

DARTFORD BOROUGH COUNCIL PAY POLICY STATEMENT – 2022-23

1. PURPOSE

This Pay Policy Statement is made in accordance with Section 38(1) of the Localism Act 2011 and will be reviewed annually as part of the budget report, or in year, if required.

This Pay Policy Statement sets out Dartford Borough Council's policies relating to the pay of its workforce for the financial year 2022-23, 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. LEGISLATIVE FRAMEWORK

In determining the pay and remuneration of all its employees, the Council will comply with all relevant employment legislation and:

- The Equality Act 2010
- The Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000
- The Agency Workers Regulations 2010, and where relevant
- The Transfer of Undertakings (Protection of Employment) Regulations 2006.

With regard to the equal pay requirements contained within the Equality Act 2010, the Council ensures that there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified.

3. DEFINITIONS

For the purpose of this Pay Policy Statement, the following definitions will apply:

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

3.2 "Chief Officer" (has the meaning given in section 2 of the Local Government and Housing Act 1989) and refers to the following roles within the Council:

- a) Directors;
- b) Statutory Officers.

3.3 "Lowest Paid Employees" refers to those staff employed within grade B of the Council's local pay framework.

The definition for the “Lowest Paid Employees” has been adopted because Grade B is the lowest grade on the Council’s local pay framework. Grade B (starter level) and a number of cleaners and one seasonal part time worker are paid no less than the Living Wage Foundation’s Living Wage.

From time to time, the Council employs apprentices or other such categories of workers, including casual workers, who are not included within the definition of ‘Lowest Paid Employee’ as they are employed under the Government’s National Minimum Wage legislation and pay is dependent on age.

3.4 “Specified Posts” refers to the most senior staff below Directors that have high level and wide ranging responsibilities, who report to the Directors.

3.5 “Other Officers” refers to staff other than Chief Officers and includes Lowest Paid Employees and staff in Specified Posts.

3.6 “Statutory Officers” refers to the Head of Paid Service, the Section 151 Officer and the Monitoring Officer.

4. PAY FRAMEWORK AND REMUNERATION LEVELS

4.1 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.

4.2 Responsibility for decisions on remuneration

It is essential for good governance that decisions on pay and reward packages for 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.

Salaries for Chief Officers are determined by a meeting of the General Assembly of the Council in accordance with the Council’s local pay framework.

The pay grade for Other Officers is determined in accordance with the Council’s Pay and Grading Policy.

The Council’s local pay framework was approved by the General Assembly of the Council on 25 February 2002.

4.3 Salary grades and grading framework

Grades for Other Officers are determined by job evaluation. The Council operates the Hay Job Evaluation Scheme, with the grade for each role being determined by a consistent job evaluation process, or an extension thereto for Specified Posts.

As part of this, the Council determines a local pay framework, from Grade B (lowest) to Grade M (highest). Each job is evaluated against the Hay Job Evaluation Scheme criteria. Each grade comprises an entry level and a market level. New starters, current staff moving to a higher graded new post or whose post has been re-evaluated at a higher grade are paid at entry level and move to market level after 12 months, subject to satisfactory performance. In exceptional circumstances, the market level may be applied earlier than 12 months, subject to the approval of the Head of Paid Service.

Chief Officers are evaluated under the Council's local pay framework and these posts are paid at a specific salary (with no increments) as determined by the General Assembly of the Council. The salary of Other Officers' posts is based on the Hay Job Evaluation Scheme, or on comparables and/or external advice, and agreed by the Head of Paid Service.

Other than entry and market level, pay grades do not have any increments.

Pay awards are considered annually for all staff and approved as part of the budget report considered by the General Assembly of the Council in February or March each year.

5. REMUNERATION – LEVEL AND ELEMENT

5.1.1 Chief Officers

The salary and terms and conditions of employment for Chief Officers are determined by the General Assembly of the Council.

Chief Officers are subject to the same pay award (if any) as Other Officers.

Irrespective of value, any severance/settlement package (including redundancy, permanent ill-health or infirmity of mind or body) proposed for Chief Officers will be referred to the General Assembly of the Council for approval.

