
Subject:	PAY POLICY STATEMENT
Meeting and Date:	Council – 6 March 2024
Report of:	Nadeem Aziz, Chief Executive and Head of Paid Service
Decision Type:	Council
Classification:	Unrestricted

Purpose of the report:	To agree a Pay Policy Statement for 2024/25
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Recommendation:	That the Council approves the Pay Policy Statement set out at Appendix 1 to this report prior to publication on the Council's website.
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1. Summary

- 1.1 A Pay Policy Statement must be agreed by full Council for publication by 31 March 2024. The Pay Policy Statement sets out the main aspects of the current remuneration strategy of the Council and is prepared to comply with the requirements of the Localism Act 2011.

2. Introduction and Background

- 2.1 Section 38 (1) of the Localism Act 2011 came into force on 15 January 2012 and required local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year after that. The Council adopted its first Pay Policy on 7 March 2012 for 2012/13 and has each subsequent year since.
- 2.2 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 requirement for the full Council to approve any salary packages for new appointments in excess of £100,000
 - 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 specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.

2.4 The reference to 'chief officer' refers to the statutory posts of Head of Paid Service, Monitoring Officer and Section 151 Officer plus non statutory posts of Strategic Director (Place & Environment), Strategic Director (Corporate & Regulatory), together with any deputy chief officers (within the meaning of s. 2(8) Local Government and Housing Act 1989), which in our organisation includes anyone at Head of Service level or above.

2.3 With regard to the process for approval, the Pay Policy Statement:

- Must be approved formally by the full Council meeting
- Must be approved by the end of March each year
- Can be amended in year but any amendments must be approved by full Council
- Must be published on the authority's website, ensuring that it is easily accessible and readily available to the public
- Must be complied with when the authority sets the terms and conditions for a chief officer

2.4 In creating the Pay Policy Statement, it is necessary to have due regard to the guidance issued by the Secretary of State. On 17 February 2012, DCLG published "Openness and Accountability in Local Pay: Guidance under S40 of the Localism Act. In February 2013, DCLG published Supplementary Guidance, which this Council is also required to take into account.

2.5 The Act specifically mentions that the Pay Policy Statement may set out the authority's policies relating to other terms and conditions for chief officers and in the interest of open government there are recommendations that the Pay Policy Statement sets out as much information relating to employee terms and conditions as is practical.

2.6 In March 2018, the authority approved an Apprenticeship pay structure and so the Pay Policy for 2024 reflects Apprentices as the "lowest paid employees".

3. **Identification of Options**

Option 1

3.1 The Council publicises a reduced version of the Pay Policy Statement that meets the minimum requirements of the Act.

Option 2

3.2 The Council publicises a version of the Pay Policy Statement that meets the requirements of the Local Government Transparency Code 2014 and Openness and Accountability in Local Pay: Guidance and Supplementary Guidance under S40 of the Localism Act, together with the requirements of s.38 of the Act.

4. **Evaluation of Options**

Option 1

4.1 This is not the recommended approach as it does not satisfy the spirit of transparency, neither does it address the requirement of s.38 of the Localism Act.

Option 2

4.2 This is the preferred option. This approach meets the recommended best practice and has been followed since 2012.

5. **Resource Implications**

5.1 There is no additional resource implications.

6. **Corporate Implications**

6.1 Comment from the Section 151 Officer: The Head of Finance & Investment has been consulted in the preparation of this report and has no further comments to make. (HL)

6.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

6.3 Comment from the Equalities Officer:

The Pay Policy Statement report does not specifically highlight any equality implications however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <https://www.legislation.gov.uk/ukpga/2010/15/section/149>.

7. **Appendices**

Appendix 1 – Pay Policy Statement for 2024/2025

8. **Background Papers**

The Local Government Transparency Code 2014.

Openness and Accountability in Local Pay: Guidance under S40 of the Localism Act and Supplementary Guidance issued in February 2013

Relevant Employment Policies

Contact Officer: Louise May, Strategic Director (Corporate & Regulatory)

Appendix 1

Dover District Council Pay Policy Statement Financial year 2024-2025

1. Purpose

This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and is updated annually from April each year.

