

APPENDIX A

Tendring District Council

Pay Policy Statement 2012/13

Introduction

Section 38(1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for 2012/13 and for each financial year after that.

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.
- 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.

The Pay Policy Statement must be approved by Full Council before the end of March 2012.

Purpose of the Statement

The Pay Policy Statement 2012/13 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the council. The framework is based on the principle of fairness and that reward should be proportional to the weight of each role and each individual's performance. The framework aims to ensure the ability of the Council to recruit talented individuals whilst reassure 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.

For the purposes of the Pay Statement, a Senior Officer within Tendring District Council includes the following:

Chief Executive
Strategic Director
Heads of Department
Monitoring Officer
Section 151 Officer
Change Manager

Managing Remuneration

In the context of managing scarce 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 generous or excessive.

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 particular posts)

The Council also benchmarks and reviews salary profiles within the job market.

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 uses a pay spine that commences at National Spinal Column (SCP 4) which is the pay for the "lowest paid employee" and ends at local SCP 75. Within the pay structure there are 17 Pay Bands. 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 subject to negotiation and agreement with local union officials.

Senior Officers are not subject to the NJC Job Evaluation Scheme. Senior Officers within the organisation have their pay set following benchmarking and pay rates 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 paid £112,000 to £120,000 per annum.

Car mileage payments for the Chief Executive are paid at the Inland Revenue Rates. All new appointments to senior roles within the Council have and will be paid mileage at the Inland Revenue Rates and the Council will undertake a review of all allowances, including mileage across the organisation in the near future. There are also local rates in force for individuals who use their motorcycles or bicycles on official business.

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

As a general rule subsistence allowances are not paid to employees. However, there may be an exceptional situation, where an employee is working outside of the Tendring District area and a payment will be made. Any payment is made on production of actual receipts and payments adhere to the rates provide by the East of England, Local Government Association.

The Chief Executive also receives a (Deputy/Local) Returning Officer fee in respect of Parliamentary, European Parliamentary, Referendums, County, District and Parish Council Elections. The fee for undertaking this role within 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 which has been approved under powers delegated to the Chief Executive in consultation with the Chairman of the Regulatory Committee. 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 and National Referendum are determined by way of a Statutory Instrument.

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 senior staff 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

In 2012/13 the remuneration for the lowest paid member of staff within the Council will be £12,145 per annum and the most senior officer within the Council will be paid £118,000 per annum. This is a multiple of slightly lower than 10, which is 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. The Council aims to keep this multiple under review to ensure that it is kept at an appropriate level.

As the Council is currently going through a period of major change all salaries and details of remuneration are available in the 2011 Statement of Accounts. The Council's 2012 Statement of Accounts will include details of all Senior Officers within the new structure. It is likely that there will be a further review of pay in 2012/13 for Senior Officers within the Council following the deletion of the post of Strategic Director.

On the whole the Council is seen as an employer of choice within the District of Tendring. However, there are times when the Council needs to be flexible with pay to attract the necessary skills, knowledge or competence. When this happens the Council needs to adapt flexibly within the job market. To enable the Council to do this the Council has an agreed Market Forces Policy. This policy is kept under regular review.

The Council publishes on the Tendring District Council website a monthly report of salaries paid by pay band - www.tendringdc.gov.uk.

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 are the same for the "lowest paid employee" and the Senior 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.

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 Scheme, including staff being able to make payments for health insurance, making charity donations and Childcare Vouchers
- Providing Cost Effective benefits – discounts at local shops, cafes etc.
- 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 at nil cost to the Council.
- Additional career development opportunities – secondments, special projects, flexible working and recognition through awards such as the Celebration of Success
- Free car parking
- Flexi time scheme

There are no rewards that only benefit Senior officers within the Council.

Review of the Pay Policy Statement

The Localism Act stipulated 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.

In future years the Policy will be approved by the Human Resources Committee and presented to Council. It is expected that 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:

- Recruitment Policy
- Disturbance Allowances Policy
- Market Forces Policy
- Organisational Change and Redundancy Policy
- Flexible Retirement Policy
- Acting Up Policy

- Relocation Policy

All of the above policies apply equally to all employees of Tendring District Council.