Before attempting to reach a financial settlement, it may be appropriate to take legal advice and/or consult with the external auditor to ensure that any payment is justified and lawful. Relevant considerations will include the likelihood of a claim succeeding and the amount of compensation that could be awarded by a Court or Employment Tribunal.

5.1.2 Other Officers

The salary and terms and conditions of employment for Other Officers are determined in accordance with the Pay and Grading Policy.

The salary of Specified Posts will be determined by the Head of Paid Service in accordance with existing structures, comparables, and/or external advice.

Other Officers are subject to the same pay award (if any) of Chief Officers.

Discretionary compensation for Other Officers, is approved by the Head of Paid Service.

A supplement is paid on the basic pay of the posts of Head of Legal Services and Head of Finance, to remunerate the postholders for the Statutory Officer duties, respectively, of Monitoring Officer and Section 151 Officer, undertaken by them.

5.1.3 New starters joining the Council

Employees new to the Council will normally be appointed to the entry 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, the market grade may be payable, subject to the approval of the Head of Paid Service.

The grade and starting salary, for Chief Officers will be determined by the General Assembly of the Council. The grade for Other Officers will be determined by the Hay Job Evaluation scheme.

5.1.4 Relationship between remuneration of “Chief Officers” and “Other Officers”

For the purpose of this Pay Policy Statement, the “pay multiple” is defined as the ratio between the highest paid salary and the mean average salary of the whole workforce. In this context, salary excludes any payments made for election duties, travel expenses, and any payments made on termination of employment.

The policy of the Council is to set the pay multiple at a maximum of six.

5.1.5 Fees or Allowances

Any allowance or other payment 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 policies e.g. Expenses Policy, Pay and Grading Policy etc.

All employees at or above Grade H are entitled to subsidised medical health insurance.

Other non-contractual benefits may from time to time be offered to all employees e.g. subsidised sports membership.

5.1.6 Election Duties

The Council is required to appoint a Returning Officer to conduct these local elections on its behalf. In accordance with the Representation of the People Act 1983, the cost of local elections is met by the Council.

The Council is required to place the services of its staff at the disposal of the Returning Officer to help run the election. When deciding on the fees payable, regard is had to guidance issued by the Kent Association of Electoral Administrators or similar organisations and approved by the Joint [Kent] Chief Executives. The Returning Officer has delegated authority to agree the fee levels as proposed by the relevant body and approval for this delegation will be sought each year, along with the approval of this Pay Policy Statement

The Returning Officer is personally (not corporately) responsible for the management of elections.

The fees paid to the Returning Officer for each election for which they are responsible is determined by the size of the electorate in the district, with the payment for national elections being set nationally and the payment for local elections set at county level. Where appropriate, fees for National and Regional elections and Referenda are set out and paid by central government.

5.1.7 Special Severance Payments

The Council adheres to the 'Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England.'

Special Severance Payments are payments made to employees, officeholders, workers, contractors, and others outside of statutory, contractual or other requirements when leaving employment in public service.

(a) The following types of payments **are likely** to constitute Special Severance Payments, see below examples:

- payments reached under a settlement agreement between the employer and employee to discontinue legal proceedings without admission of fault;
- the value of any employee benefits or allowances which are allowed to continue beyond the employee's agreed exit date;
- write-offs of any outstanding loans;
- honorarium payments;
- hardship payments;
- payments to employees for retraining related to their termination of employment.

(b) The following types of payments **may constitute** Special Severance Payments, depending on the terms of the individual's contract, relevant statutory provisions, any non-statutory applicable schemes and other relevant terms and conditions:

- pay or compensation in lieu of notice where the amount of the payment is not greater than the salary due in the period of notice set out in the employee's contract;

- pension strain payments arising from employer discretions to enhance standard pension benefits (for example under LGPS¹ Regulation 30(5) where the employer has waived the reduction under LGPS Regulation 30(8) or because of the award of additional pension under Regulation 31).