This pay policy statement sets out Dover District Council policies relating to the pay of its workforce for the financial year 2024-2025 in particular:

- a) the remuneration of its Chief Officers
- b) the remuneration of its "lowest paid employees"
- c) the relationship between
 - the remuneration of its Chief Officers and
 - the remuneration of its employees who are not Chief Officers

2. Definitions

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

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

2.2 "**Chief Officer**" refers to the following roles within Dover District Council:

2.2.1 The Council's Statutory Chief Officers:

- Chief Executive, as Head of Paid Service*
- Strategic Director (Finance and Housing and Section 151 Officer) *
- Solicitor to the Council (as Monitoring Officer)

2.2.2 The Council's Non-Statutory Chief Officers:

- Strategic Director (Place and Environment) *
- Strategic Director (Corporate and Regulatory) *

2.2.3 The Council's Heads of Service:

- Head of Legal and Licensing
- Head of Waste Services
- Head of Human Resources, Payroll and Corporate Communications
- Head of Corporate Services and Democracy
- Head of Finance and Investment

- Head of Investment, Growth and Tourism
- Head of Property Assets
- Head of Parks, Open Spaces and Countryside
- Head of Planning and Development
- Head of Museums and Culture
- Head of Housing
- Head of Audit Partnership
- Head of Port Health and Public Protection

The Officers identified at paragraphs 2.2.1 to 2.2.3 report directly to the Head of Paid Service or are directly accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

2.2.5 The Head of East Kent Audit Partnership who is employed by this Council and reports to a statutory Chief Officer of this Council provides the Internal Audit service to this Council and Canterbury City Council, Folkestone & Hythe District Council and Thanet District Council.

2.2.6 The Strategic Director (Corporate and Regulatory) has been appointed as the Head of Collaborative Services by the East Kent Services Committee. The Strategic Director (Corporate and Regulatory) is responsible for provision of the Payroll & Systems service to this Council and Canterbury City Council and Thanet District Council.

* Members of the Council's Corporate Management Team (CMT)

2.3 "Lowest paid employees" refers to those staff employed as apprentices and paid in accordance with the Council's approved Apprenticeship Pay Structure.

2.4 "Employee who is not a Chief Officer" refers to all staff that are not covered under the "Chief Officer" group above. This includes the "lowest paid employees".

No staff are governed by National consultation groups.

3. Pay framework and remuneration levels

3.1 General approach

Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the council's business objectives and delivering services to the public. This must be balanced by ensuring remuneration is not unnecessarily excessive.

The council has responsibility for balancing these factors, to manage its own unique challenges and opportunities, and in doing so, to retain flexibility to cope with various circumstances that may arise that might necessitate the use of honoraria and market supplements or other such mechanisms for individual categories of posts where appropriate.

3.2 Responsibility for decisions on remuneration

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

Pay for all employees is determined by the Joint Negotiation Forum (JNF), which comprises members of Corporate Management Team, Human Resources and the recognised Trades Unions and is approved by General Purposes Committee.

The General Purposes Committee comprises elected Councillors, is politically balanced and has responsibility for local terms and conditions of employment for staff within the Dover District Council's pay framework.

The Council's pay framework was implemented with effect from 1 April 2009 and is based on the job evaluation methodology, JESS, which although a universal system, has been developed with local authorities in mind. It is a factor-based, analytical scheme designed to evaluate all jobs within an organisation, from Chief Executive and Strategic Directors to the most junior positions. The system is of the type recommended by the Equality and Human Rights Commission. The system is used throughout different sectors of the UK employment market and has a clear link to pay because of the strong correlation between job weight and pay throughout the wider UK economy.

The Council's JNF will consider matters relating to conditions of employment and other matters of common concern to reach understanding and agreement. It is a forum for communication, consultation and negotiation.

For the purpose of the Council's Collective Bargaining Agreement, negotiation is the process of discussion between DDC and the Trade Unions with a view to reaching agreement and avoiding disputes. Consultation is the process by which management and the Unions consider and discuss issues of mutual concern.

The Head of Paid Service will seek independent advice on market positioning regarding pay and the JNF will provide the structure for negotiation and for settlement of pay and conditions of service in the light of locally agreed decisions. The recognised trades unions may either consider and respond directly and/or after seeking their own independent advice.

The purpose of the JNF will be, inter alia, to negotiate on matters, which are incorporated into the contract of employment, including the defined procedures of the Conditions of Service.

3.3 Salary grades and grading framework

There are 12 grades (Bands A-L) in the JESS pay framework, grade L being the lowest and grade A the highest.

There is a separate Apprenticeship Pay Structure, which was approved by the Council in 2018.

Each employee will be either on one of the 12 grades based on the job evaluation of their role via a consistent job evaluation process or paid as an apprentice under the Apprenticeship Pay Structure.

Employees within the JESS framework can progress to the salary range maximum of their grade subject to incremental progression based on satisfactory performance determined through the Council's performance appraisal process. Officers will advance at the rate of one increment per year, subject to satisfactory performance, until the maximum of their Band is reached, with effect from 1 April, subject to the Officer having been in post prior to 1 October in the preceding year.

