

**TANDRIDGE DISTRICT COUNCIL - PAY POLICY STATEMENT 2021/22****1. Introduction**

This Pay Policy Statement provides the framework for decision making on pay and, in particular, senior pay. Preparing and publishing this statement is a requirement under the Localism Act 2011.

Tandridge District Council (TDC) is required to publish an annual 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 the 2021/22 financial year unless otherwise stated.

**2. Background**

- The Council is opted out of the terms and conditions of employment operated by the National Joint Council (NJC) for Local Government Services and has local terms and conditions of employment.
- The local pay scales cover all employees of the Council (including Chief Officers).
- As required by law, the Council auto-enrols all eligible employees into a pension scheme - the Local Government Pension Scheme (LGPS).
- Relative to most other parts of the country, the district is expensive to move to and live in.
- Competition for some specialist posts remains high nationally with our neighbouring Local Authorities competing for the same skills and experience.

**3. Definitions**

For this Policy the following definitions will apply:

**3.1 Pay**

The term 'Pay' in addition to salary includes overtime, fees, allowances, benefits in kind, increases in or enhancements to pension entitlements, merit payments, retention payments, redundancy payments, honorariums and termination payments.

**3.2 Chief Officer**

The Council's Senior Leadership Team consists of 16 officer roles; 5 of whom are Chief Officers for the purposes of this policy statement, under the definition in the Localism Act 2011 and Local Government and Housing Act 1989:

- Head of Paid Service (Chief Executive Officer)
- Statutory Officer, Monitoring Officer (Head of Legal Services)
- Statutory Officer, Section 151 Officer (Chief Finance Officer)
- Non-Statutory Officer, reporting to Head of Paid Service (Executive Head of Communities)
- Non-Statutory Officer, reporting to Head of Paid Service (Chief Planning Officer)
- Non-Statutory Officer, reporting to Head of Paid Service (Executive Head of Corporate Resources)

### **3.3 Lowest paid employees**

The lowest paid staff employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Councils grading structure (TC2) which is set at the National Living Wage. With effect from January 1, 2021 this was £17,842 per annum (£9.25 per hour).

The Council also employs apprentices and trainees who are not included within the definition of lowest paid employees as they are employed under the terms and conditions and pay rates applicable to the relevant career grade scheme. All salaries of these employees are set at or above the National Minimum Wage.

## **4. Level and elements of remuneration for Chief Officers**

All staff are employed on a TDC contract of employment and therefore subject to PAYE. All staff are on local conditions and the pay and reward structure applies to all. The Council has a salary and grading structure (pay scales) for all staff which includes the grades and salaries applicable to Chief Officers. The grade allocated to a post is determined by the duties, level of responsibility and competencies required as outlined in the job description and person specification. The authority has a Grading Scheme which is used to evaluate the grade of posts.

In addition to basic pay all officers receive the following benefits:

- If the officer is a member of the LGPS, the agreed employers contribution (currently 17.1% of gross salary plus any other pensionable pay).
- A business mobility allowance which is paid in monthly instalments. The amount paid is linked to the mileage travelled whilst carrying out the council's business on a three-tier scale and is reviewed annually on a three-year rolling basis. Employees pay tax and national insurance on this allowance.
- All other employees are entitled to claim a casual mileage allowance when travelling on council business.
- Access to a Cashplan scheme. Employees pay tax on this benefit.
- Access to an Employee Assistance Programme (EAP).
- Payment of an annual subscription to one professional institution where this has a clear benefit or is a requisite for the job. In some cases, if role specific, a maximum of two professional subscriptions may be reimbursed, at the discretion of the Executive Head of Corporate Resources.

## **5. Remuneration of Chief Officers on recruitment**

TDC commitment is to pay appropriately to attract and retain competent and experienced senior staff to lead the organisation.

TDC policy is to appoint at the bottom of the salary scale, or near the bottom taking into account the relevant skills and experience of the person appointed. Progression through the grade, subject to satisfactory performance, is on an annual basis each April until the top of grade is reached.

As outlined in the Council's Constitution, Chief Officers (definition in 2.2 above refers) are appointed by the Chief Officer Sub-Committee (COSC), following recommendations from the Chief Executive, which then reports its decision to Council.

Appointments to the post of Chief Executive are made by the Council following recommendations made by the COSC.

## **6. Increases and additions to remuneration for Chief Officers**

Cost of living pay increases, for all staff, are considered annually and determined through negotiation with Staff Conference, the forum with which Management negotiates and consults with on terms and conditions of employment and other staff related matters.

The Council operates a pay scheme whereby Chief Officers and staff can be awarded a single increment on the salary scale each April. Once an employee reaches the top of their salary scale there is no opportunity to move into the next grade.

Other salary increases can only be given as a result of change in duties and/or responsibilities and any other circumstances which are formally submitted by the Line Manager to the 151 Officer and Executive Head of Corporate Resources for consideration. These will only be approved in line with the organisational pay policy.

Incremental and cost of living increases are normally paid with effect from the 1<sup>st</sup> April each year.

## **7. The use of performance related pay for Chief Officers**

TDC no longer operate performance related pay.

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

TDC Management of Organisational Change Policy sets out a consistent method of calculating redundancy pay which is applied to all redundant employees. The current level of enhanced redundancy pay is calculated using the statutory system with a multiplier of 1.5 and no cap on weekly earnings. The payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment and may be reviewed and adjusted at any time.

