

Thanet District Council Pay Policy Statement 2023-2024

October 2023/Draft/HR

A decorative graphic at the bottom of the page consisting of several overlapping, curved bands in various shades of blue, creating a wave-like effect.

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1. Purpose

This Pay Policy Statement sets out the council's approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the council's approach to setting the pay of its employees by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
- the relationship between
 - the remuneration of its Chief Officers and
 - the remuneration of its employees who are not Chief Officers

The Chief Executive (as Head of Paid Service) and General Purposes Committee, in so far as it relates to relevant Chief Officers, are responsible for ensuring the provisions set out in this statement are applied consistently throughout the council.

The council is required to prepare and approve a pay policy statement annually.

2. Definitions and Interpretation

For the purpose of this pay policy the following definitions will apply:

"Pay" in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments.

For the purposes of this pay policy 'Chief Officers' are as follows:

- Chief Executive, as Head of Paid Services
- Director - Corporate Services and Section 151 Officer
Director - Environment
Director - Place
Head of Law and Democracy and Monitoring Officer

Deputy Chief Officers (as defined within the Local Government and Housing Act 1989) i.e. direct reports to chief officers, as follows:

- Head of Finance and Procurement
- Head of Strategy and Transformation
- Head of Housing and Planning

- Head of Tenant and Leaseholder Services
- Head of Property
- Head of Neighbourhoods
- Head of Human Resources
- Head of Cleansing Services
- Head of Coastal and Public Realm
- Head of Regeneration and Growth
- Health and Safety Compliance Officer
- Committee Services Manager
- Electoral Services Manager
- Information Governance and Equality Manager
- Principle Litigation Solicitor
- Principle Lawyer - Property
- Facilities Manager

A person whose duties are solely secretarial or clerical or are otherwise in the nature of support services, even though they may report directly to the Chief Executive, shall not be regarded as a non-statutory chief officer or a deputy chief officer.

“Lowest paid employees” refers to those staff employed within grade TG-B of the Council’s pay framework. This definition for the “lowest paid employees” has been adopted because grade TG-B is the lowest grade to which staff are employed on the Council’s pay framework.

“Employee who is not a Chief Officer” refers to all staff that are not covered under the “Chief Officer” group listed above. This includes the “lowest paid employees” i.e. staff on grades TG-B to TG-P.

This excludes staff governed by national consultation groups, e.g. apprentices.

3. Pay Framework

3.1. General Approach

The council recognises the need to exercise the greatest care in managing scarce public resources, whilst also securing and retaining high quality employees. The level of remuneration is a very important factor in both recruitment and retention. In light of the economic pressures there is a need to balance affordability and value for money whilst creating an environment where retention of the wealth of skills and experience within the organisation is cemented and, where external recruitment is required, the organisation can be counted as employers of choice. In determining the pay and remuneration of all its employees, the council will comply with all relevant legislation.

This includes legislation such as;

- The Equality Act 2010,
- Part-time Employment (Prevention of Less Favourable treatment) Regulations 2000
- Where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establishes the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

In the application of the pay framework, the council takes into account market rates, individual performance and the need for consistency in the way grades are applied.

3.2 Responsibility for decisions on remuneration

With the exception of any groups where pay is governed by national consultation groups, pay for the "lowest paid employees" and "all other employees who are not Chief Officers" is determined by the Council's agreed pay framework.

Pay for 'Deputy Chief Officers' is determined by the Council's agreed pay framework.

The Employee Council, is the Council's recognised negotiating body for the purposes of pay bargaining. This includes Unison and GMB. Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

It is essential for good governance that decisions on pay and reward packages for chief executives and chief officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.

The current framework, in so far as it affects the Chief Executive and the Chief Officers (excluding Deputy Chief Officers) was agreed by the General Purposes Committee on 21 February 2013.

Any future changes to the Council's pay framework where it affects pay for Chief Executive and the Chief Officers are to be agreed by the General Purposes Committee.

3.3 Salary grades and grading framework

There is a national requirement for all Local Authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer, the Council has recognised the Hay job evaluation scheme. The Hay method of job evaluation is a gender-neutral evaluation system that assesses a job based on skill, effort, responsibility and working conditions.

All grades are determined in line with the Hay job evaluation scheme.

There are 18 grades (TG-B to TG-S) in the pay framework, grade TG-B being the lowest and grade TG-S the highest. Each employee will be on one of the grades based on the job evaluation of their role.

Thanet District Council pays at least the National Living Wage to all employees.

Apprenticeships are paid at least the national minimum wage for their age.

3.4 Incremental Progression

From 1 April 2023, progression within the salary band will be automatic unless an employee has received a formal warning for either their conduct or performance within the previous financial year, in which case incremental progression will be withheld. Any employee whose performance has greatly exceeded the expectations of the role may be considered for an additional increment.