Apprentices will be paid in accordance with their level of study and their age and will be reviewed on an annual basis on the anniversary of their employment start date.

The Head of Paid Service, either acting alone or at the request of the Chief Officers, who are members of Corporate Management Team may, in exceptional circumstances, award accelerated incremental advancement within a band in consultation with Human Resources.

Pay awards are considered annually for all staff through the Joint Negotiation Forum in negotiation with the recognised local Trades Unions.

There was an annual pay award of 6% on the base salary of all staff from 1 April 2023. There was an additional 2.58% applied to the lowest salary, to bring in line with National Minimum wage legislation. This was approved by the Council's General Purposes Committee.

4. Remuneration – level and element

4.1 Salaries

4.1.1 "Chief Officers" who are identified in paragraph 2.2 above are paid within the Council's pay framework, which applies to all other employees. The annual pay review for these Chief Officers, as well as all other officers is considered by the Joint Negotiation Forum each year. To support the annual review, the Head of Paid Service will seek independent advice on market positioning regarding pay and the JNF will provide the structure for negotiation and for settlement of pay and conditions of service in the light of locally agreed decisions. The recognised trades unions may consider and respond directly and/or after seeking their own independent advice. These Chief Officers have received the same percentage pay award as other managers and staff groups within the Council in each year since implementation of the local pay framework.

4.1.2 "Chief Officers" who are members of the Corporate Management Team for this group of Chief Officers, remuneration on appointment may also have regard to the relative size and challenge of the role compared to other Chief Officer roles within the Council. Account is also taken of other relevant available information, including the salaries of Chief Officers in other similar sized organisations. The full Council will approve remuneration packages for new appointments in excess of £100k (incl. Salary, fees, allowances, benefits in kind etc.). The only posts paid over £100,000 are the Chief Executive and the Strategic Directors. Details of chief officers' remuneration is published on the Council's website which can be found at www.dover.gov.uk

4.2 "Lowest paid employees"

Each "lowest paid employee" is paid as an apprentice and paid in accordance with the Council's approved Apprenticeship Pay Structure

4.3 Bonuses

There is no provision for bonus payments for the "lowest paid employees" or for "employees who are not Chief Officers" or for "Chief Officers".

Honoraria - any Officer who, for any reason other than the annual leave of another Officer, is called upon at the request of a Chief Officer to undertake either the full or part duties of a higher graded post for a continuous period of at least four weeks, may be paid the salary or part salary of the higher graded post. The size of the award paid to employee(s) should be commensurate with the work being rewarded. This is controlled through the Authority to Recruit process and in consultation with the Head of Paid Service.

Market Supplements may be awarded from time to time where there is proven evidence that a role, at any grade, is difficult to recruit to, or where the retention of the incumbent provides greater value for money than re-recruitment to the role. Any payment that is made will be appropriately benchmarked against the market and reviewed on a defined basis, usually of no more than one year.

4.4 Other pay elements

"Chief Officers" are subject to the same incremental progression as the "lowest paid employees" and "employees who are not Chief Officers". All employees receive incremental progression until the top of their grade is reached, subject to satisfactory performance being achieved.

4.5 Charges, fees or allowances

Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Council's Collective Bargaining Agreement and Conditions of Service.

These policies include:

- Maternity, Paternity and Adoption Pay: Employees with more than one year's service are entitled to Occupational Maternity, Paternity or Adoption Pay in addition to any statutory entitlements in recognition of the Council's desire to be an employer of choice and the importance of work / life balance. The Occupational element is payable regardless of grade.
- Subsistence Allowance: The Council is committed to avoiding unnecessary expenditure incurred through attending business activities outside the workplace but recognises that on occasion it is appropriate to recompense employees for carrying out their duties elsewhere. All employees regardless of grade are eligible to claim reasonable expenses to enable them to carry out their role.
- Mileage Allowance: Employees are eligible to claim reimbursement for necessary business mileage at the current HMRC rates. All claims are paid in accordance with the Council's agreed Mileage Policy.
- Professional Subscriptions: All Officers at Band F or higher are eligible to claim reimbursement of one professional subscription in relation to their job or work.
- Shift Allowances: Shift allowances are paid to various job holders, in order to compensate employees whose attendance at work is routinely alternated to meet the job requirement. All payments are made in accordance with the Council's Shift Premium Policy.
- Disturbance Allowance: A payment may be paid to any Officer, regardless of grade, for a defined period where that Officer incurs additional personal expense if their work location has been changed at the request of the Council.

