

Pay Policy Statement 2018/2019

1 Background

- 1.1 Section 38 of the Localism Act 2011 ('The Act') requires local authorities in England to prepare, approve and publish a pay policy statement. The statement must detail the authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff ('chief officers') and its lowest paid employees. This statement has been produced in line with the Local Government Transparency Code 2014.
- 1.2 The pay policy statement must be prepared for each financial year. As soon as reasonably practicable after approving the statement it must be published in such manner as the Council thinks fit, which must include publication on the Council's website.
- 1.3 It remains the case that each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The Act only requires that authorities are more open about local pay policies and how their local pay decisions are made. It is not necessary to specify actual pay rates or terms and conditions. It also means that future decisions by a local authority relating to the pay and conditions of its chief officers must comply with the authority's approved pay policy statement.

2 Pay Policy Principles

- 2.1 The provisions of the Act confirm the government's commitment to increase openness about how taxpayers' money is used, bringing together the principles of increasing accountability, transparency and fairness in the setting of local pay.
- 2.2 The Hutton Review of Fair Pay in the Public Sector (final report published March 2011) confirmed the government's decision to promote pay fairness in the public sector by reducing the gap between the lowest and highest paid in public sector organisations.
- 2.3 The Act requires Councillors to take a greater role in determining pay, ensuring that decisions are made by those who are directly accountable to local people. In addition, they must ensure that policies on the pay and reward of the most senior staff are set clearly within the context of the pay of the wider workforce.

3 Scope of Dacorum Borough Council Pay Policy Statement

- 3.1 The Council's definition of a senior manager for the purposes of this policy statement is: Chief Executive (Head of Paid Service), Corporate Directors and Assistant Directors. The term 'Chief Officer' relates to the Chief Executive and Corporate Directors only.

3.2 Council staff are employed under terms and conditions contained in the National Joint Council (NJC) for Local Government Services National Agreement on Pay and Conditions of Service. However, these are subject to a number of local agreements including a local agreement on remuneration. The following roles form the Council's Corporate Management Team:

- Chief Executive
- Corporate Director (Finance and Operations) (S151 Officer)
- Corporate Director (Housing and Regeneration)
- Assistant Director (Finance and Resources)
- Assistant Director (Housing)
- Assistant Director (Neighbourhood Delivery)
- Assistant Director (Planning, Development and Regeneration)
- Assistant Director (Performance People and Innovation)
- Solicitor to the Council and Monitoring Officer.

4 Senior Officer Salary Ranges

4.1 During 2009 and 2010, the Council undertook a Strategic Re-alignment programme, in which all senior posts (Group Manager level and above) were evaluated using the Local Government Employers (LGE) senior management evaluation scheme. This is a nationally recognised methodology, benchmarked by the LGE against other local authorities, taking into account local factors.

4.2 Continuing from this, the Council has developed its own job evaluation scheme. Each grade is then matched to a prescribed salary range. Each salary range has 3 incremental points. Increments are awarded annually in April, linked to the achievement of satisfactory performance. There are specific Chief Officer pay bands for the Corporate Directors and for the Chief Executive. These have 5 points within each band.

4.3 The senior management job evaluation scheme can only be applied to posts below Group Manager level in very exceptional circumstances. This is subject to the recruiting manager being able to demonstrate to the satisfaction of Chief Officer Group (COG) that the role is comparable to that of Group Manager in terms of any specialist skills and/or leadership qualities that are required and the significant importance of the post to the Council.

4.4 As at February 2018, the ratio between the pay of the highest paid officer and the median salary of staff is 5.5:1. The ratio was 5.6:1 last year.

5 Remuneration Package

5.1 As well as basic salary, all senior managers are entitled to specific terms of employment, as set out in the following paragraphs.

5.2 Annual Leave

- 5.3 The leave year begins on the 1st April each year and ends on the following 31st March. Annual leave entitlement varies, dependent on spinal column point (SCP), length of local government service and the number of days contracted to work each week (see Table 1 below). Chief Officer leave allowances refer to the Chief Executive and Corporate Directors.

