



## Pay Policy Statement

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## Tracking

|                        |  |                         |   |
|------------------------|--|-------------------------|---|
| <b>Policy Title</b>    | Pay Policy Statement                     |                         |   |
| <b>LT sign off</b>     | 18.12.2018                               |                         |   |
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| <b>Service</b>         | HR                                       |                         |   |
|                        |  |                         |   |

## Revision History

| Revision Date | Revisor | Previous Version | Description of Revision |
|---------------|---------|------------------|-------------------------|
|               |         |                  |                         |
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## Document Approvals

Each revision requires the following approvals:

| Sponsor Approval    |  | Name | Date |
|---------------------|--|------|------|
| Chief Legal Officer |  |      |      |
|                     |  |      |      |
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## 1. Introduction and background summary

Under the Localism Act 2011 the Council is required to publish an annual pay policy statement which has been approved by full Council. The information is set out under headings which have been prescribed by the Localism Act and relates to 2018/19 financial year.

### **Purpose**

The statement sets out the levels of remuneration for the Council's senior officers as well as a general approach to pay which is lifted from the Council's HR Employee Pay & Remuneration Policy.

The information set out in the pay policy statement meets the requirements of the legislation and details the relationship between those employees who are lowest paid and Chief Officers.

The policy statement outlines the following key areas:

- Level and elements of remuneration for each senior officer
- Remuneration of chief officers on recruitment
- Increases and additions to remuneration for each chief officer
- The use of performance related pay for chief officers
- The approach to the payment of chief officers on their ceasing to hold office or to be employed by the authority
- The publication of and access to information relating to remuneration of chief officers
- Pay multiple (ratio) between Chief Officers' pay and all other employees
- Election fees
- Policy on employing someone who has taken redundancy
- Policy on employing someone who is also drawing a pension
- Policy on lowest paid

## 2. Level and elements of remuneration for each senior officer

All staff are employed on an Epsom & Ewell Borough Council contract of employment and therefore are subject to PAYE. All employees are on local conditions and the pay structure applies to all employees, including Chief Officers. The grade allocated to a post is determined by the qualifications, skills and knowledge required as outlined in a role profile and person specification. The Council has a job evaluation scheme which is used to evaluate the grades of posts.

For the purposes of this policy statement chief officers is taken to include the Chief Executive, Chief Operating Officer and Heads of Service. Their salary scales are set out in the table below:

| <b>Post</b>             | <b>Bottom of salary range<br/>p.a.</b> | <b>Top of salary range<br/>p.a.</b> |
|-------------------------|--|-------------------------------------|
| Chief Executive         | £97 769                                | £116 170                            |
| Chief Operating Officer | £77 971                                | £92 647                             |
| Heads of Service        | £55 844                                | £66 382                             |

In addition to basic pay these officers may receive the following benefits, where applicable:

- Payment into the pension scheme (employer's contribution at 15.5% of pensionable pay) if the employee has opted in and pays contributions at the required employee level themselves
- Chief Executive and Chief Operating Officer lump sum payment of 4% of basic salary in respect of subsistence and other expenses thereby reducing administration and providing a cap on the cost
- Payment of an annual subscription to one professional institution where this has clear benefit to the job. Costs of memberships vary but most are around £200.
- Monitoring Officer and Section 151 Officer allowance of 15% of basic salary for the additional responsibilities for the statutory requirements of each role
- Lump sum payment is for the requirement to have a car for the effective performance of duties. The amount varies according to the role of the individual.

Our policy is to pay appropriately to attract competent and experienced senior staff to lead the organisation, we do not aim to be in the upper quartile of payment levels locally but nearer the mid-point or median.

We recognise that the cost of housing in Epsom & Ewell is amongst the highest in the Southeast and that we are within commuter distance of London and the higher salaries there, and we take this into account when determining salary levels from the benchmarking information.

The overall consideration is what is reasonable and financially affordable.

### 3. Remuneration of chief officers on recruitment

Our policy is to appoint at the bottom of the salary scale, or near the bottom taking into account relevant skills and experience, progression through the grade is subject to successful performance in accordance with our performance management scheme.

On occasion it may be necessary to appoint above the bottom point, in this case consideration will be given to the justification for doing so and will depend upon factors such as experience and market conditions.