Elections:

- The Returning Officer has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Although appointed by the Council, the role of Returning Officer is one of a personal nature and is separate and distinct from their duties as an employee of the Council. Dover District Council has adopted the Kent scale of fees for local elections as outlined in para 36(4) of the Representation of the People Act 1983. Fees for the conduct of national elections (i.e. European, Parliamentary and Police Commissioner) are set by Central Government.

4.6 Performance related pay

The Council does not operate a system of performance related pay at this time. All employees, including the lowest paid and Chief Officers move through their salary banding through incremental progression, subject to satisfactory performance.

4.7 Benefits in kind

- Cash for Car Allowance or Lease Car: Following implementation of the Council's Job Evaluation Scheme in April 2009, car allowances were retained but paid only to officers in Bands A – E, i.e., from the Chief Executive to Heads of Service and some Service Managers. In making this part of the employment package, consideration was given to market data, which suggested that employees in comparable posts throughout the employment market were entitled to car allowances. The levels of allowance were determined by researching Croner Reward data on average car allowances for senior managers of comparable rank in medium sized companies (annual turnover between £5m - £50m). The amount is non-pensionable pay, which does not incur additional financial pressure to the Council.
- Salary Sacrifice Schemes: The Council offers a salary sacrifice scheme to enable all eligible employees to lease low emission vehicles and a salary sacrifice Cycle to Work Scheme.
- Benenden Health Care: All Officers are eligible to join Benenden Health Care, a mutual health provider, which is paid for by the Council in order to support the health and wellbeing of its employees.
- Post-Entry Training: The Council will pay for the training of any Officer undertaking work related training or qualifications, subject to management approval and budget availability, on the condition that the Officer pays back the funding should they leave the Council's employment within two years of completing the training.
- Eye Tests: The Council will pay for any Officer to undergo an eye test, when requested by that Officer, in order to comply with its duties under the Display Screen Equipment regulations and to promote the health and wellbeing of its employees.

4.8 Pension

All employees as a result of their employment are eligible to join the Local Government Pension Scheme. UK employers have to automatically enrol their staff into a workplace pension if they meet certain criteria. We have a compliant scheme for automatic enrolment in place. During 2014, this Council adopted its Pensions Discretion Policy Statement, required under the Local Government Pension Scheme Regulations 2013. This was reviewed and revised in December 2020.

The Council's Statement of Policy Discretions is published on its website.

4.9 Severance Payments

The Council publishes its policy on discretionary payments on early termination of employment as well as the policy on increasing an employee's total pension scheme membership and on awarding additional pension. Details can be found in the Council's statement of accounts and is available on the website and within the Council policies in respect of:

- early retirement
- flexible retirement

These policies are available to staff on the Council's intranet and to the public on request.

The full Council will approve severance packages in excess of £100k. The Council in considering a package over £100k will be provided with the components of relevant severance packages. This will include salary paid in lieu, redundancy compensation, pension entitlement, holiday pay and any fees, allowances or benefits in kind paid.

It is important that the Council has the flexibility to respond to unforeseen circumstances with regards re-employing former employees. If we re-employ a previous employee who received a redundancy or severance package on leaving, or if that person returns on a 'contract for services', or if they are in receipt of a Local Government Pension (with the same or another local authority), then our policy is to leave a minimum period of four weeks between the periods of employment. The post will then be considered through the Authority to Recruit process.

4.10 New starters joining the Council.

Employees who are new to the Council will normally be appointed to the first point of the salary range for their grade. Where the candidate's current employment package would make the first point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a higher salary may be considered by the recruiting manager. This will be within the salary range for the grade.

The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.

In professions where there is a particular skills shortage, as a temporary arrangement, it may be necessary to consider a market premium to attract high quality applicants.

With all salaries, there can be scope for negotiation over the exact starting salary at the point of job offer, and a range of factors will be considered. The final decision as regards any discretion lies with the Head of Paid Service.

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

5.1 Salary Grades

5.1.1 The lowest paid JESS grade for Dover District Council is grade L. The pay grade L is currently £20,524 per annum, which is slightly above the current national living wage (1 April 2023). The lowest paid apprentices are paid the National Minimum Wage for apprentices, currently £5.28 x 1.5 which equates to an annual rate of pay of £15,280. The highest paid post is that of Chief Executive with a pay scale of £125,977 to £142,552 per annum plus non-pensionable pay of £16,014, which is made up of a car allowance of £12,594 per annum and a fuel allowance of £3,420 per annum.

5.2 Pay multiples.

5.2.1 The ratio between highest pay scale and the median pay scale of whole authority's workforce is 4.1:1 at the mid pay point on the respective scales.

5.2.2 The Council does not have a specific policy on pay ratios between the highest and lowest graded points.

March 2024