(c) The following types of payments **do not constitute** Special Severance Payments:

- statutory redundancy payments;
- contractual redundancy payments, whether applicable to voluntary or compulsory redundancy, and whether agreed by collective agreement or otherwise;
- severance payments made in accordance with the Council's policy adopted pursuant to Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006;
- a strain cost paid to the relevant LGPS administering authority under LGPS Regulation 68(2) which results from a LGPS member's retirement benefits becoming immediately payable without reduction under LGPS Regulation 30(7), or under LGPS Regulation 30(6) where the employer has waived the reduction under LGPS Regulation 30(8);
- payments for untaken annual leave;
- payments ordered by a court or tribunal or agreed as part of a judicial or non-judicial mediation;
- payments made as part of the ACAS Early Conciliation process
- payments made to compensate for injury or death of the worker
- payments made in consequence of the award of ill-health retirement benefits under Regulation 35 of the LGPS Regulations.

(d) Before agreeing to making a special severance payment, the pro forma template at Annex B will be completed to record the economic rationale for payment, compliance with the statutory guidance, minimisation of costs and the consideration of other available options.

Special Severance Payments will be approved in accordance with the following process:

- payments of £100,000 and above, by the General Assembly of the Council;
- payments of £20,000 and above, but below £100,000, to be personally approved and signed by the Head of Paid Service, Section 151 Officer and Monitoring Officer, in consultation with the Leader (records of approval must be maintained);
- payments below £20,000, by the Head of Paid Service.

6. PERFORMANCE RELATED PAY

The Council does not operate a scheme of performance related pay.

¹ Local Government Pension Scheme Regulations 2013

7. BENEFITS IN KIND

Any benefits in kind will be in accordance with any specific policy e.g. Expenses Policy and subsidised medical health insurance.

8. PENSION

All employees are eligible to join the Local Government Pension Scheme (LGPS). In line with LGPS rules, all new employees are auto enrolled on commencement of employment. The Council will not offer an alternative scheme to employees.

In certain circumstances, the Council may grant additional scheme membership. The Council's policy on employer pension discretions is included as an Annex A to this Pay Policy Statement.

Additional scheme membership for the Chief Officers is approved by the General Assembly of the Council. For Other Officers, approval is by the Head of Paid Service, except in cases where additional scheme membership would result in a severance package above £100,000. In this instance, the total severance payment will be referred to the General Assembly of the Council, in accordance with the 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011.'²

9. REDUNDANCY & DISCRETIONARY PAYMENTS

As a local authority employer, the Council must comply with its duties under the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999.

In the event that an employee ceases to hold office and is eligible for a redundancy payment, such payment is determined in accordance with the Council's Redeployment and Redundancy Policy and Procedure that applies to all employees.

If an employee who is under notice of redundancy receives an offer of a job from another local authority or associated employer and accepts and starts working for the new employer within four weeks of the end of the individual's employment with the Council, there is no dismissal for redundancy payment purposes and therefore the employee is not entitled to a redundancy payment. In cases where the current contract ends on a Friday, Saturday or Sunday, the redundancy payment will not apply where employment commences on or before the fifth Monday following the end of the current contract.

The normal pension abatement rules that apply to all employees, will also be applied to Chief Officers in receipt of a LGPS pension.

² Supplementary Guidance February 2013

The Council is required to have a policy for discretionary payments under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

The Council's policy on the discretionary payments is included as an Annex A to this Pay Policy Statement.

It is not the general policy of the Council to re-employ former employees who have received a redundancy or discretionary compensation payment on leaving. However, the Council must have flexibility to respond to operational requirements. For Other Officers, the Council will only re-employ former employees who have received a redundancy or discretionary compensation payment after approval by the Head of Paid Service. In the case of the re-employment of Chief Officers, approval would be required by the General Assembly of the Council.

10. PUBLICATION AND ACCESS TO INFORMATION ABOUT THE REMUNERATION OF COUNCIL EMPLOYEES

The Council publishes in its annual accounts, information relating to the remuneration of staff over a level defined by Government guidance.

Responses to freedom of information requests are subject to the consideration of the Data Protection Act 2018.

11. AMENDMENTS TO THIS PAY AND POLICY STATEMENT

This Pay and Policy Statement may be amended in-year by resolution of the General Assembly of the Council.

ANNEX A TO PAY POLICY STATEMENT

Schedule of employer policy decisions under the Pension Regulations for Dartford Borough Council

Local Government Pension Scheme Regulations 2013

Regs.9 (1) & (3) Contributions

Dartford Borough Council will apply the nationally determined employee contribution rates and bands. These are subject to change, usually on 1 April each year, but may be varied at any time.

Pensionable pay will be reviewed monthly and based on earnings for that month to identify the appropriate band and contribution percentage.

Dartford Borough Council will notify employees of their individual contribution rates in their payslips or by letter at least annually.

Regs.16 (2)e & 16(4)d Shared Cost Additional Pension Contributions (SCAPC)

It is not Dartford Borough Council's general policy to operate a SCAPC where a scheme member wishes to purchase extra annual pension (up to the limit defined in the regulations).

This does not apply where an scheme member has a period of child related leave or authorised unpaid leave and elects, within 30 days of return to work, to pay a SCAPC to cover the amount of pension 'lost' during the period of absence, Dartford Borough Council is required to contribute 2/3rds of the cost. If an election is made after the 30 day time limit the full costs will be met by the scheme member.

Reg.17(1) Shared Cost Additional Voluntary Contribution (SCAVC) - Salary Sacrifice Scheme

Additional Voluntary Contributions (AVCs) allow employees to build up extra savings for retirement. Dartford Borough Council, may decide to contribute to its employees' AVCs, through the SCAVCs Salary Sacrifice Scheme.

Dartford Borough Council will pay SCAVCs where an employee has elected to pay AVCs by salary sacrifice. The amount of SCAVC will not exceed the amount of salary sacrificed by the employee. The SCAVC is subject to the employee meeting the conditions for acceptance into the SCAVC Salary Sacrifice Scheme. The decision to participate in the SCAVC Salary

Sacrifice Scheme is at the discretion of Dartford Borough Council. The decision to participate may be rescinded at any time.

Reg.21 (5) In determining **Assumed Pensionable Pay** whether a lump sum payment made in the previous 12 months is a 'regular lump sum'.

Dartford Borough Council will maintain a list, which details what Dartford Borough Council considers to be a regular lump sum payment made to our employees to be used in the calculation of the Assumed Pensionable Pay.

**Regs 22 (7)(b)
& 22 (8)(b) Aggregation of Benefits**

Employees who have previous LGPS pension benefits in England and Wales will automatically have these aggregated with their new LGPS employment unless they elect within 12 months of commencing membership of the LGPS in the new employment to retain separate benefits. Dartford Borough Council may extend this time limit if the scheme member can demonstrate exceptional circumstances so as to justify this.

**Regs. 30(6)
& 30(8) Flexible Retirement**

It is Dartford Borough Council's policy to only agree to the flexible retirement of a scheme member, and the immediate payment of benefits, where there is no detrimental effect on the service.

If consent has been given under Regulation 30(6), it is not Dartford Borough Council's policy to waive, in whole or part, any actuarial reduction to the scheme member's benefits.

Reg.30(8) Waiving of Actuarial Reductions

It is not Dartford Borough Council's general policy to waive any actuarial reductions applied to benefits paid early or where a scheme member has previously been awarded a deferred benefit, unless there is a demonstrable benefit to the organisation, which would take full account of any extra costs to be borne by the authority. Any such consent shall be approved by the Head of Paid Service.

Where a request has been made for the early payment of benefits for compassionate reasons full consideration must be given to the guidelines issued by Kent County Council. Payment may only be made after agreement by the Head of Paid Service.

Reg.31 Award of Additional Pension

Dartford Borough Council has the discretion to award additional pension (up to the additional pension limit defined in the regulations) to an active member or within 6 months of leaving the scheme to a scheme member who was dismissed on grounds of redundancy or business efficiency.

Dartford Borough Council will only exercise this discretion in exceptional circumstances and only at the discretion of the Head of Paid Service.

Additional pension granted under this policy will be awarded as a contribution of 1.5% of basic salary for every completed five years of service, subject to a maximum of 20 years' service being taken into account and an overall maximum of £6,500 additional pension being awarded.