Table 1: Annual leave entitlements

	Working 1 day per week			Working 2 days per week			Working 3 days per week			Working 4 days per week			Working 5 days per week		
	Service in Years			Service in Years			Service in Years			Service in Years			Service in Years		
Spinal Column Point	<5	5 to <10	10 & 10+	<5	5 to <10	10 & 10+	<5	5 to <10	10 & 10+	<5	5 to <10	10 & 10+	<5	5 to <10	10 & 10+
Up to 12	4.5	5.5	5.5	9	11	11	14	16	16	18.5	21.5	21.5	23	27	27
13 to 21	4.5	5.5	5.5	9	11	11	14	16	17	18.5	21.5	22.5	23	27	28
22 to 28	5	5.5	6	10	11	11.5	15	16	17.5	20	21.5	23	25	27	29
29 to 40	5	5.5	6	10.5	11	11.5	15.5	16	17.5	21	21.5	23	26	27	29
41 & above (Assistant Directors)	6	6	6.5	11.5	11.5	13	17.5	17.5	19	23	23	25.5	29	29	32
Chief Officers	6.5	6.5	7	13	13	14	19	19	21	26	26	28	34	34	37

5.4 Cars

- 5.5 From 1st April 2018 the lease car scheme has been replaced by a car salary sacrifice scheme. This is open to all eligible employees.
- 5.6 From 1st April 2018 the three essential car user allowances will be discontinued. Previous eligible staff roles will receive a consolidated increase in their pay equivalent to this amount (with adjustments for additional pension contributions).
- 5.7 All Chief Officers and all employees whose posts are Band 11 or above are eligible for a lease car allowance*. Chief or Senior Officers are paid a lease car allowance lump sum See Table 2 below:

Table 2: Chief Officer and senior officer car allowance

Band point	Miles.	Car Band	Amount p.a.
34 to 46	N/A	1	£2,550
34 to 46	Over 2000 per year	2	£3,200
34 to 46	Over 4000 per year	3	£3,750
47 to 72	N/A	3	£3,750
Corporate Directors	N/A	4	£4,600
Chief Executive	N/A	5	£4,800

* Lease car allowances will be consolidated into basic pay as of October 2020, so lease car payments to staff will no longer exist beyond this date.

- 5.8 All employees are also eligible for a Council Car Loan, with interest being charged at the HMRC official rates.
- 5.9 All car business mileage for senior officers can be claimed at a locally agreed rate, currently 21p per mile.

5.10 Sick Pay

- 5.11 As part of its responsibility towards its employees the Council has arrangements for ensuring that employees who are unable to work for a limited period for reasons of illness do not suffer additional hardship through loss of earnings. These payments are restricted and at the end of the defined period the entitlement to occupational sick pay ceases. The periods of entitlement to occupational sick pay are related to length of service and apply to all employees, as shown in table 3.

Table 3: Occupational sick pay periods

Length of continuous service	Amount of sick pay
During 1 st year of service	1 month's full pay & (after completing 4 months' service) 2 months' half pay
During 2 nd year of service	2 months' full pay & 2 months' half pay
During 3 rd year of service	4 months' full pay & 4 months' half pay
During 4 th and 5 th years of service	5 months' full pay & 5 months' half pay
After 5 years' service	6 months' full pay & 6 months' half pay

6 Pensions (Local Government Pension Scheme)

- 6.1 All local government employees (including senior managers) are eligible to join the Local Government Pension Scheme (LGPS). Employee contributions are set nationally by the LGPS and are banded, according to salary level. Currently senior managers pay between 8.5% - 12.5% depending on their individual salary.
- 6.2 Employer contributions to the Local Government Pension Scheme for the Dacorum Borough Council employers fund are currently set at 18.5%.

7 Additional Payments

- 7.1 Senior managers are not entitled to claim any additional payments, such as overtime, standby or payments for working at the weekend. Senior managers attend a wide variety of evening meetings and assist with emergency phone duties on top of their normal working week. Attendance at such meetings is not compensated for and is expected as part of any senior role.
- 7.2 There is a subsistence scheme for all staff, including senior managers. The aim of the scheme is to reimburse employees fairly for travelling and subsistence necessarily incurred whilst carrying out their duties on behalf of the Council and to keep costs to the Council to a minimum.
- 7.3 All staff are entitled to make a claim for job-related subsistence if working away from the area on business. Claims for meals can only be made if staff are prevented from taking the meal at home or the workplace and this has been agreed in advance with managers. Receipts must be produced for all claims.

7.4 Job related subsistence rates (maximum payable) are:

Breakfast	£6.88
Lunch	£9.50
Tea	£3.76
Evening Meal	£11.77

8 Election Fees

8.1 Election fees are paid to senior officers in compensation for the additional duties required to management national and local elections and referendums.

8.2 The Returning Officer is designated as the Chief Executive in the Council's Constitution. The fees for all staff employed on election duties are either specified by the Electoral Commission for national elections or are decided locally by the Returning Officer for local elections. The fees for local elections are set out in a 'scale of expenses' agreed by the Council, after a comparison with other neighbouring authorities and whether the poll is being combined with another election.

