

People Framework

Employee Pay & Reward Procedure 2020-2024



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Tracking

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Document Approvals

Each revision requires the following approvals:

Sponsor Approval		Name	Date
Head of HR & OD			

1. Equalities

It is unlawful for the Council to discriminate against employees because of any of the following protected characteristics: Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex (Gender), Sexual Orientation.

All employees, irrespective of their employment status, are protected by law against discrimination in the course of their employment with the Council. It is unlawful for Managers to discriminate against an individual on the grounds that he or she is “associated with” someone with a particular protected characteristic. The Council will not victimise an employee because he or she has raised a genuine complaint of discrimination, or assisted another employee with a complaint. Please refer to the Whistle Blowing Policy and Grievance Procedure.

Employees are protected against all unlawful forms of discrimination in every aspect of their employment. This will include the terms and conditions of their contract, including information that is contained in the Employee Handbook and HR Policies.

The Council will comply with all relevant employment legislation, including the Equality Act 2010, Part Time Employment (Prevention of Less favourable Treatment) Regulations 2000 and others. With regard to the Equal Pay requirements contained within the Equality Act, the Council makes every effort to ensure there is no pay discrimination within its pay structures and that pay differentials can be objectively justified through the use of equality proofed job evaluation mechanisms, which directly relate to the requirements, demands and responsibilities of the role.

The Council will undertake to meet its obligations to comply with equal pay regulations and to comply with its own equality schemes and policies ensuring that decisions regarding pay are consistently applied and that, where any discretion is allowed within this Policy, it is properly evidenced and monitored to ensure that it is being applied in a gender neutral manner.

2. Pay & Reward Strategy

Organisational structures and role profiles will be developed to enable the Council to achieve the outcomes outlined in the Corporate Plan and in accordance with its Behaviour Framework. Grading structures will continue to be developed to ensure its employees are paid fairly for undertaking their duties in accordance with their role profiles. Pay progression will be awarded for fully meeting the expectations of the role to the required standards. There will be careful and sustained equality monitoring of the grading structure and performance process by Heads of Service and Officers in order to maintain the integrity of the Pay Structure.

The Council will ensure that fair and non-discriminatory grading structures are developed locally. The Council's pay structure seeks to pay evaluated rates to attract and retain employees with the skills and experience essential to deliver a diverse and complex range of services. What is reasonable will be defined by the economic circumstances of the Council at the time of the pay review and the requirements of equal pay law in order that the pay structure is equitable.

3. Pay Policy Statement

The Local Government Act 1972 (Section 112) sets out the Council's "power to appoint officers on such reasonable terms and conditions as the Council thinks fit". The Council's Pay Policy Statement (the 'Statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. Nothing within the provisions of the Localism Act 2011 detracts from the Council's autonomy in making decisions on pay that are appropriate to local circumstances and which deliver value for local tax payers.

The purpose of the Pay Policy Statement is to provide transparency with regard to the Council's approach to setting the pay of its employees. Annually, the Council will renew and publish a Pay Policy Statement in accordance with the requirements of the Localism Act.

The Pay Policy Statement will be approved by Council and be published on the Councils' internet site by 1st April each year. The Local Authorities (Standing Orders) (England) Regulations 2001 will be adhered to with regard to the remuneration of Chief Officer Posts (as defined by these Regulations). Please refer to the Pay Policy Statement.

4. Cost of Living Award

This Pay Policy is for a period of four years from 2020 – 2024 in line with the Council's Corporate Plan.

The cost of living pay award in any given year will be in line with CPI and will not normally be expected to exceed the rate of CPI. For the purposes of this policy the CPI rate will be taken in the month of September prior to the April when any pay award is implemented.

The table below summarises the review timetable:

Year	Pay Policy
2020 - 2021	Across the board pay award based on CPI taken in Sept 2019
2021 - 2022	Across the board pay award based on CPI taken in Sept 2020
2022 - 2023	Across the board pay award based on CPI taken in Sept 2021
2023 - 2024	Across the board pay award based on CPI taken in Sept 2022

Where CPI is negative there will be no pay award.

Where CPI exceeds 3% there will be a cap on the pay award of 3%.

All CPI based awards will be implemented with effect from 1 April each year.

When appropriate and affordable the results of any pay benchmarking surveys and/or reviews will be implemented with effect from 1 April each year.

5. Pay Structure

The pay structure will consist of a series of incremental levels known as spinal column points within each pay grade. The basic pay of each employee will consist of a spinal column point on the grading structure.

6. Job Evaluation

As an employer, Epsom & Ewell Borough Council has a responsibility to ensure compliance with obligations placed upon us by equal pay legislation.

Job Evaluation is the mechanism which allows the Council to objectively establish the relative value of each role in the organisation compared to others across the organisation. This determines the grade of each role within the Council's pay structure to support equality in pay across the organisation.

All roles in the Council will be evaluated in line with the National Joint Council (NJC) scheme which is based on 13 factors.

Further details are provided in the Council's Job Evaluation Procedure.

7. Pay on Appointment

Employees who apply and are appointed, whether through internal or external recruitment, will normally be placed on the minimum of the grade that was allocated to the job through Job Evaluation.

Under exceptional circumstances, and where there are compelling and evidenced reasons to support the decision, a new employee may be appointed to a higher increment, subject to the maximum of the grade.

In order to maintain fairness and consistency, this must be agreed by the Head of Department who is making the appointment and in consultation with the Head of HR and Organisational Development. A documented audit trail must be produced by the Manager detailing the reasons behind any decisions to offer a higher starting salary. The approval and the reason for it will be recorded on the employee's personal file, and provided to Human Resources with the request to appoint on a higher point.

If an internal employee is appointed to a higher graded post or a post that has been re-graded through job evaluation, and where the new grade overlaps with the old, their pay will be mapped to the nearest spinal column point within the new grade and they will receive two incremental increases.

Under exceptional circumstances and where there are compelling and evidenced reasons to support the decision, they may be appointed to a higher increment, subject to the maximum of the grade.

8. Annual Pay Progression

Annual pay progression will apply to all employees who have not reached the maximum spinal column point of their grade.

Annual pay progression will be awarded to employees who are in post at the end of the financial year, i.e. 31 March and on or before 1st October of the previous year, based on a recommendation by their manager in line with the Council's Performance Management procedure.

If an employee has not already reached the maximum spinal column point of the grade they will be moved up to the next available point. The same process will apply each year until the employee reaches the final spinal column point within their grade.

Annual progression for the Chief Executive will be determined by the Appraisal Panel which will consist of elected Members. This panel will comprise of three members: the Chairman and Vice Chair-man of Strategy and Resources Committee and a member nominated by the largest opposition group on the Council.

An ongoing programme of training will be provided to Managers to ensure that they are following the agreed procedures for managing annual progression fairly. The Appraisal Panel for the Chief Executive will also receive training.

Monitoring of annual progression will be carried out by Human Resources to ensure protection of the robustness of the Council's objectives on equal pay.

9. Honoraria Payments

The Council uses the word 'honoraria' to define a payment attributed to a temporary change in duties (full or part/shared) at a higher level. Honoraria is sometimes referred to as 'acting up' but, for pay purposes, is always referred to as honoraria.

Honoraria arrangements will only be agreed in exceptional circumstances and will be subject to service needs. Duties will be of a short-term temporary nature and be required at a higher level. Honoraria are not to be used to cover short-term absence such as annual leave or short-term sickness.

A payment will be made to an employee where it is formally agreed that they undertake a job (or part of) of a higher grade on a temporary basis. The payment will be commensurate with the level of work being undertaken and for the duration of those duties or job. In addition to regular local monthly management review, Senior Managers will review annually all payments in place at the 31st March.

A Head of Service may award honoraria payments to those employees:

- Who have agreed to a formal request to temporarily undertake full duties and responsibilities of a higher graded post for more than 4 weeks. Once the period of 4 weeks has been satisfied and suitability confirmed the pay at a higher grade will be backdated
- Who have agreed to a formal request to perform duties outside the scope of their substantive post over an extended period or where the additional duties and responsibilities are exceptionally onerous. This could be interpreted as an officer undertaking part or shared responsibility for a higher graded post. It may also apply to when an employee is assigned to a one-off and specific project which is additional to the scope of his/her normal post.

An honoraria payment will not be granted in the following circumstances:

- An increase in workload rather than higher level responsibility;
- An employee awaiting the outcome of Job Evaluation;
- An employee is undertaking different tasks associated with development/PRCD or a qualification;
- An employee asks for a development opportunity to benefit future career progression;
- An employee is undertaking additional duties and responsibilities voluntarily without prior management agreement that he/she qualifies to receive a payment under this Policy;
- To provide cover for annual leave or short-term sickness absence.

An 'Honoraria Payment Authorisation Form' (Appendix X) must be fully completed, signed by the Head of Service and submitted to the Human Resources/Finance.

