

# Annex 1

## Pay Policy Statement 2013/14

### Introduction

When determining remuneration levels the Council is mindful of the requirement to balance the needs of managing scarce public resources with the need to secure and retain high-quality employees. The Council aligns its reward strategy with organisational needs by an emphasis on cash rewards, and ensuring that pay is determined by job requirements. The Council aims to operate a consistent and equitable organisation-wide reward system by placing the responsibility for remuneration decisions with a committee of elected councillors, the General Purposes Committee, and the responsibility for administering the pay policy within the Council's Personnel team.

Section 38 (1) of the Localism Act 2011 requires the council to prepare an annual pay policy statement from 2013/14. The Act specifies that the following must be included in the pay policy statement:

- the level and elements of remuneration for each chief officer
- the policy on the remuneration of chief officers on recruitment increases and additions to their remuneration including performance related pay, bonuses, charges, fees, allowances, benefits in kind and termination payments
- a definition of the "lowest paid employees" and the policy on the remuneration of this group
- the policy on the relationship between the remuneration of its chief officers and other officers.

The term "chief officer" within The Localism Act includes both statutory and non-statutory chief officers, and their deputies. In the Pay Policy Statement set out below, the information about the remuneration of chief officers includes that of, the Chief Executive, the Council's four Service Directors, the Chief Leisure Officer, and the Chief Planning Officer. The remuneration for these roles is available on the Council's website (<http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=3860> ). As the Localism Act also requires the this Pay Policy Statement to specify the remuneration details of the twenty three senior officers that are directly accountable to these chief officers, in the statement below the term "chief officer" also includes the twenty three posts that report directly to the Chief Executive, the four directors, the Monitoring Officer, the Chief Leisure Officer and the Chief Planning Officer.

In compliance with Section 38 of the Localism Act, for the purposes of this statement the "lowest paid employee" has been defined as those who are engaged as a Scale 1 clerical worker, i.e. those occupying the most technically unskilled full time positions within the Council. Individuals employed on this basis have made the transition from an apprenticeship to an "entry level" clerical post. In 2013/14 it is anticipated that there will be 2 such posts with an annual salary of £13,104.

The Code of Recommended Practice for Local Authorities on Data Transparency September 2011 requires that there is a process established to monitor the rate of growth of senior earnings compared to all other employees in the organisation. The total salary and benefits for the post of Chief Executive is £109,812. The median full time equivalent salary for all other employees in Tonbridge & Malling Borough Council is £21,909; the mean full time equivalent salary is £26,505. The pay multiple is therefore just over 5 against the median and just over 4 against the mean.

This statement will be published on the Council's website. It provides all of the information requirements of Section 38 of the Localism Act regarding the remuneration of chief officers.

In order to provide a holistic and transparent context for the remuneration of chief officers, the policy set out below provides an overview of the pay structure, pay rates, other benefits and termination payments for all employees.

## **A Pay structure and pay rates**

The pay of all council employees (including chief officers) is determined by the evaluated grade of the post. The pay band for most jobs within the council (including chief officers) is very narrow, based on 3 or 4 incremental points. Progression through the pay band is based on length of service, subject to the achievement of expected performance standards, and recognises development in a role over time based on the accumulation of experience and knowledge. It is anticipated that during 2013/14 the total number of permanent and fixed term contract staff on the Council's payroll will be approximately 400 in any one month.

The Council has not adopted the national local government job evaluation or grading schemes but has developed a locally negotiated framework that more closely reflects its own particular requirements. Within this framework there are three remuneration "families". The first has been developed for the Council's professional and senior managerial cohorts, and includes chief officers. The second is for supervisory, technical and clerical staff, and the third for those employed within the Leisure Services Business Unit.

All staff (including chief officers) are appointed to the organisation at the bottom of the grade, unless there are exceptional circumstances based on business need in conjunction with the breadth and depth of experience offered by the candidate.

## **M grade framework**

The Council's bespoke grading structure for employees with professional and specialised high level skill sets is entitled the "M" grade framework. It is anticipated that in 2013/14 there will be ninety six M grade employees. Of this number, within the scope of the definitions of the Localism Act, there are

seven chief officers (the Chief Executive, four Service Directors, the Chief Leisure Officer and the Chief Planning Officer) and twenty three “deputy chief officers” (i.e. post holders who are directly accountable to chief officers). All thirty are collectively referred to as chief officers within this pay policy statement.