8.3 The fee for the Returning Officer for national elections is determined by the number of the electorate in the area administered by that Returning Officer (as set out in s.29 of the Representation of the People's Act 1983 and updated by the Ministry of Justice prior to each election). These are enhanced by an amount set out in a 'scale of expenses' agreed by the Council if the poll is combined with another election.

8.4 **Returning Officer Fees** - Fee for the duly appointed Returning Officer in performing their duties under any enactment's relating to local government elections including all expenses: The Council's Returning Officer is the Chief Executive.

8.5 For every 1,000 electors in the electoral area/ward in which contested election is held – Borough Election: £47.50 and Town/Parish Election: £35.00.

8.6 For every 1,000 electors in each uncontested election - Borough Election: £20.00 and Town/Parish Election: £14.00

8.7 **Deputy Returning Officer Fees** - For each electoral area/ward in which contested election is held: Borough Election: £100, Town/Parish: £70. The Deputy Returning Officers are typically the Monitoring Officer and the Group Manager (Democratic Services).

8.8 For each uncontested election: Borough Election: £40, Town/Parish: £30.

8.9 Appendix 2 incorporates all election fees for 2018/2019

9 Recruitment of Senior Managers

9.1 Recruitment of senior managers is managed by the Council. Vacancies are advertised with the applicable salary range. The total package is set out in the recruitment pack. The recruitment of officers below Chief Officer level is undertaken by the Corporate Director for the relevant service area through a recruitment panel process involving other senior officers and if appropriate, specialist recruitment advisors.

9.2 The appointment of posts at Chief Executive and Corporate Director level are made by an Appointments Panel. This panel normally consists of Council Members, Chief Officers and Human Resources officers and is convened specifically to undertake the appointment of Chief Officers.

9.3 The decision on which roles attract salaries over £100,000 per annum will be initially determined by the Chief Executive, as Head of the Paid Service, and the Leader of the Council, in consultation with Human Resources. The Council's Cabinet will review the proposed salary package and make a recommendation to Full Council. Recruitment to vacancies with salary packages above £100,000 per annum will be in accordance with the Council's Recruitment and Selection Code of Practice, which requires that Cabinet Members will be included in the appointment panel.

10 Managing Pay

10.1 Starting salaries for Senior Managers

10.2 It is normal practice for all senior managers to be appointed at the bottom of the prescribed salary range. Exceptionally there may be instances where the Council may appoint above the bottom of the salary range where there is a clear rationale. Such cases will be considered and justified on a case by case basis. Consideration will be given to:

- Relativity of salaries of comparable roles
- Size and responsibilities of the post and duties to be undertaken.
- The wider recruitment market.

10.3 For employees below Chief Officer level, the decision on the salary of the post will be approved by the Corporate Director of the service (dependent on level of post) prior to an offer being made.

10.4 Pay Increases for Senior Managers

10.5 Pay increases that involve no changes to terms and conditions may take two forms:

- Pay scale increments awarded annually, subject to satisfactory performance
- Pay awards relating to cost of living increases.

10.6 Increments

10.7 The decision on whether to award an increment is made by the direct line manager of each employee following a performance review. The Leader of the Council makes the decision on pay relating to the Chief Executive.

10.8 The Individual performance of senior managers is assessed via the Council's Performance Development Review Appraisal Scheme. Each employee has an individual performance plan, setting out objectives for the coming year and expectations that are to be met with regard to the Council's High Performance Environment attitudes and behaviours. This is reviewed throughout the year and formally at the end of each year. Staff are then awarded an overall rating assessing their achievement against their objectives and the High Performance Environment standards.

10.9 Any adjustments to pay are awarded based on an individual's overall performance assessment. Increments are not awarded where performance is deemed not to have been satisfactory during the relevant year.

10.10 Where a role significantly varies within the performance year, an assessment will be undertaken using the Council's job evaluation scheme, to assess if an alteration to pay or grade is necessary. Any changes in salary for Leadership roles need approval from the Chief Executive.

10.11 Cost of living increases

10.12 Annual cost of living increases for all Council staff, except Chief Officers, are determined by the National Joint Council for Local Government Services. The Council awards cost of living increases in line with NJC recommendations unless there are specific reasons not to do so. Annual cost of living increases for Chief Officers are determined by the Joint National Council for Chief Officers but are subject to the same considerations. These considerations may include:

- Affordability
- The conditions of the job market and the relative pay of employees, including Chief Officers, in comparison with other similar organisations
- Difficulties in recruitment and retention to specific posts.