Employees who start their employment between 1st October and 31st March will not be eligible for a pay increment the following April unless otherwise agreed at interview.

4. Remuneration and Benefits

4.1. Salaries

4.1.1. “Chief Officer” – remuneration & the relationship to non-chief officers All Chief Officers are currently employed within grades TG-Q to TG-S

4.1.2. “Statutory Chief Officers” – the Chief Executive

This Chief Executive is paid within the Council’s pay framework, which applies to all employees.

The appointment and the annual salary will be approved by a meeting of the full Council acting on the recommendations of an appointments panel.

The annual performance for the Chief Executive is considered by the Leader of the Council following the Council’s agreed performance appraisal process. Progression through the salary band will be as outlined at 3.4 above.

Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

The Chief Executive’s remuneration is published annually on the Council’s website.

4.1.3. “Statutory Chief Officers” – other than the Chief Executive

These Chief Officers are paid within the Council’s pay framework, which applies to all employees.

The annual performance for these Chief Officers is considered by the Chief Executive in line with the Council’s agreed performance appraisal process. Progression through the salary band will be as outlined above.

For this group of Chief Officers appointment, and salary on appointment, will be made by the Full Council.

Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

The remuneration of these Chief Officers are published annually on the Council’s website.

4.1.4. “Non Statutory Chief Officers” other than the Chief Executive

These Chief Officers are paid within the Council’s pay framework, which applies to all employees.

The annual performance for these Chief Officers is considered by the Chief Executive in line with the Council’s agreed performance appraisal process. Progression through the salary band will be as outlined above.

Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

Remuneration of Non Statutory Chief Officers are published annually on the Council’s website.

4.1.5. “Deputy Chief Officers” (direct reports to non-statutory chief officers who report to statutory chief officers)

Deputy Chief Officers are paid within the Council's pay framework, which applies to all employees.

For this group of Deputy Chief Officers appointment, and salary on appointment, will be made by the Chief Executive and appropriate Director..

The annual performance for these Deputy Chief Officers is considered by the relevant Chief Officer in line with the Council's agreed performance appraisal process. Progression through the salary band will be as outlined above.

Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

4.1.6. "Lowest paid employees" and "other employees".

Each "lowest paid employee" is paid within the salary range for grade TG-B and all "other employees" are paid within the salary range TG-C to TG-O, within the Council's pay framework, which applies to all employees.

Progression through the salary band will be as outlined above.

Pay awards are considered and determined locally in negotiation with the Employee Council.

4.1.7. Relationship between remuneration of "Chief Officers" and "employees who are not Chief Officers"

The highest paid employee's salary is 4.65 times that of the "median" average earnings across the authority.

4.2. Salaries on appointment for new starters

New starters will normally be appointed to the minimum of the salary scale of the grade for the post.

If any relevant factors such as a requirement for unique knowledge and skills or extensive previous experience exist, a Manager may make a documented business case for a higher starting salary to be approved by the Director before the candidate is offered the job. In such cases managers must take due regard to the salaries of existing staff doing similar work to ensure pay equity and equality.

4.3. Salaries on Promotion

A promotion is defined as an appointment to a higher graded post.

Employees who are promoted will normally be awarded a basic salary on a point of the salary scale of the new grade 2.5% higher than their previous salary. If any relevant factors exist which substantiate an increase above 2.5% a Manager may make a documented business case to be approved by the Director having due regard to the salaries of existing staff doing similar work to ensure pay equity and equality.

The basic salary on promotion should not be below the minimum of the salary scale of the new post.

4.4. Market supplements

There may be exceptional circumstances from time to time when a particular job or jobs require payment of a market supplement in order to recruit or maintain adequate staffing levels.

Payment of a market supplement will only apply when alternative ways of recruiting and or retaining staff have been fully explored; it is expected that the use of market supplements will be rare.

A market supplement put forward for approval must be supported by a documented business case with the following information:

- A clear definition of the job or group of jobs affected.
- The period of time for which the supplement should apply; this would normally be one year, but in any event should not exceed two years.
- Evidence of pay-related recruitment and/or retention difficulties compared to other groups of staff using appropriate indicators e.g. turnover rates, stability rates, numbers of responses to job advertisements, quality assessment of applicants and interviewees, data on competitive pay.
- Confirmation that the proposed market supplement would not create any indefensible internal pay inequities.

The business case must be approved by the Head of Service.

Market supplements at Thanet District Council must be approved by the Director. Market supplements at EK Services must be approved by the Interim Head of EK Services and the Director.

Market supplements approved under this policy will apply for a period not exceeding two years without review. The duration of the market supplement will be clearly identified in recruitment and appointment discussions and documentation for new staff, and in contractual variations for existing staff. Any continuation of a market supplement beyond the initial period will require submission of a fresh business case for approval.

