

PAY POLICY STATEMENT

Head of Service:	Debbie Childs, Head of HR & OD
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	1: Draft Pay Policy Statement 2023/24 2: Scale of Returning Officer Fees 2021/22

Summary

This report seeks the approval of the draft Epsom & Ewell Borough Council Pay Policy Statement 2023/24 prior to its publication on the Council's website. This report also seeks the approval of the proposed increase to the Chief Executive pay scale.

Recommendation (s)

The Council is asked to:

- (1) Approve the draft Pay Policy Statement for 2023/24.
- (2) Approve the proposed increase to the Chief Executive pay scale.

1 Reason for Recommendation

- 1.1 The Pay Policy Statement sets out the Council's policy regarding remuneration in accordance with the requirements of Section 38 of the Localism Act 2011 and associated statutory guidance. The purpose of the statement is to provide transparency regarding the Council's approach to setting the pay of its employees.
- 1.2 The Pay Policy Statement 2023/24 was approved by the Strategy & Resources Committee on 26 January 2023. In line with procedure, it is now being presented to Full Council for approval and subsequent publication on the Council's website.
- 1.3 Once approved by Full Council, the Pay Policy Statement will come into effect on 01 April 2023 and will be subject to annual review.

2 Background

2.1 Pay Policy Statement

- 2.1.1 The Pay Policy Statement is attached in Appendix 1. The information provided complies with the requirements of the Localism Act 2011.
- 2.1.2 The Pay Policy Statement is prescribed in terms of its content and therefore details the following key areas:
- Level and elements of remuneration for each Chief Officer
 - Remuneration of Chief Officers on recruitment
 - Increases and additions to remuneration for each Chief Officer
 - 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
 - Gender Pay Gap Information
 - Policy on employing someone who has taken redundancy
 - Policy on employing someone who is also drawing a pension
 - Policy on lowest paid
- 2.1.3 The information contained in the Statement is current as at 30 November 2022.
- 2.1.4 The Statement also contains reference to the proposed pay award of 3% (capped) from April 2023. This is in line with the Council's Employee Pay and Reward Procedure 2020-24 (previously agreed by S&R Committee and Full Council in January and February 2022 respectively).

2.2 Election Fees

- 2.2.1 The council is required to provide funding to the Returning Officer to discharge statutory functions relating to the administration of local government elections. The Returning Officer will make payments to those officers who undertake specific duties in relation to the elections (including to Chief Officers) in accordance with their role.
- 2.2.2 Appendix 2 sets out the current Returning Officer fees and charges for 2021/22.

2.2.3 The process for agreeing this fee structure is coordinated by Guildford Borough Council. Consultation is undertaken with Epsom & Ewell Borough Council before the proposed fee structure is passed to the Surrey Chief Executives for approval. A new fee structure is not due to be released until February 2023 at the earliest and the 2021/22 fees therefore have been included for reference (Appendix 2).

2.2.4 The source of funding for elections in England varies according to the type of election. For example, the costs of running UK Parliamentary general elections are provided by Ministry of Justice. The costs of local elections, to include by-elections are met through local authority budgets, as provided by Section 36 of the Representation of the People Act 1983.

3 Key points to note/Summary of changes

3.1 The following changes have been made to the basic salaries for Chief Officers (defined as the Chief Executive and Directors):

- Revisions have been made to the Chief Executive pay scale following an external benchmarking exercise.
- The proposed 3% uplift from April 2023 has been applied to the 2023/24 figures below.

Post	2022/23: Bottom of salary range (£ per annum)	2023/24: Bottom of salary range (£ per annum)	2022/23: Top of salary range (£ per annum)	2023/24: Top of salary range (£ per annum)
Chief Executive	£106,252	*£123,600	£124,596	*£143,376
Director	£85,323	£87,883	£100,131	£103,135

** The figures provided for the 2023/24 Chief Executive salary range reflect an increase of more than 3% on the 2022/23 figures. This is due to the proposed implementation of the revised Chief Executive pay scale referenced in 3.1.*

Council

14 February 2023

3.2 Pay Multiples (ratios)

- 3.2.1 There has been no significant change to the pay multiple (ratio) between Chief Officers' pay and the pay of all other employees. The ratio between the bottom of the lowest pay scale and the top of the Chief Executive pay scale is 1: 7 (increased from 1: 6.3 in 2022/23). The increase is attributable to the revisions to the Chief Executive pay scale as part of the current recruitment exercise.