As outlined in the Council's Constitution, Chief Officers are appointed by the Appointments Panel which then reports its decision to Council. Appointments to the post of Chief Executive are made by the Council.

#### **Increases and additions to remuneration for each chief officer**

Cost of living pay increases, for all staff are considered annually (every four years – from 2020) through consultation with the Staff Consultative Group, which is made up of employee representatives and is the body which the Council consults with on terms and conditions of employment and other employee related matters.

1% cost of living increase budgeted for 2019/20.

The latest financial forecasts include an annual 2% cost of living increase for 2020/1 – 2024/5 and this is based on the Government's target for CPI.

When determining pay awards we take into account financial affordability as well as the increase in cost of living for all staff.

Chief Officers and employees can be awarded a single increment on the salary scale annually. This is dependent on satisfactory performance with no automatic progression through grades. All employees are expected to perform their duties to a satisfactory standard to progress through the grade.

Once an employee reaches the top of their salary scale there is no opportunity for further progression, however, any cost of living increase will apply.

### 4. The use of performance related pay for chief officers

Increases in pay for Chief Officers are subject to the processes outlined above in section 3. The Chief Executive's performance is assessed by the Appointments Panel.

## 5. The approach to the payment of chief officers on their ceasing to hold office or to be employed by the authority

Our Managing Workforce Change policy sets out a consistent method of calculating redundancy pay which uses the Modified Statutory Redundancy ready reckoner which is applied to all redundant employees including Chief Officers. The level of redundancy pay is calculated on weekly earnings using the statutory system. The payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment.

The Council has a Local Government Pension Scheme Discretions Policy which is applicable to all officers including Chief Officers.

## 6. The publication of and access to information relating to remuneration of chief officers

Our annual pay policy statement will be published on the website where it can be easily accessed by any interested parties such as tax payers and external organisations. Information about Chief Officer remuneration is also published as part of the Final Statement of Accounts. The pay scales for all employees can also be found on the website.

## 7. Pay multiple (ratio) between Chief Officers' pay and all other employees

The pay of all employees is set according to the Council's pay scales. There is a fixed relationship between each point on each of the grades there are no predefined pay ratios between different groups of employees or specific posts.

The bottom of our lowest pay scale is £18,557 and the top of the Chief Executive scale is £115,019 is a pay multiple of 1:6.2.

This is well within the maximum ratio 1:20 identified as a maximum pay multiple in the Hutton Review of Public Sector Pay.

The mean average pay for employees other than Chief Officers is £27,461; therefore currently the ratio of mean average Chief Officer pay to mean average pay of other employees is 1:2.5.

## 8. Election fees

Fees in respect of the role of Returning Officer for, borough and county elections are paid separately from and in addition to the relevant officer's salary package. The amount payable varies according to the size of the electorate and number of postal voters and is calculated as set out in the attached Annex 1: ELECTION OF

## COUNTY/ BOROUGH / PARISH COUNCILLORS IN SURREY: SCALE OF RETURNING OFFICER'S FEES AND CHARGES - 2018/2019.

Payments for employees at Head of Service and below for Local Election duties are made in accordance with the same scale.

### 9. Gender Pay Gap Information

In accordance with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, which came into force on the 31 March 2017, employers with at least 250 employees are required to publish annual information as at 31 March each year. This information is published on the Council's website and also externally and on the Governments Gender Pay Gap website.

### 10. Policy on employing someone who has taken redundancy

Employees who leave the council voluntarily are free to apply for jobs that are advertised.

Employees who leave the Council with a redundancy payment and subsequently apply and are successful for a position within the Council must repay any redundancy payment if the appointment is within 4 weeks of their termination date.

If the appointment start date is longer than 4 weeks the employee can return to work in the position offered in accordance with the Redundancy Modifications Order and will lose any contractual rights to have their continuous service recognised for all purposes.

### 11. Policy on employing someone who is also drawing a pension

We employ staff on merit and pay the full salary applicable to the role. We would not take into account whether a person was already in receipt of a pension in respect of previous employment with the Council or otherwise.

We will consider requests from staff who wish to draw their pension but continue working in a reduced capacity either through a reduction in working hours or levels of salary / responsibility.

### 12. Policy on lowest paid

When determining any pay award we will take into account the needs of the lowest paid along with national living wage requirements set out by Government.

No employee will be paid below the UK National Living Wage.