

EPSOM AND EWELL BOROUGH COUNCIL PAY & APPRAISAL SCHEME

PAY

The pay scheme of Epsom and Ewell Borough Council has two elements:

- Market Pay
- Performance Pay made up of Progression and Bonus pay

Role Profiles

Each role within the Council has a *role profile* that is written by the relevant line manager.

Role profiles are updated annually at appraisal time. It is the responsibility of the employee and the manager to keep it relevant and up-to-date.

Role profiles should be sent electronically for the HR Department to keep.

Market Pay

- EEBC pay is based on 'market pay', i.e., it depends on the performance of salaries in the public and private sector businesses.
- The '*market pay ranges*' for individual and/or generic job roles, that spread across the 3 broad bands, are modelled on approximately 35 '*market anchors*' and their relevant pay ranges; these '*market anchors*' are the agreed '*benchmark*' roles of the organisation.
- Periodically the Council will review the salary information of other authorities in the Southeast and the private sector where applicable.
- The outcome of a review may be that there is no evidence for a market related base pay increase for any staff.
- More likely is that some areas will indicate the need for some increase whilst others remain static.
- If the market changes and an individual's pay range declines below the current salary, the individual employee's pay will not be reduced. Their pay will however be frozen until their market range catches up.
- The review will be co-ordinated by the Director of HR and Communication using both external and internal research methods, whichever is the more appropriate and efficient at the time. (There will normally be a review every other year).
- The review will be of base pay only. Base pay is defined as basic pay before any additions e.g. overtime.
- The Staff Consultative Group will be given an overview of the findings and will be given a chance to make their own representation through the Joint Staff Committee to the Council about these findings before any final decision on potential market pay increase is made.

- At the beginning of any recruitment campaign, the salary quoted on the advert must be attached to the appropriate market anchor and will normally be the minimum of the range.
- If a manager finds that they consistently have to advertise above the mid point of a range in order to successfully recruit, or that they have a high staff turnover that is related to pay, it is probably an indication that the pay range has fallen out of line with the market and should be reviewed. The manager of the relevant service area, with backing from their line manager, should bring this to the attention of HR. How quickly the market anchor is reviewed will always depend on the level of urgency/crisis and available funding etc.
- Each April Division Heads will be given a list of the pay ranges of employees within their service area by the HR function.

Performance Pay

General Principle

Performance pay is made up of two elements, progression and bonus and is not automatic. The aim of the scheme is quite specific in seeking to reward high performance.

An employee's performance is rated, at the end of each financial year, on their achievement against the agreed objectives and competencies for that year.

To qualify for a performance payment, staff must have been in post at the end of the financial year and on or before 1st October of the previous year.

Employees who have been internally promoted will have their performance assessed by both the old and new manager and an overall rating agreed between the 2 managers. Typically, that employee is unlikely to receive a '*progression payment*' in a year where they have received a base pay increase due to internal promotion. However they could be entitled to a one off bonus payment for exceptional performance.

Progression Pay

A recommendation for progression will typically be made in recognition of **sustained** performance throughout the year. The assessment will be made against the objectives and competencies set out in Appraisal process.

- Recommendation for progression is not automatic and will be considered on an annual basis.
- To be considered for progression a manager will have to justify the recommendation for an individual during the appraisal process.
- To be recommended for progression staff must have achieved a minimum overall rating of AC/EX (or EX/AC) for objectives and competencies in addition to an EX rating for one of the following: - 'Contribution to the team', 'Attendance', 'Timekeeping' or 'Conduct' using the descriptors provided.

- No rating on the appraisal form must be below AC i.e. there must be no MI or PA rating.
- Employees who have periods of absence such as maternity/parental leave or long term sickness for an operation or specific condition e.g. cancer, heart attack etc. or one covered by the Equalities Act 2010 and meet all the other criteria for progression could be considered for progression pay.
- All final ratings are subject to validation by the Corporate Management Board (CMB) to ensure a fair application across the Council.