3.3 Gender Pay Gap

- 3.3.1 In accordance with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, which came into force on 31 March 2017, employers with at least 250 employees are required to publish Gender Pay Gap information as at 31 March each year. This information is published on the Council's website no later than 30 March annually.
- 3.3.2 For the purpose of this report, the Council's mean Gender Pay Gap as at 31 March 2022 is -14.7%. As in previous years, the negative Gender Pay Gap is primarily due to the majority of front-line operatives being male and senior management roles being held by a significant proportion of women. This positions the council favourably in terms of women's pay.

3.4 Policy on lowest paid

- 3.4.1 The Government has confirmed that the national living wage will rise from £9.50 to £10.42 from April 2023. This represents an increase of 9.7% and it is acknowledged that this is significantly greater than the proposed 3% increase which will be applied to our pay scales from April 2023.
- 3.4.2 Work is currently underway to assess the impact of the national living wage increase on our lowest pay scale. No employee will be paid below the UK national living wage.

4 Risk Assessment

Legal or other duties

- 4.1 Equality Impact Assessment: None arising from the contents of this report
- 4.2 Crime & Disorder: None arising from the contents of this report
- 4.3 Safeguarding: None arising from the contents of this report
- 4.4 Dependencies: None arising from the contents of this report
- 4.5 Other: None arising from the contents of this report

5 Financial Implications

- 5.1 The proposed 3% (capped) cost of living increase for 2023/24 is in accordance with the Council's agreed Pay Policy for 2020-24. The pay policy links annual cost of living increases to September CPI inflation, but with a cap of 3% to ensure pay awards remain affordable.
- 5.2 The CPI inflation figure for September 2022 was 10.1%, triggering the 3% cap as per the policy.
- 5.3 **Section 151 Officer's comments:** The Council's proposed 2023/24 budget includes a provision for a 3% cost of living increase.

6 Legal Implications

- 6.1 The key provisions concerning pay accountability are cited in the body of this report. Approval of the Pay Policy Statement for 2023/24 is an *in principle* decision and the report must be referred to Full Council for resolution.
- 6.2 The deadline for approval is 31 March 2023, this being the preceding financial year to which the Statement relates. The Localism Act also requires the Council to publish its approved Pay Policy Statement.
- 6.3 **Legal Officer's comments:** Under section 38 of the Localism Act 2011 the Council must prepare a pay policy statement for each financial year. The Pay Policy Statement must set out the Council's policies for the financial year relating to (a)the remuneration of its chief officers, (b)the remuneration of its lowest paid employees and (c)the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers (section 38(2) Localism Act 2011).

Council

14 February 2023

- 6.4 Section 39(1) of the Localism Act 2011 requires that the Pay Policy Statement must be approved by resolution before it comes into force. Each Pay Policy Statement must be prepared and approved before the end of the 31 March immediately preceding the financial year to which it relates (section 38(3) Localism Act 2011). As soon as is reasonably practicable after approving or amending a pay policy statement, the Council must publish the statement or the amended statement in such manner as it thinks fit (which must include publication on the Council's website) (section 38(5) Localism Act 2011).

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** Effective Council
- 7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report
- 7.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report
- 7.5 **Partnerships:** None arising from the contents of this report

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Epsom & Ewell Borough Council Pay Policy Statement 2022/23, Strategy & Resources 27 January 2022
- Epsom & Ewell Borough Council Pay Policy Statement 2022/23, Full Council 15 February 2022

Other papers:

- Openness and accountability in local pay: guidance under section 40 of the Localism Act 2011
<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance>
- Openness and accountability in local pay: guidance under section 40 of the Localism Act 2011: supplementary guidance
<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance>