

**Dover District Council Pay Policy Statement
Financial year 2015-16**

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 2015-16, 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 Chief Executive, as Head of Paid Service*
- 2.2.2 Director of Governance & Monitoring Officer and Director of Finance, Housing & Community, as the Council's statutory Chief Officers*
- 2.2.3 Director of Environment & Corporate Assets, as non-statutory Chief Officer*
- 2.2.4 Heads of Service which refers to the following roles within Dover District Council: Head of Inward Investment, Head of Finance, Head of Leadership Support, Head of Strategic Housing, Head of Communication and Engagement, Head of Democratic Services, Head of Corporate Services, Head of Assets and Building Control, Head of Community Safety, CCTV & Parking Services, Head of Regulatory Services, Waste Services Manager, Head of Regeneration and Development, Head of Museums & Tourism and Solicitor to the Council.

The Officers identified at paragraphs 2.2.1 to 2.2.4 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, Shepway District Council and Thanet District Council.

- 2.2.6 The Head of East Kent Human Resource Partnership who is employed by this Council and reports to the East Kent Services Committee, a member committee and provides the HR 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 within Band L, which is the lowest grade level of the Council's pay framework, Job Evaluation System (JESS).

No staff are governed by National consultation groups.

- 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" i.e. staff on Band L.

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 has to be balanced by ensuring remuneration is not unnecessarily excessive. This 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 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 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 Directors of Service to the most junior positions, including manual workers and apprentices. 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 in order 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 pay framework, grade L being the lowest and grade A the highest. Each employee will be on one of the 12 grades based on the job evaluation of their role via a consistent job evaluation process. Employees 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.

The Head of East Kent HR Partnership, 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 the Head of Paid Service.

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

There was a 1.5% annual pay award to all staff from 1 April 2014. 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 post paid over £100,000 is that of the Chief Executive.

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 within the salary range for Band L.

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 Employment Stability and Job Evaluation Scheme.

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 outside of their usual workplace.

Mileage Allowance: Employees below the level of Chief Officers who are not members of Corporate Management Team and not in receipt of either a lease car or cash for car allowance are eligible to claim reimbursement for necessary business mileage at the current HMRC rates for the first 1200 miles in a financial year. A rate at 1.5 x the HMRC rate is payable for mileage over 1200 miles. Mileage rates paid to lease car/cash for car recipients are at zero rate for the first 1000 miles claimed. The current relevant HMRC rate for lease cars is payable for mileage from 1001 upwards. Chief Officers who are members of Corporate Management Team are reimbursed for business mileage through the payment of an annual lump sum, which has remained static since 2002.

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, excluding Chief Officers, in order to compensate employees whose attendance at work is routinely alternated to meet the job requirement.

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. The amount has remained static since 2009.

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, 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. The law on work place pension schemes has changed. UK employers have to automatically enroll their staff into a workplace pension if they meet certain criteria. We have a compliant scheme for automatic enrolment in place, our systems are ready and all staff have been informed.

During 2014, this Council adopted its Pensions Discretion Policy Statement, required under the Local Government Pension Scheme Regulations 2013.

The Council's Schedule of Employer Policy Decisions 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
- employment stability

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 flexibility to respond to unforeseen circumstances as 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 Employment Stability 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 or Director of Governance in consultation with the Head of East Kent HR Partnership.

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

5.1 Salary Grades

- 5.1.1 The lowest paid grade for Dover District Council is grade L of the JESS scale. The pay range for grade L is currently £13,287 to £15,003 per annum. The highest paid post is that of Chief Executive with a pay scale of £101,458 to £114,807 per annum.

5.2 Pay multiples.

- 5.2.1 The ratio between highest pay scale and the median average pay scale of whole authority's workforce is 5.37:1 at the mid pay point on the respective scales.
- 5.2.2 The ratio between highest pay scale and the lowest paid scale is 8.59:1 at the minimum pay point and 8.5:1 at highest pay point on the respective scales.
- 5.2.3 The Council does not have a specific policy on pay ratios between the highest and lowest graded points.

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