Bonus Pay

The total budget available for bonus payment in any year is a fixed sum. The annual value of a high performer's bonus can therefore vary from year to year, from £25 through to 2½% of base pay.

In an employee's first year of service (for those starting before 1st October) regardless of continuous service with another authority, any bonus payment under scheme B or C below will be pro rated for the full months completed at Epsom and Ewell.

Employees who are in their probationary period are not eligible for any Bonus Pay.

Employees who have been on long term sick leave, maternity, paternity or adoption leave could still qualify for a bonus payment, but this will normally be pro rated to the number of whole months of the year that they have attended work.

Three types of bonus are now possible:-

Bonus Scheme A – instant reward to be operated entirely at the discretion of the Service Head

- Scheme A is made up of a small allocation of money at the beginning of each financial year to each Service Head for the instant recognition and rewarding of their staff for good performance.
- Managers/Supervisors can make recommendation to their Service Head for the recognition/reward of members of staff.
- For audit and tax reasons the money allocated cannot be used by the Service Head for the purchase of consumables (e.g. lunch, drinks, ice cream etc.) otherwise there are no specific criteria for the allocation but bearing in mind the principles below:-
 - Service Heads would decide how to allocate the money. The limit for tax and audit purposes is £25.
 - No one employee should be given more than one award in any year due to tax implications.
- Service Heads would be accountable for their decisions and HR keep records which could be the subject of an audit at anytime during the year.
- Any award of cash or gift vouchers is considered by the Inland Revenue to be a perk and would therefore be subject to tax. To get around this problem and

maintain the ability of Service Heads to reward staff instantly, staff can choose a gift from the Marks & Spencer website to a maximum limit of £25. In this case there is no tax implication.

- Bonus A can be awarded at any time in the financial year.
- Any allocation not used by the end of the financial year will be used as part of Bonus Scheme B and/or C

Bonus Scheme B – Operated at the discretion of Directors it will be based on recommendation from Managers.

- Bonus scheme B will be considered as a one-off payment for staff who have reached the maximum of their Market Anchor and are therefore not able to achieve 'progression'.
- The award could be between 0.5% and 2½% of basic pay.
- In theory an employee earning this type of bonus could also have earned a Bonus A, however the reasons for this award must not be the same reason as for the instant award.
- To qualify for this award, the employee would have to be at the top of their market anchor grade but otherwise have fulfilled all the criteria for Progression.

Bonus Scheme C – Operated at the discretion of Directors it will be based on recommendations from Managers.

- This final bonus scheme will be used to reward exceptional performance by individuals or teams and is in addition to Progression Pay.
- By exceptional performance, it means those individuals or teams who have contributed significantly to the Council's achievement of its objectives.
- The award in this case could range from a fixed amount to between 0.5% up to 2.5% depending on the numbers of staff being recommended.
- In theory an employee earning this type of bonus could also have earned the two previous bonus' however, the reasons for this award will be over and above the reasons given in schemes A and B.
- The contribution under this category would require Managers to demonstrate how an individual or a team has saved the Council money, generated income, improved a service or gone beyond the call of duty over and above anything rewarded by schemes A and B.
- Directors will have the final say as to whether an individual or teams meet this harder test.

When else may employees be considered for a base pay increase?

The only other possibility to award a base pay increase will be for the following reasons.

- An internal promotion to a job of significantly increased responsibility i.e. additional duties will not fall into the progression category.
- For other types of development or additional commitment like the following;

- Extra duties within an employee's existing remit
- Acting up
- Secondments
- Gaining professional qualifications (i.e. Externally verified qualifications that require dedicated studying to achieve)

NB: The performance scheme does not accommodate mid year bonuses or base pay increases during the financial year other than that stated in this policy.

Any change to a person's salary has to be authorised by a Director before passing to HR for processing.