10.13 Deputising for statutory officers

10.14 The Chief Executive has the authority to award an additional responsibility allowance (ARA) to staff who deputise for the statutory officer roles of the Section 151 Officer and the Monitoring Officer where the deputy role has not been included in the job description and therefore incorporated within the job evaluation. The ARA will be calculated as a percentage of the remuneration of the relevant statutory officer and will reflect the amount of time the deputising staff undertake those additional statutory responsibilities. Typically, an ARA will be no more than £5,000 per annum.

11 Payments on Termination of Employment for Senior Managers

11.1 Redundancy and Severance Payments

11.2 An employee whose contract of employment is terminated due to redundancy will be eligible for a redundancy payment. Payments are made based on the length of service and the calculation of 1.5 weeks per year of service, and based on an employee's contractual weekly pay. Employees aged over 55 who are made redundant will be able to draw their pension to the date of their retirement. Employees aged under 55 will receive a redundancy payment and have their pension benefits deferred until they reach retirement age.

11.3 An employee whose contract of employment is terminated for any reason and there is justification for a severance payment, will be subject to approval by the relevant Corporate Director and Chief Executive taking advice from the Monitoring Officer, Human Resources and Section 151 Officer.

- 11.4 An employee who is made redundant or paid a severance payment must have a break of at least one month and one day to break their continuous service with the Authority before they can be re-employed by the Council in a different position.
- 11.5 Any proposed payment(s) as part of a severance package that results in the severance package being of a value of £100,000 or more in total, will be reviewed by the Chief Executive and the Leader of the Council in consultation with Human Resources and Legal Services and make a recommendation to Cabinet. The Cabinet will review the award and make recommendation to Full Council. Proposed severance packages under £100,000 are approved by the S151 Officer and reviewed by the Group Manager (People and Performance).
- 11.6 The government has indicated that they are considering the introduction of legislation, which will impose a cap on 'exit payments' which can be made to public sector employees who leave voluntarily.

12. Local Government Pension Scheme

- 12.1 Employees are eligible to be members of the Local Government Pension Scheme. The core pension benefits of these schemes are determined by statutory regulations.

13 Lowest paid employees

- 13.1 The Council's definition of lowest paid employees for the purposes of this policy is: employees paid on spinal column point 5 of the local pay scale. The scale is based on nationally-approved scales but has been adjusted to meet local requirements, for which point 5 represents the bottom of pay band 1. As at 1 April 2017, this equates to £14,113 per annum for a full time employee, plus £840 per annum London Fringe Weighting (The living wage is currently £8.45 per hour). The Council applies the living wage entitlement to posts under the living wage threshold. From 1 April 2018 the living wage entitlement is £8.75 per hour in total. This is reviewed by Cabinet on a yearly basis. To date there has not been final agreement on the national pay deal.

14 Gender Pay Gap

- 14.1 As from 1 April 2018, all employers with 250 or more employees are required by Law to publish their gender pay gap each year on their own and the Government's website. The Council's gender pay gap is as follows:

	Average Total Hourly Rate	Total Number of Staff	Mean Hourly Rate		Median Hourly Rate
Female	£5,076.69	360	£14.10	Female	£12.83
Male	£4,794.41	337	£14.23	Male	£11.03
Mean Gender Pay Gap	1%			Median Gender Pay Gap	8%

Appendix 3 provides further detail on the key actions that will be undertaken to address any issues.

15 Pay Transparency

15.1 Organisation chart

In accordance with the Local Government Transparency Code 2014, the Council must publish an organisation chart covering the top three management tiers of the organisation and showing the following items of information for each member of staff included in the chart:

- Grade
- Job title
- Department and team
- Permanent or temporary
- Work contact details
- Salary in £5,000 brackets (see the senior salaries requirements below)
- Maximum salary for the grade.

15.2 Senior Salaries

In addition to the organisation chart, under the Accounts and Audit (England) Regulations 2011 and the Local Transparency Code 2014, the Council is required to publish:

- the number of employees whose remuneration in that year was at least £50,000, and
- details of remuneration and job title of certain senior employees whose salary is at least £50,000 together with a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff they are responsible for) and details of any bonuses and 'benefits in kind'.

15.3 The information referred to in paragraph 14.1 and 14.2 is not required to be contained in the Pay Policy Statement but must be placed on the Council's website. This information is located on Dacorum Borough Council's website, under the open data section.