4.5. Honoraria payments

Honoraria payments are a means of adjusting salaries on a temporary basis for undertaking additional or acting up duties for a limited period normally not exceeding one year.

Employees undertaking the full duties and responsibilities for a higher graded post for a continuous period over four weeks should receive 100% of the difference in pay grade of the post temporarily occupied as if they had been promoted into the post.

A partial percentage payment of the difference in pay may be made to an individual who performs some of the duties and responsibilities of a higher graded post. The percentage should be assessed taking into account the job description and the tasks expected to be undertaken in each case.

Honoraria payments at Thanet District Council must be approved by the Director. Honoraria payments at EK Services must be approved by the Interim Head of EK Services and the Director.

The duration of the period of acting up should be indicated before it commences and confirmed in writing. It must be remembered that acting up is a temporary arrangement and in no circumstances should be allowed to exceed 12 months without re-approval. Human Resources will maintain a central log of all current honoraria payments. All honoraria payments will cease at the agreed date. Human Resources will inform the relevant line manager that the payment will cease on the due date unless re-approval is sought. For a further honorarium to be paid, a further request will need to be submitted via the relevant approval process. Should circumstances change before the previously agreed end date the payment may be withdrawn earlier. In these circumstances the value of the honorarium will not be protected.

Honoraria payments are paid monthly and are pensionable.

4.6. Use of performance related pay and bonuses

The Council does not apply any bonuses and performance related pay is only used when agreeing additional pay increments.

For those employees who are top of grade and would have been identified to receive an additional increment due to their performance will receive the same amount as an increment would have been, as a one off payment.

4.7. Charges, fees or allowances

Any allowance or payments will only be made to employees in connection with their role or the patterns of hours they work and must be in accordance with the Council's agreed policies/approach for pay, benefits and allowances. These will apply to all staff, unless otherwise specified within the policy, and include:

- Disturbance allowance scheme
- Disturbance and travelling allowances following reorganisations
- Emergency call outs
- Irregular hours working
- Mileage reimbursement
- Cash for car allowance
- Overtime
- Standby/call out allowance
- Expenses and subsistence allowance
- Training and development scheme – financial assistance
- Contribution towards annual bus pass
- Professional fees for specific posts as identified in the job description
- Professional fees whilst undertaking post entry training
- First aid payment
- Personal protective equipment
- Free parking

Information is available to staff on the council's website or by contacting Human Resources and is available to the public on request.

Election duties - the Returning Officer receives a one-off payment for election duties. Payments are made on the basis of population in the district and whether the election is local, national – the payment for national elections is agreed nationally and the payment for local elections agreed at county level. Other officers who undertake specific duties in relation to elections (e.g. Presiding Officers etc.) will receive additional payments for those roles.

4.8. Employee discount scheme

The Council currently offers all employees access to an employee discount scheme. This offers employees the chance to purchase a range of goods and services at discounted rates from a variety of suppliers.

4.9. Pension

All employees as a result of their employment are eligible to join the Local Government Pension Scheme (LGPS).

All employees will be auto enrolled in line with statutory procedures unless they choose to opt out.

4.10. Severance payments

We are already required to publish our policy on discretionary payments on early termination of employment as well as publishing our policy on increasing an employee's total pension scheme membership and on awarding additional pension. This information is disclosed within the Council's statement of accounts, available on the website and in Council policies in respect of:

- Discretionary functions of the LGPS

- Early termination of employment
- LGPS banding report and policy
- Flexible retirement
- Employment stability

The following payments will constitute special severance payments

- Any payments reached Under a settlement agreement between the employer and employee
- To discontinue legal proceedings without admission of fault
- The value of any employee benefits or allowances which are allowed to continue beyond the employee's agreed exit date
- Write-offs of any outstanding loans
- Any honorarium payments
- Any hardship payments
- Any payments to employees for retraining related to their termination of employment

A meeting of the full Council will approve severance packages in excess of £100k. In considering a package over £100k the Council will be provided with the components of relevant severance packages. This will include salary paid in lieu, redundancy compensation, holiday pay and any fees, allowances or benefits in kind paid (it will not include payments made by the Council to the Local Government Pension Scheme).

These policies are available to staff on the Council's intranet (TOM) or on request from Human Resources and available to the public on request.

5. Data Transparency

To support data transparency the Council publishes salary related information on its website in accordance with the Local Government Transparency Code 2015.

Salary scales are currently published on the intranet (TOM) and available to the public on request.

<https://www.thanet.gov.uk/info-pages/senior-management-salaries/>

6. Review History

TDC will ensure that this policy is reviewed and updated as determined by the needs of the Council, changes in legislation/regulations and best practice.

Owner	Policy Manager
CMT Sign Off Date	
Implementation Date	05 January 2024
Last Review Date	April 2021/2022
Next Review Date	April 2024