Reg.100(6) Aggregation of Benefits

If an employee wishes to transfer any pension benefits they have built up in other schemes to the Local Government Pension Scheme, the election to do so must be made within 12 months of starting a new period of membership. This time limit may be extended if the employee can demonstrate exceptional circumstances so as to justify this.

Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014

Schedule 2 - paragraph 1(1)(c)

Whether to allow the rule of 85 to be 'switched on' for members from age 55 and before age 60.

It is not Dartford Borough Council's general policy to make use of the discretion to 'switch back on' the 85-year rule protections unless there are clear financial or operational advantages to Dartford Borough Council.

Each case will be considered on its merits by the Head of Paid Service.

Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007³

Reg 11(2) Where a scheme member's pensionable pay consists of fees, it is the policy of Dartford Borough Council that, if this produced a higher figure, an average of all such fees for any three consecutive years ending 31 March within the period of 10 years ending with the last date of active membership may be used in the calculation of benefits.

Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Reg. 5 It is the policy of Dartford Borough Council to base redundancy pay on the actual week's pay rather than the statutory ceiling.

Reg.6 Additional compensation allowed in this regulation will not normally be agreed unless there is an overall benefit to the Council; such cases to be approved in line with Section 5.7 (Severance Payments) of the Council's Pay Policy.

³ Revoked by Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014/525 [Sch.1 para.1](#)(April 1, 2014: revocation has effect subject to transitional provisions specified in SI 2014/525)

ANNEX B TO PAY POLICY STATEMENT

CASE FOR THE MAKING OF A SPECIAL SEVERANCE PAYMENT

EXEMPT pursuant to Standing Order 46(1)(b) and Annex 1, paragraph 1, namely, information relating to an individual and in all the circumstances of the case the public interest in not disclosing the information outweighs the public interest in disclosing the information.

This template is to be completed for all special severance payment cases submitted for approval in accordance with the [‘Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England’](#).

Special Severance Business Case	
Service Department	
Post Title and No.	
Cost to the Council/value of payment	£
<i>NB: If there a case to exit the individual at a lower cost, the application for approval of a severance payment will be rejected.</i>	
Circumstances of the Case	
Overview of the Case	
<i>Provide a brief case history, with key dates, summarising why the need for a special severance payment.</i>	
Terms of employment	
<i>What are individual's terms of employment (length of service, current salary, contractual notice period, type of contract (e.g. fixed term, part time)?)</i>	
Breakdown of proposed special severance payment	
<i>List each type pf payment separately e.g. statutory redundancy, pay in lieu of notice, special severance payment</i>	

Proposed ways of proceeding
<i>What is the individual's contractual entitlement, and why do you propose to make a Special Severance Payment? What is the scope for reference to tribunal (incl. summary of the legal assessment of the chances of winning or losing the case, potential consequences)? Other options considered?</i>
Financial Considerations
The value for money consideration underlying the proposed payment – continue on a separate sheet
<i>Set out breakdown of costs, including legal costs (if applicable); potential tribunal awards (if applicable).</i>
<i>Highlight efficiency savings and/or any associated repercussive risks e.g. conduct issues.</i>
<i>Have alternative routes of settling disputes been considered and/or exhausted – please provide the evidence.</i>
<i>Has legal advice been sought on the prospects of successfully defending an Employment Tribunal claim in deciding whether the proposed payment is good value? – summarise the advice.</i>
<i>Are there exceptional circumstances where the existing statutory or contractual entitlements are insufficient to facilitate an exit? If yes, has advice been sought from the Section 151 Officer, in consultation with the Monitoring Officer, agreeing that a special severance payment is a good use of public money? – summarise the advice.</i>
<i>Provide the rationale for proposed level of settlement (with pay comparison i.e. x months' pay/y% of salary); costs of alternative options, and why a proposed settlement offers best (include best value for money) solution. When considering vfm, non-financial costs (i.e. effect on staff morale, achievement of business objectives) can also be considered.</i>
Non- Financial Considerations
Performance management
<i>Specify if performance has been an issue for the individual. Provide details of performance management procedures applied, if applicable.</i>
Management procedures
<i>Specify measures taken to prevent the individual's exit, including efforts to perform reasonable adjustments, resolve grievances or redeployment.</i>

