulations 2015) the Council publishes on its website:

- (a) An organisation chart covering seniors Officers of the Council and including for each Officer: grade; job title, department and team; whether permanent or temporary; contact details, salary in £5,000 brackets; and salary ceiling (INSERT HYPERLINK);
- (b) Officer remuneration information:

- The number of Officers whose remuneration was at least £50,000 in brackets of £5,000 and details of the remuneration and job title certain (but not all) Chief Officers – published in the annual Statement of Accounts which can be found at [INSERT HYPERLINK];
 - Officer salaries which are £50,000 or more, a list of the responsibilities of the relevant Officers and details of any bonuses or benefits in kind (see Appendix 1);
 - The Council pay multiple (see paragraph 9 below);
- (c) Information regarding trade union facility time including:
- a basic estimate of spending on unions (calculated as the number of full time equivalent days spent on union duties by Officers that spent the majority of their time on union duties multiplied by the average salary); and
 - a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union duties by Officers that spent the majority of their time on union duties multiplied by the average salary divided by the total pay bill);

This information can be found at [INSERT HYPERLINK];

9. THE RELATIONSHIP BETWEEN THE REMUNERATION OF CHIEF OFFICERS AND THE REMUNERATION OF OFFICERS WHO ARE NOT CHIEF OFFICERS

9.1 The Council's policy is to set salary elements of remuneration to reflect the different nature of jobs undertaken by Officers. The Council does this through the Hay Job Evaluation Scheme as detailed in the Policy. It is not the Council's policy to differentiate on other allowances, benefits and payments it makes as part of Officer remuneration save in respect of overtime.

9.2 The table below sets out the relationship between the remuneration payable to the highest paid Officer (the Head of Paid Service) and the lowest paid Officer. It also shows the relationship between the remuneration payable to the Head of Paid Service and the median remuneration figure for all Officers. The remuneration figures used here take account of just basic salary – and are based on annual full time equivalent remuneration.

9.3 In line with central Government guidance median remuneration has been used (alongside lowest paid) to track pay dispersion within the Council. Tracking the multiples set out in the table will allow the Council to ensure that it is accountable for the relationship between the highest paid Officer remuneration and the remuneration paid to the wider workforce of Officers.

The remuneration of the lowest paid Officer² – full-time equivalent (FTE)		
Basic Pay (FTE)³	Other Allowances (FTE)	Pay multiple of Managing Director to lowest paid
£14,961 p.a.	£0	6.33 – 7.03 ⁴

Date of assessment: 5th February 2018

The median⁵ remuneration for all Officers		
Basic Pay (FTE)⁴	Other Allowances (FTE)	Pay multiple of Managing Director to median
£19,430 p.a.	£0	4.87 - 5.41 ⁶

Date of assessment: 5th February 2018

² Figure taken from payroll data and adjusted to FTE (lowest paid officer includes apprentices)

³ Basic pay value refers to 2017/18

⁴ Represents difference in multiple between top and bottom of Managing Director salary grade

⁵ Assessed using payroll data

⁶ Represents difference in multiple between top and bottom of Managing Director salary grade

Appendix 1

Current remuneration and allowances for each Chief Officer post whose salary is between £50,000 and £150,000 per year

Post Title	Salary Scale ⁷	Allowances & Benefits
Managing Director	£94,656 to £105,168	Essential User Car Allowance*
Director	£79,905 to £88,773 ⁸	
Chief Finance Officer	£64,293 to £71,433 ⁹	
Solicitor to the Council and Strategic Lead for HR & OD	£63,042 to £70,038	
Business Manager <ul style="list-style-type: none"> Environment and Leisure 	£61,239 to £68,043	
Business Manager <ul style="list-style-type: none"> Economy and Assets Housing 	£59,988 to £66,648	
Monitoring Officer	£58,947 to £65,487	Essential User Car Allowance*
Finance Manager	£53,934 to £59,922	
Business Managers (Development Management) (Spatial Planning)	£51,198 to £56,874	

* Essential User Car Allowance consists of a set monthly payment at the rate of £846 p.a. or £963 p.a. depending on the vehicle cc. Additional payments are made according to the number of miles travelled. Officers who do not receive the essential user allowance are paid 46.9p per mile when they use their car for business mileage.

⁷ Salary values relate to 2017/18

⁸ Council will be considering a proposal to amend the salary scale for the Director post at the same meeting as this Policy is considered. Where Council approves the amendment then this table will be updated prior to final publication on the Council's website.

⁹ Consideration will be giving to filing this post at the full Council meeting on 22 February 2018.

Appendix 2 – Job Evaluation: How points relate to Salary

Salaries at Grade 41 and below

Points Range	Pay Grade	SCP	Salary Scale
392 - 404	34	39 - 41	£34,538 - £36,379
405 - 417	35	40 - 42	£35,444 - £37,306
418 - 430	35A	41 - 43	£36,379 - £38,237
431 - 442	35B	42 - 44	£37,306 - £39,177
443 - 456	36	43 - 45	£38,237 - £40,057
457 - 470	37	44 - 46	£39,177 - £41,025
471 - 484	38	45 - 47	£40,057 - £41,967
485 - 500	38A	46 - 48	£41,025 - £42,899
501 - 516	39	47 - 49	£41,967 - £43,821
517 - 519	40	48 - 50	£42,899 - £44,697
520 - 535	41	49 - 51	£43,821 - £45,594

Salaries above Grade 41 (£45,594)

Points Range	Salary ¹⁰
536 – 676	536 points = £46,935 p.a. Every point thereafter = additional £132.51 p.a.
677 – 863	677 points = £65,487 p.a. Every point thereafter = additional £46.45 p.a.
864 – 1125	864 points = £74,172 p.a. Every point thereafter = additional £112.32 p.a.
1126-1479	1126 points = £103,566 p.a. Every point thereafter = additional £99.97 p.a.

¹⁰ Salary values relate to 2017/18

In creating the five pay points within each salary scale the Council has adopted the following approach:

- The bottom pay point of the salary scale should be no less than 90% of the top pay point of the salary scale
- Increments within the salary scale should be of equal amount (£)
- All pay points on the salary scale should be divisible by 3