A feature of the M grade framework is that the remuneration levels for all M grade posts (including those of chief officers), are fixed as a percentage of a notional benchmark grade M2. Therefore, the grading structure specifies the pay multiples attached to each grade as a percentage of the lowest incremental point of a notional benchmark M2. Posts are positioned within the M grade framework on the basis of the required specialist knowledge, professional skills, depth of professional and managerial judgement, and managerial span of control. Broadly speaking the range of capabilities required for junior M grade posts (M9 – M7 inclusive) equate to professional and/or managerial capability equivalent to Level 6 of the National Qualifications Framework (NQF). There are no chief officers within this band. Those occupying senior managerial posts graded M6 to M2 are required to possess **both** professional and managerial skill sets equivalent to Level 7 of the NQF. Within this band, there are fourteen M6 “deputy chief officers”, and, eight M5 “deputy chief officers” with a similar reporting line but wider span of control than their M6 colleagues. In addition, within the Level 7 NQF range, but with increasingly wider spans of control, there is one chief officer post graded M4, and one as M3. All four director level chief officer posts are graded as M2a. The professional and managerial capabilities **and** span of control required at director level broadly equate to level 8 of the NQF. A Level 8 degree of professional and managerial expertise is also required for the post of the Chief Executive. This, alongside the extensive span of control intrinsic to the role of paid head of service for the entire Council workforce, merits the grade of M1.

The salary scales for chief officers in relation to the M grade framework is set out below.

In addition to the “M” grade chief officers, there is one deputy chief officer in the Leisure Services Business Unit, whose salary is included in the table below for the sake of completeness.

No of chief officers	Grade	% of M” benchmark	Pay Point Range	Salary (£)
14	M6	56.0%	141	45942
			142	46815
			143	47691
			144	48558
8	M5	61.0%	147	50046
			148	50994
			149	51948
			150	52893

1	M4	70.0%	151 152 153 154	57531 58620 59715 60798
0	M4a	75.0%	161 162 163 164	61632 62802 63972 65133
1	M3	80.4%	171 172 173 174	66063 67314 68571 69816
0	M3a	85.0%	176 177 178 179	69837 71160 72489 73806
4	M2a	97.5%	181 182 183 184	80091 81609 83133 84642
0	M2	100.0%	186 187 188 189	82143 83700 85263 86811
0	M1a	110.0%	190	90357
1	M1	125.0%	191 192 193 194	102654 104601 106554 108489
1	C21	Special Leisure Services Business Unit rate		53,589

### **Supervisory, technical and clerical grades**

The council has developed a bespoke grading structure for its supervisory, technical and clerical staff that ranges from the grade of senior officer to clerical scale 1. It is anticipated that in 2013/14 there will be approximately two hundred employees remunerated according to this framework. Broadly

speaking the managerial, professional and skill set required for posts graded Senior Officer equate to Level 5 of the NQF, posts graded scale 5-6 equate to Level 4 of the NQF, posts graded scale 3-4 to Level 3 of the NQF, posts graded scale 1-2 require a Level 2 skill set and those at entry level scale 1 at Level 1 of the NQF.

There is a multiple of approximately 8 between the base level salary of the Chief Executive and a scale 1 clerical officer, reflecting the differences in skill sets, complexity and span of control from the lowest to the highest paid employees of the Council.

### **Leisure Services Business Unit**

The Council directly manages and operates several leisure facilities via the Leisure Services Business Unit, (the LSBU). In 2013/14 it is anticipated that the LSBU will employ one hundred and sixteen permanent members of staff who will be remunerated on a salary scale that has comparability with that of the rest of the Council but has been modified to reflect the different specialist skill sets within a leisure environment. There is one deputy chief officer employed within the LSBU, at the grade of C21.

### **Annual Pay Award**

The salary of all council employees (including chief officers) may increase annually by an annual pay award which is locally determined taking into consideration:

- “caps” on public sector pay rates set by the Government
- the council’s ability to pay
- inflation levels
- the “going rate” of pay awards in neighbouring authorities and nationally
- recruitment and retention levels.

## **B “Other” pay elements**

The Council aims to have a streamlined and transparent pay structure and therefore it does not pay additional one off bonuses, market premiums, location allowances or special awards for any staff (including chief officers). Pension contributions for all employees opting to join the Local Government Pension Scheme are nationally determined.

### **Honoraria**

Very occasionally an additional honorarium payment is awarded to an individual for completing a special task or project requiring exceptional performance over and above normal expectations, or effective handling of duties outside of the scope of the individual’s normal role in emergency situations. Such payments are not made to chief officers, and only very rarely to deputy chief officers. It is not anticipated that any deputy chief officers will receive an honorarium in 2013/14.

## Car allowances

Seventy seven posts have been designated as having essential car user status on the basis that there is an essential requirement for the post holder to use a car to perform their job, and they are expected to travel in excess of 2,500 miles per annum in the course of their duties. Essential car users receive a lump sum allowance to contribute towards the associated running costs of the car. In 2013/14 five chief officers will receive an essential car user allowance of £1,239.00.

The Council operates a leased car scheme for forty nine designated posts, of which twenty five are occupied by chief officers. Of the twenty five designated chief officer lease car drivers, fourteen post holders have opted for lease cars and eleven have decided to receive a cash equivalent payment as an alternative to a lease car. Those who drive leased cars are required to make their leased car available for the use of all Council employees possessing a suitable driving licence, if so required, (the Council has the appropriate insurance cover). The terms of the lease car scheme, and number of participating chief officers, are set out in the table below:

<b>Grade</b>	<b>No of participating chief officers</b>	<b>Council contribution</b>	<b>Limit of 3 year Lease cost</b>
M1, M2, M2a, M3	5	100% less £102	£15,508
M4, M4a	1	100% less £102	£13,376
M5, M6, C21	8	90%	£10,460
<b>Total</b>	<b>14</b>		

Ten of the eleven chief officers that have opted for cash equivalent payments are graded M5 or M6 and receive £2,976 per annum, and one, graded M3, receives an allowance of £4,812 per annum. Chief Officers in receipt of leased cars or cash equivalent payments do not also receive the essential car user allowance.

## Telephone allowances

Nineteen chief officers are deemed to be essential users of mobile telephones. Of this number fourteen have been supplied with a mobile telephone for council related activities, and five receive a mobile telephone allowance of £54. In addition to these allowances, fourteen chief officers receive a contribution of £144 per annum towards the cost of their home landlines to enable them to undertake work activities at home out of hours and at weekends.

## Professional fees

Twenty chief officers receive an annual payment for the subscription to a professional institute as it is deemed an essential requirement for the post. The anticipated schedule of payments is set out in the table below:

No of chief officers	Grades	Subscription Fee (£)
2	2 x M6	125
3	1 x M2a 2 x M5	151
1	1 x M5	190
1	1 X M5	202
2	2 x M6	255
2	1 x M2a 1 x M5	285
1	1 x M5	296
5	1 x M2a 1 x M4 1 x M5 2 x M6	306
1	1 x M2a	328
1	1 x M6	330
1	1 x M6	455

### **Fee for acting as the Returning Officer**

Tonbridge & Malling Borough Council is required to appoint a Returning Officer by virtue of section 35 of the Representation of the People Act 1983. In Tonbridge & Malling, the Chief Executive has been appointed as the Returning Officer. This is a personal appointment, separate from their other duties. In this capacity they are the Returning Officer for elections to the Borough Council and to Parish Councils within this Borough. For Borough and Parish Council elections, the Returning Officer fee is calculated in accordance with an agreed Kent Scale of Fees. The Returning Officer fee is payable for the substantial additional duties undertaken, and leadership required of the Returning Officer in planning, delivering and undertaking the elections and recognises the personal nature and personal responsibility of the role of the Returning Officer. The Returning Officer for Tonbridge & Malling is very involved in the electoral process. No Borough or Parish elections are scheduled during the 2013/14 financial year.

### **C Severance payments**

According to the Local Government (Early Termination of Employment)(Discretionary Compensation )(England and Wales) Regulations 2006 the Council has the power to make discretionary payments on early termination of employment. The Council has determined that it will calculate payments made to any eligible employee (including chief officers) who are made redundant or who depart on the grounds of the efficiency of the service by using the Government's statutory redundancy payment calculator formula and the employee's actual weekly pay. For those who depart on the grounds of redundancy or efficiency of the service, or who chose to retire "early", the Council does not increase the employee's total pension scheme membership

or award additional pension. This response to the Local Government Pension Scheme (Administration) Regulations 2008 applies to all employees, including chief and deputy chief officers.

The Council's policy is that it does not re-employ chief or deputy chief officers who have left with a severance or redundancy payment, nor does it re-engage them on a self employed basis with a contract for services.