Discretionary payments made to officers on **senior management grades** (SM1 and above) to which they are contractually entitled must be authorised by the Strategy and Resources Committee.

TDC Management of Organisational Change and Retirement Policies set out how we will calculate any payments made to support early retirement in the efficiency of the service. Where it is proposed to grant early retirement with no actuarial reduction in the pension payable in respect of a person on a **senior management grade**, this must be authorised by the Strategy and Resources Committee. Staff on all other grades must be authorised by the Chief Executive.

## **9. The publication of and access to information relating to remuneration of Chief Officers**

TDC annual pay policy statement and the pay scales for all staff are published on the Council's website where it can be easily accessed. Information about Chief Officer remuneration has been published since 2008/09 as part of the Final Statement of Accounts.

## **10. Pay multiple (ratio) between bottom and top staff**

TDC defines the lowest paid employees as those that are on the second grade (TC2) of the pay scales. The lowest salary being paid to members of staff on the TC2 grade as at January 2021 was £17,842.

The Chief Executive's salary grade is SM4 on the Tandridge pay scales.

The Council pays all employees including Chief Officers, from the same incremental pay scale structure.

The pay multiple between the lowest paid (full time equivalent) employee and the Chief Executive is a ratio of 1:1.63

The pay multiple between the median full time equivalent earnings and the Chief Executive is a ratio of 1:3.78 where all Council employees are taken into account.

The resulting ratios between the mean and median average earnings and the Chief Executive's salary, together with the ratio between the lowest and highest salary as at January 1, 2021 (with comparisons for the previous year) are:

	<b>As at 1 January 2020</b>	<b>As at 1 January 2021</b>
Mean Average	1: 3.2	1:3.28
Median Average	1: 3.68	1:3.78
Lowest/Highest salary	1: 6.64	1:6.63

The Lowest/Highest salary ratio of 1:6.63 is well within the maximum ration of 1:20 identified as a maximum pay multiple in the Hutton Review of Public Sector Pay.

Details of the remuneration paid to all members of the Council Leadership Team can be found in the Councils annual statement of accounts.

## **11. Components of Employee reward package**

Our total reward package for all employees (including Chief Officers) includes pay, Local Government Pension Scheme employer contribution, enhanced holiday entitlement (in excess of statutory requirements), enhanced sick pay (in excess of statutory requirements), basic level healthcare scheme, eye test vouchers and agile/flexible working benefits.

All employees can take advantage of several salary sacrifice schemes including Childcare Vouchers and the Cycle to Work scheme, and benefit from discounts on shopping, entertainment, and holidays through the employee benefits schemes.

## **12. Election fees (See Annexe A)**

Fees for local elections vary according to the size of the electorate and number of postal voters and are calculated according to a scale of fees set on a Surrey wide basis for all eleven Districts and Boroughs, as outlined in Annexe 'A'. Payments for parliamentary elections and national referendums are set by central government and are not borne by the Council as the money is reclaimed. These payments are not included in the calculation referred to in paragraph 9 above.

**13. Policy on employing someone who has left the Council's employment.**

Employees who leave the Council voluntarily without a severance payment are free to apply for jobs that are advertised at their discretion.

Employees who leave the Council with a redundancy payment and no enhancement and subsequently apply and are successful for a position within the Council must repay any redundancy payment, if the appointment is within a month of their termination date.

If the appointment start date is longer than a month the employee can return to work in the position offered but in accordance with the Redundancy Modification Orders, will lose their contractual rights to have their continuous service recognised for all purposes.

Employees who leave the Council with an enhanced severance package will not normally be re-employed or engaged under a contract for services for a period of two years.

**14. Policy on employing someone who is also drawing a pension**

In line with our Retirement Policy we will consider requests from staff who wish to draw their pension but continue working in a reduced capacity. We would expect to see a reduction in salary through either reduced hours or responsibility which would generate at least £10,000 a year in savings.

Employees who leave the Council on ill-health retirement with the possibility of a return to work under the Local Government Pension Scheme Regulations or who are granted early retirement will be considered on a case by case basis depending upon the circumstances and having due regard to their termination package. The final decision on these cases will be made by the Chief Executive.

**15. Policy on lowest paid**

With effect from April 1, 2015 a commitment was made by Members that all staff, excluding apprentices and trainees, would be paid the UK National Living Wage and are therefore paid at or above the bottom point of the TC2 grade. All apprentices and trainees are paid at least the rate for 18-20-year olds under the National Minimum wage rates.

All jobs are evaluated against the Council's Grading Scheme Criteria to ensure that post holders are fairly paid for the duties they carry out.

**16. Gender Pay Gap data**

GPG data is published on the council website and refreshed on an annual basis to reflect the position as at the 31<sup>st</sup> March each year.

**17. Equal Pay**

The Authority carries out an Equal Pay Audit from time to time which also helps to ensure that our pay and rewards for staff are fair and meet legislative and best practice requirements.

**18. Exit Cap and Recovery Provisions**

The UK Government introduced The Restriction of Public Sector Exit Payments Regulations 2020 from 4<sup>th</sup> November 2020 that impose a cap of £95,000 on exit payments for public sector workers. The minimum salary to which the recovery provisions apply is £80,000 per annum. Council policies have been updated as appropriate to take this into account.

## **19. Equality and Diversity**

The council is committed to ensuring that no-one is discriminated against, disadvantaged or given preference, particularly based on protected characteristics as defined in the Equality Act 2010.

This policy will be applied equally to all employees.