

# Canterbury City Council Pay Policy Statement

## Financial year 2017/18

### 1. Purpose

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

This pay policy statement sets out Canterbury City Council's policies relating to the pay of its workforce for the financial year 2017/18, 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 and interpretation

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 Canterbury City Council:

- Chief Executive, as Head of Paid Services
- Director of Resources and Head of Legal Services, as the Council's statutory Chief Officers
- Deputy Chief Executive, as a non-statutory Chief Officer
- Assistant Directors

**2.3 "Lowest paid employees"** refers to those staff employed on grade CCC-06 of the Council's pay framework.

The above definition for the "lowest paid employees" has been adopted because grade CCC-06 is the lowest grade on the Council's pay framework.

**2.4 "Employee who is not a Chief Officer"** refers to all staff who are not covered under the "Chief Officer" group above. This includes the "lowest paid employees" i.e. staff on grade CCC-06.

**2.5** Where reference is made in this policy to other policies adopted by the council, those policies are taken to be adopted and have effect under this policy.

**2.6** Chief officers are employees and provisions in this policy relating to employees are taken to include chief officers unless otherwise stated.

### **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, nor is seen to be, unnecessarily excessive. Each council has responsibility for balancing these factors and each council faces its own unique challenges and opportunities in doing so and retains 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 and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.

With the exception of any groups where pay is governed by National consultation groups and the Chief Executive, pay for all staff is determined by the Policy and Resources Committee. The Policy and Resources Committee comprises elected Councillors from the main political parties and has responsibility for local terms and conditions of employment for staff within Canterbury City Council's pay framework.

Canterbury City Council's pay framework was implemented in February 1989 and is based on local pay determination. The framework was revised during 2015 and was updated on 1 April 2016.

#### **3.3 Salary grades and grading framework**

Grades are determined through the application of the HAY scheme, carried out by panels including senior managers from this Council, EKH, Thanet District Council and EKHR. The job evaluation scheme uses different factors to evaluate roles and align them with the appropriate salary level.

This is in line with a national requirement for all Local Authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

There are 16 grades in the pay framework, CCC-06 being the lowest and CCC-21 the highest. The Chief Executive's pay is on a fixed pay point. Each employee will be on one of the 16 grades based on the job evaluation of their role. Employees can progress to the salary range maximum of their grade through Exceptional Performance awards.

Pay awards are considered annually for staff. Local pay determination is used in negotiation with the Canterbury City Branch of UNISON.

For the Chief Executive, the value of any pay award is determined by the political group leaders.

From 1 April 2016, a pay award of 1% was granted to all staff (with slightly higher awards for lower paid staff to match the national local government pay award) and the lowest pay rate was increased to match the living wage in place at April 2015 - £8.25 per hour. The pay award for 2017/18 is currently being negotiated.

## **4. Remuneration – level and element**

### **4.1 Salaries**

#### **4.1.1 “Chief Officer” - the Chief Executive**

The Chief Executive is paid outside the Council’s pay framework, which applies to all other employees.

The annual pay review for the Chief Executive is considered by the political group leaders each year. To support the annual review, information may be provided on performance, responsibilities, inflation, median salaries in terms of population size and authority type.

Typically, the Chief Executive has received the same percentage pay award as other officers since implementation of the local pay framework

#### **4.1.2 “Chief Officers” who are the Deputy Chief Executive, Director of Resources and Assistant Directors**

Pay for the Deputy Chief Executive, Director of Resources and Assistant Directors falls within the main pay framework and is determined by Policy and Resources Committee in accordance with arrangements detailed above.

Details of chief officers’ remuneration is published on the council’s website. Senior salaries over £50,000 can be found here [https://www.canterbury.gov.uk/downloads/download/180/senior\\_salaries\\_over\\_50000](https://www.canterbury.gov.uk/downloads/download/180/senior_salaries_over_50000) and information in the statement of accounts including payments to chief officers and termination payments can be found here <https://www.canterbury.gov.uk/media/1308115/Statement-of-Accounts-2015-16-Final-Signed.pdf> under notes 22 and 23 to the Statement.