The employee must have been undertaking the duties of the higher graded post for 4 weeks before the payment will be processed. Payment will be backdated to the first date of the arrangement. Before submitting an Honoraria Form to the Human Resources, the Manager should review the suitability and effectiveness of the arrangement before the end of the initial 4 week period. The Honoraria Request Form should then include the start date and the end date which may be 4 weeks or up to a maximum of 6 months.

10. Withdrawal of Honoria Payments

As an honoraria is for specific duties undertaken, when an employee is not able to undertake these duties, the payment will be withdrawn.

When in receipt of honoraria, if an employee takes sickness absence leave or annual leave, the honoraria will be suspended or be apportioned/reduced to reflect the number of day's absence/leave. The arrangement will expire if the employee is absent/on leave for a period of more than one month.

The Head of Service should notify HR immediately should an employee in receipt of an honoraria payment take sickness absence/annual leave.

If during the agreed period, service needs/departmental structures result in the higher graded role or the activities of the employee receiving the honoraria no longer being needed, the arrangement may be terminated early.

11. Honoraria - Monitor and Review

Honoraria payments should only be used for temporary arrangements. If the end date of an event which is resulting in the honoraria is known, the detail of this and the end date should be provided on the form (Appendix X).

If the end date is unknown, then the initial honoraria should be granted for no longer than 6 months. The payment will be reviewed monthly by the Manager in consultation with the employee to determine the progress of the additional responsibilities being undertaken to merit the payment. The Head of Service has a responsibility to review the honoraria 1 month prior to the expiry of the date indicated on the form and to discuss the situation with the employee.

12. Honoraria - Extension

An extension to the honoraria payment should only be agreed in exceptional circumstances. If an extension is to be granted the appropriate section of the form should be completed and approval gained from the Chief Executive or Chief Operating Officer.

13. Pay Protection

Epsom & Ewell Borough Council recognises that from time to time, where situations arise due to circumstances relating to restructures, an employee may be redeployed to a lower graded post as a suitable alternative to redundancy or their grade is reduced following a job evaluation result or their work location changes due to the relocation of a service.

In all cases, the Council will seek to reduce the financial effect by applying pay protection as stated in these policies.– Please refer to the Workforce Change Policy and Job Evaluation Policy.

14. Payment of Salaries to all Employees

Employees will be paid an annual salary with any related allowances in 12 equal instalments. A monthly salary will be paid on the 20th day of each month or the previous Friday if the 20th falls at a weekend.

The amount that an employee is paid per month includes payment for the whole month up to and including the last day of the calendar month. The payment will be made by automatic bank transfer directly into a bank or building society account.

When an employee's salary starts or ends part way through a month, the first or last proportionate payment due is calculated by dividing the monthly rate of pay by the number of days in the month and then multiplying by the number of days' service in the month (which includes weekends, bank and public holidays).

Please note that casual workers with no mutual obligation of work are paid retrospectively on receipt of a time sheet.

Payment is subject in all cases to pension (if applicable), statutory deductions of income tax and employee national insurance contributions and any other deductions which the Council may be obliged to make. Employees will have access to a monthly pay slip detailing gross pay and deductions via an online payslip or through self-service.

15. Commencement of employment prior to the 7th day of the month

If an employee commences their employment and is due to start part way through a month, the day of start will normally be a Monday. If the start date is prior to the 7th day of the month, the pay due to them will be calculated as follows:-

- Normal annual salary divided into 12 equal instalments to give monthly salary.
- Monthly salary divided by the number of days in the current month divided by the number of days due.

Example: Start date 6th July. Number of days due = 26/31sts.

NB. The 7th day can fall on a weekend and the cut-off date may be earlier or later depending on when the weekend falls.

16. Commencement of employment after the 7th day of the

month

If employment commences after the 7th working day of the month, a full month's salary will be paid the following month plus the pay due in respect of the previous month.

- Normal annual salary divided into 12 equal instalments to give monthly salary.
- Monthly salary plus the number of days in the previous month divided by the number of days due.

Example: Start date 18th July. Number of days due = 13/31sts.

- NB. The 7th day can fall on a weekend and the cut-off date may be earlier or later depending on when the weekend falls.

17. Termination of Employment

If an employee terminates their employment and is due to leave on a Friday part way through a month, unless by reason of redundancy where there is a specified end date, the leaving date for pay purposes will be the Sunday after their leaving date.

