



Pay Policy Statement

2022/2023

Version number: 5
Date: January 2022

Tracking

| | | | |
|------------------------|------------------------------------|-------------------------|--|
| Policy Title | Pay Policy Statement 2022/2023 | | |
| SMT sign off | | | |
| Committee | Strategy & Resources | Date approved | |
| | Full Council | Date approved | |
| Review due date | 12 months | Review completed | |
| Service | HR & Organisational Development | | |

Revision History

| Revision Date | Revisor | Previous Version | Description of Revision |
|----------------------|----------------|-------------------------|--------------------------------|
| March 2019 | Shona Mason | Version 2 | Updated for 2019/20 |
| January 2020 | Debbie Childs | Version 3 | Updated for 2020/21 |
| January 2021 | Debbie Childs | Version 4 | Updated for 2021/22 |
| January 2022 | Debbie Childs | Version 5 | Updated for 2022/23 |

Document Approvals

Each revision requires the following approvals:

| Sponsor/Approval | | Date |
|-------------------------|-----------|------------------------|
| S&R | Version2 | 2 April 2019 |
| Full Council | Version 2 | 30 April 2019 |
| S&R | Version 3 | 30 January 2020 |
| Full Council | Version 3 | 13 February 2020 |
| S&R | Version 4 | 28 January 2021 |
| Full Council | Version 4 | 16 February 2021 (TBC) |
| S&R | Version 5 | 27 January 2022 |
| Full Council | Version 5 | 15 February 2022 |

CONTENTS

| | | |
|----|--|--|
| 1 | Introduction and background summary | |
| 2 | Purpose | |
| 3 | Level and elements of remuneration for each Chief Officer | |
| 4 | Remuneration of Chief Officers on recruitment | |
| 5 | Increases and additions to remuneration for each Chief Officer | |
| 6 | The approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the authority | |
| 7 | The publication of and access to information relating to remuneration of Chief Officers | |
| 8 | Pay multiple (ratio) between Chief Officers' pay and all other employees | |
| 9 | Election fees | |
| 10 | Gender Pay Gap | |
| 11 | Policy on employing someone who has taken redundancy | |
| 12 | Policy on employing someone who is also drawing a pension | |
| 13 | Policy on lowest paid | |

1. Introduction and Background Summary

- 1.1. Under the Localism Act 2011 the Council is required to publish an annual pay policy statement which has been approved by full Council.
- 1.2. The information is set out under headings which have been prescribed by the Localism Act and relates to 2022/23 financial year.

2. Purpose

- 2.1 The statement sets out the levels of remuneration for the Council's Chief Officers as well as a general approach to pay which is lifted from the Council's Employee Pay & Remuneration Policy.
- 2.2 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.
- 2.3 The policy statement outlines 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
 - Policy on employing someone who has taken redundancy
 - Policy on employing someone who is also drawing a pension
 - Policy on lowest paid

3. Level and elements of remuneration for each Chief Officer

- 3.1 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.
- 3.2 For the purposes of this policy statement, all references to "Chief Officers" is taken to include the Chief Executive and Directors. Their 2022/23 salary scales are set out in the table below:

| Post | Bottom of salary range p.a. | Top of salary range p.a. |
|-----------------|------------------------------------|---------------------------------|
| Chief Executive | £106,252 | £124,596 |
| Directors | £85,323 | £100,131 |

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

- Payment into the pension scheme if the employee has opted in and pays contributions at the required employee level themselves. Employer's contribution is currently 17.4% of pensionable pay; next actuarial valuation is due 31.03.2023.
- Chief Executive and Director monthly allowance of 4% of basic salary in respect of subsistence and other expenses thereby reducing administration and providing a cap on the cost.
- Payment of up to two annual subscriptions to professional institutions where this is an essential requirement of the role. Costs of memberships vary but most are around £200.
- Allowance for the requirement to have a car for the effective performance of duties. The amount varies according to the role of the individual.

3.4 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.

3.5 We recognise that the cost of housing in Epsom & Ewell is amongst the highest in the South East and that we are within commuting distance of London and the higher salaries there. All are taken into account when determining salary levels from sourced benchmarking information.

3.6 The overall consideration is what is reasonable and financially affordable.

4. Remuneration of Chief Officers on recruitment

4.1 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 satisfactory performance in accordance with our performance management scheme.

4.2 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 dependent upon factors such as experience and market conditions.

4.3 Appointments to the post of Chief Executive are made by the Council and appointments of Directors are made by an Appointments Panel.

5. Increases and additions to remuneration for each Chief Officer

- 5.1 Cost of living pay increases for all staff are considered every four years (in line with the Council's Pay Policy for 2020-24) 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.
- 5.2 Based on financial forecasts assessed at the commencement of the 2020-24 four-year period, an annual 2% cost of living increase was budgeted for based on the Government's target for CPI at that time.
- 5.3 Based on the CPI figure of 3.1% for September 2021, a capped 3% cost of living increase will be applied to the pay scales for 2022/23 in line with the four-year pay deal.
- 5.4 When determining pay awards, we consider financial affordability as well as the increase in cost of living for all staff.
- 5.5 All employees (including Chief Officers) 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.
- 5.6 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.

6. The approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the authority

- 6.1 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.
- 6.2 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.
- 6.3 The Council has a Local Government Pension Scheme Discretions Policy which is applicable to all employees, including Chief Officers.

7. The publication of and access to information relating to remuneration of Chief Officers

- 7.1 Our annual pay policy statement will be published on the website where it can be easily accessed by any interested parties such as taxpayers and external organisations.
- 7.2 Information about Chief Officer remuneration is also published as part of the Final Statement of Accounts.

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

- 8.1 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.
- 8.2 The bottom of our lowest pay scale in 2022/23 will be £19,907 per annum and the top of the Chief Executive scale will be £124,596 per annum. This results in a pay multiple of 1 : 6.3
Please note that this is based on pay scales and not actual salaries.
- 8.3 This is therefore within the maximum ratio 1: 20 identified as a maximum pay multiple in the Hutton Review of Public Sector Pay.
- 8.4 As at 30 November 2021 the mean average pay for employees other than Chief Officers was £30,362; therefore, currently the ratio of mean average Chief Officer pay to mean average pay of other employees is 1: 3.2

NB The mean average pay for employees other than Chief Officers in 8.4 may fluctuate throughout the year depending on staff in post and their respective salaries.

9. Election fees

- 9.1 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 Appendix 1. (Election of county/ borough / parish councillors in Surrey: scale of returning officer's fees and charges – 2020/21).
- 9.2 This fee structure is organised by Guildford Council. Once issued, consultation is undertaken with this Council and then passed by the Surrey Chief Executives. A new fee structure is not due to be released until February 2022 at the very earliest.
- 9.3 Payments for employees below Chief Officer level for Local Election duties are made in accordance with the same scale.

10. Gender Pay Gap

- 10.1 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 on the Government Gender Pay Gap website no later than 30 March each year.
- 10.2 The Council has, and will continue to comply, with the submission of this data.

11. Policy on employing someone who has taken redundancy

- 11.1 Employees who leave the Council voluntarily are free to apply for jobs that are advertised.
- 11.2 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 taken up within 4 weeks of their termination date.
- 11.3 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 Modification Order and will lose any contractual rights to have their continuous service recognised for all purposes.

12. Policy on employing someone who is also drawing a pension

- 12.1 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.
- 12.2 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.

13. Policy on lowest paid

- 13.1 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.
- 13.2 No employee will be paid below the UK National Living Wage.