#### **4.2 “Lowest paid employees”**

Each “lowest paid employee” is paid within the salary range for CCC-06, with a minimum pay rate in 2016/17 of £8.25 an hour; for a full time member of staff this equates to an annual salary of £15,906.

### **4.3 Bonuses**

There is no provision for bonus payments for any staff.

Honoraria – there is provision for an honorarium payment in specific circumstances as set out in the council’s policy on honoraria.

Market supplements – these are paid for specific roles, so that their salary level is at the appropriate level in relation to the market and where not doing so would prevent the council from attracting and retaining suitable staff. These are determined on a case by case basis and reviewed at least every two years.

The size of the award paid to employee(s) should be commensurate with the work being rewarded. Honoraria above £1,000 are authorised by the Chief Executive.

#### **4.4 Other pay elements**

“Chief Officers” are subject to the same performance management process as the “lowest paid employees” and “employees who are not Chief Officers”.

Targets are set and performance against those targets is assessed through the Performance Development Appraisal process.

The Chief Executive is on a fixed point salary grade, The Deputy Chief Executive, Director of Resources and current assistant directors have decided that they will also waive their right to receive pay progression. All other officers can progress until the top of their grade is reached based on the receipt of an exceptional award. When the top of the grade is reached a one-off payment may be made to reward exceptional performance.

#### **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 set of policies for pay, benefits and allowances. These policies apply to all staff, unless otherwise specified within the policy, and include:

- Bicycle allowance
- College based courses allowance
- Disturbance allowance scheme
- Disturbance and travelling allowances following reorganisations
- Emergency call outs
- car allowances (dependent on grade and role)
- Out of pocket expenses
- Overtime (not payable to senior employees)
- Standby allowance
- Subsistence allowance
- Training and development scheme – financial assistance

Policies are available to staff on the council’s intranet and are available to the public on request.

Election duties - the chief returning officer and the deputy returning officer receive a one-off payment for election duties. Payments are made on the basis of population in the district and whether the election is local or national – the payment for national elections is agreed nationally and the payment for local elections agreed at county level.

#### **4.6 Staff Benefits**

- Busy Bees childcare voucher scheme – available to all staff
- Reduced leisure centre and Marlowe Theatre membership – available to all staff
- Relocation allowance – available in some cases for staff moving into the area for work
- Annual health checks – senior employees only
- Bicycle Allowance scheme – available to all staff
- VDU eye tests – all staff

#### **4.7 Pension**

All employees as a result of their employment are eligible to join the Local Government Pension Scheme.

#### **4.8 Severance Payments**

We are already required to publish our policy on discretionary payments on early termination of employment as well as publishing our 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, available on the website and in 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.

Where a severance payment is expected to exceed £100,000, full Council will be given the opportunity to vote on the payment before it is approved. This will be by recommendation from the Policy and Resources Committee. Severance payments may include salary paid in lieu of notice, redundancy compensation, the cost of any additional pension entitlement arising from the early termination of employment, holiday pay and any bonuses, fees or allowances paid.

It is important the Council has flexibility to respond to unforeseen circumstances as regards re-employing former employees as a Chief Officer, although doing so is not regarded as normal practice at Canterbury City Council and occurrences of this are rare. 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 / Firefighter Pension Scheme (with same or another

local authority), then our policy is to leave a period of four weeks between the periods of employment.

#### **4.9 New starters joining the Council**

Employees new to the Council will normally be appointed to the bottom of the salary range for their grade. Where the candidate's current employment package would make the bottom 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.

As regards senior officer posts, scales are determined by reference to regional comparisons through the HAY job evaluation scheme. In professions where there is a particular skills shortage, as a temporary arrangement, it may be necessary to consider a market supplement to attract high quality applicants. With senior manager 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 chief officer responsible for the appointment.

Where the total salary package for a new appointment to a chief officer post is estimated to total more than £100,000, full Council will be given the opportunity to vote on the salary package before it is offered through a recommendation from the Policy and Resources Committee. (Salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment).

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

The highest paid employee's salary is 5.47 times that of the median salary.