The pay due to them will be calculated as follows:

- Normal annual salary divided into 12 equal instalments to give monthly salary.
- Monthly salary divided by the number of days in the current month divided by the number of days due.

Example: Leaving date 6th July. Number of days due = 6/31sts

18. Statutory Deductions

At the start of each financial year and by no later than 31st May in that year, the Council will issue each employee with a P60 Certificate, which confirms their total earnings and statutory deductions in the previous financial year.

If an employee has any queries on statutory deductions they should contact the HMRC. The contact details for HMRC are:-

- HM Revenue and Customs, Bradford & Becks, Centenary Court, 1 St Blaise Way, Bradford, BD1 4YL
- Epsom & Ewell Borough Council's Tax Reference: 073/E1312

Before telephoning HMRC, an employee should have their National Insurance number to hand and quote their individual tax reference code. This should also be included on any correspondence sent to them.

19. Underpayments to Employees

There may be an occasion, whether through error or omission, when an employee receives less than their contractual pay and/or allowances. Should such an unfortunate circumstance arise, the Council will rectify the situation and any contractual pay and/or allowances due, will be paid on the first opportune pay-day following notification or identification of the omission or error. In exceptional circumstances, an advance of pay may be agreed by the Head of HR & Organisational Development.

20. Overpayments to Employees

If any error or omission results in any overpayment of pay and/or allowances being made, the Council reserves the right to deduct any such overpayment(s) from the employee's salary on the first opportune pay-day following identification or notification. The Council has the right to seek repayment over the same period that the overpayment was made. The Council will take into account individual circumstances and try to achieve a jointly agreed repayment schedule. It is in the interest of every employee to check their payslips regularly to identify issues at the earliest opportunity. If an employee suspects that they have been overpaid then they must contact Payroll at the earliest opportunity to discuss the matter.

In the event that the overpayment is made in respect of an employee's final salary payment (or other payment due on termination of employment), or if the employee is under a repayment schedule and employment terminates, the monies will be deducted from the employee's final salary and if this is not sufficient, the balance must be repaid by personal means. HR will raise a sundry debtor account with Finance for the monies to be repaid.

21. Consultation Process

The Council will endeavour to maintain the partnership approach that it has demonstrated throughout the development and subsequent implementation of its People Framework and work closely with the Staff Consultative Group to actively consult on matters of pay. There has been consultation with representatives of the Staff Consultative Group during the development of this procedure.

22. Reviewing Effectiveness of the Pay Structure

A full review of the procedure will take place every 4 years.

The Head of HR & Organisational Development will have the authority to review the procedure within the 4 year period, to make any amendment(s) necessary to reflect any changing legal requirements or make minor alteration(s).

There will be a regular review of the grading structures and allowances. The regularity of review will be decided by the Council. The review will take account of benchmark data, legislation, best practice and any national guidance provided by the Government/Local Government Association.

23. Standard Working Week and Pay Definitions

The arrangement of the working week shall be determined by the service and by the terms and conditions on which the employee is contracted. The period for averaging working hours, according to the Working Time Regulations, will be a 17 week reference period. The working week of the individual employees may vary over the standard of 36 hours provided that the individuals' average over the same period does not exceed the standard working week.

Employees' basic pay is the spinal column point reached on the grade and is the basis of any pay calculations.

The annual pay is the basic pay plus any other contractual payments. For the purposes of calculation this is also known as 'normal pay'. A full year's salary calculation is based on 52.14 weeks.

Term time only employees will be paid a proportion of the appropriate full-time rate based on actual days worked. The salary will be paid in 12 equal instalments over the agreed year, at 1/12th of the proportional annual salary.

Part time employees will be paid on the basis of the annual salary divided by the standard full time hours and multiplied by the contracted number of hours per week.

Hourly pay is calculated on the basis of:

- Full time equivalent annual salary divided by 52.14 weeks, divided by 36 hours = hourly rate

Normal pay is paid for periods of sickness, holiday and all forms of approved paid leave of absence, maternity leave and redundancy payments (subject to the appropriate Council Policy). Excluded from the calculation for normal pay are irregular non-standard payments such as overtime.

24. Associated Policies and Documents

The following policies and documents are related to this Employee Pay and Reward Policy and will be reviewed and updated as required.

- Relocation Allowance Procedure
- Recruitment & Retention Incentives Procedure
- Job Evaluation Procedure
- Workforce Change Procedure
- Pay Policy Statement
- Epsom & Ewell Borough Council Constitution