Pay Scales (April 2017)

	SCP	Salary (Excluding London Fringe Weighting)	SCP	Monthly Salary (Including London Fringe Weighting)	SCP	Hourly Rate (Excluding London Fringe Weighting)
	-	£	-	£	-	£
Band 1	05	14,113	05	1,246.08	05	7.32
	06	14,279	06	1,259.92	06	7.40
Band 2	07	14,307	07	1,262.25	07	7.42
	08	14,821	08	1,305.08	08	7.68
	09	15,235	09	1,339.58	09	7.90
Band 3	10	15,525	10	1,363.75	10	8.05
	11	16,075	11	1,409.58	11	8.33
	12	16,391	12	1,435.92	12	8.50
Band 4	13	16,808	13	1,470.67	13	8.71
	14	17,104	14	1,495.33	14	8.87
	15	17,449	15	1,524.08	15	9.04
Band 5	16	17,851	16	1,557.58	16	9.25
	17	18,283	17	1,593.58	17	9.48
	18	18,680	18	1,626.67	18	9.68
Band 6	19	19,376	19	1,684.67	19	10.04
	20	20,055	20	1,741.25	20	10.40
	21	20,752	21	1,799.33	21	10.76
Band 7	22	21,281	22	1,843.42	22	11.03
	23	21,894	23	1,894.50	23	11.35
	24	22,344	24	1,932.00	24	11.58
Band 8	25	22,772	25	1,967.67	25	11.80
	26	23,508	26	2,029.00	26	12.18
	27	24,293	27	2,094.42	27	12.59
Band 9	28	25,084	28	2,160.33	28	13.00
	29	27,362	29	2,350.17	29	14.18
	30	28,279	30	2,426.58	30	14.66
Band 10	31	29,166	31	2,500.50	31	15.12
	32	30,025	32	2,572.08	32	15.56
	33	30,910	33	2,645.83	33	16.02
Band 11	34	31,786	34	2,718.83	34	16.48
	35	33,349	35	2,849.08	35	17.29
	36	34,227	36	2,922.25	36	17.74
Band 12	37	35,190	37	3,002.50	37	18.24
	38	36,223	38	3,088.58	38	18.78
	39	37,401	39	3,186.75	39	19.39
Band 13	40	38,390	40	3,269.17	40	19.90
	41	40,102	41	3,411.83	41	20.79
	42	41,129	42	3,497.42	42	21.32
Band 14	43	42,142	43	3,581.83	43	21.84
	44	43,175	44	3,667.92	44	22.38
	45	44,155	45	3,749.58	45	22.89

Band 15	46	45,233	46	3,839.42	46	23.45
	47	46,265	47	3,925.42	47	23.98
	48	48,116	48	4,079.67	48	24.94
Band 16	49	49,141	49	4,165.08	49	25.47
	50	50,170	50	4,250.83	50	26.00
	51	51,196	51	4,336.33	51	26.54
Band 17	52	52,241	52	4,423.42	52	27.08
	53	53,262	53	4,508.50	53	27.61
	54	54,293	54	4,594.42	54	28.14
Band 18	55	55,324	55	4,680.33	55	28.68
	56	56,357	56	4,766.42	56	29.21
	57	57,432	57	4,856.00	57	29.77
Band 19	58	58,504	58	4,945.33	58	30.32
	59	59,571	59	5,034.25	59	30.88
	60	60,638	60	5,123.17	60	31.43
Band 20	61	61,709	61	5,212.42	61	31.99
	62	62,786	62	5,302.17	62	32.54
	63	63,857	63	5,391.42	63	33.10
Band 21	64	65,134	64	5,497.83	64	33.76
	65	66,438	65	5,606.50	65	34.44
	66	67,765	66	5,717.08	66	35.12
Band 22	67	69,120	67	5,830.00	67	35.83
	68	70,504	68	5,945.33	68	36.54
	69	71,913	69	6,062.75	69	37.27
Band 23	70	73,353	70	6,182.75	70	38.02
	71	74,819	71	6,304.92	71	38.78
	72	76,316	72	6,429.67	72	39.56

LFW (London Fringe Weighting) = £840 per annum

Dacorum Borough Council's Minimum Wage, excluding London Fringe Weighting, is £7.32 per hour.

Dacorum Borough Council's Minimum Wage, including London Fringe Weighting, is £7.75 per hour.

Corporate Director's Pay bands:

Band point 83 - £91,936 per annum

Band point 84 - £93,555 per annum

Band point 85 - £95,175 per annum

Band point 86 - £96,800 per annum

Band point 87 - £98,423 per annum

Chief Executive Pay bands:

Band point 88 - £124,060 per annum

Band point 89 - £126,181 per annum

Band point 90 - £128,302 per annum

Band point 91 - £130,423 per annum

Band point 92 - £132,544 per annum