



# **Castle Point Borough Council**

## **Pay Policy Statement**

### **Scope**

- Under Section 38 of the Localism Act the Council is required to prepare a Pay Policy Statement for each financial year, beginning with 2012/13. The statements must articulate the Council's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees.

### **Approval**

- The Pay Policy Statement must be approved by full Council.
- New appointments to posts carrying a salary package of £100,000 and above should be approved by full Council
- Severance packages for staff leaving the authority of £100,000 and above should be approved by full Council.

### **Amendments**

- This policy statement was introduced in 2012/13 and is reviewed annually

### **Links**

- Redundancy Policy and Procedures
- Retirement Policy and Procedures
- Pay Protection Policy

### **Equality Impact Assessment**

- Conducted 29 November 2011 / refreshed November 2019

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### 1 Introduction

- 1.1 The Localism Act brings together accountability, transparency and fairness in the setting of local pay. All Councils were required to publish a Pay Policy Statement for the financial year 2012/13, and for each subsequent financial year, before the 31 March immediately preceding the financial year to which it relates. The Act requires that Pay Policy Statements, and any amendments to them, are considered by an open meeting of Full Council.
- 1.2 New appointments to posts carrying a salary package of £100,000 and above should be approved by full Council.
- 1.3 Severance packages for staff leaving the authority of £100,000 and above should be approved by full Council.
- 1.4 In determining the Pay Policy the following key factors have been taken into consideration:
  - **Affordability**  
The cost of staff is a significant element in the overall costs of a local authority and pay must be affordable both in the short and long term.
  - **Market Forces**  
Pay needs to be attractive and competitive to attract and retain the right people the organisation needs to carry out a wide range of functions.
  - **Fairness**  
Employees must be able to believe that the pay system and policies are fair, demonstrate that they are valued equally and receive proper recognition for their work to ensure morale is not affected and continuous improvement of services is maintained.
  - **Motivation**  
The pay system must be designed to encourage excellence, innovation, flexibility, taking responsibility, teamwork and the acquisition of new skills.

### 2 General policies relating to all staff

The following policies are applicable to all staff:

- New members of staff will commence at a salary point within the range for the post dependent upon the knowledge, skills and competencies of the individual and having regard to current and previous salary levels.
- All staff will be treated equally irrespective of gender and average pay for men and women will be equal for like work. In March 2018 we published information on the gender pay gap on the Council Website.
- Men and women doing like work or in the same grade will receive progression through the appropriate pay scale.
- If there are bars to progression between grades/spinal column points, progression will be based on fair and objective criteria that staff are aware of.

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- The Council has a Pay Protection Policy for those staff whose posts are downgraded as a consequence of changing organisational requirements where this results in a salary reduction.
- Increments will be paid on 1st April each year until the maximum of the level is reached subject to the following:
  - a) Increments may be accelerated within an officer's scale at the discretion of the authority on the grounds of special merit or ability, subject to the maximum of the level not being exceeded as approved by the Strategic Director (Resources).
  - b) An increment may be withheld due to poor performance but will only apply where correct probation or capability procedures have been followed. Any increment withheld may be paid subsequently if the officer's services become satisfactory.
  - c) Employees with less than six month's service in the grade by 1st April shall be granted their first increment six months from the actual date of their appointment, promotion or regarding.

Note. Any action under (a) or (b) shall not interrupt the payment of subsequent increments on 1st April.

- Where an employee is required to hold a membership of a professional body to carry out their role, one professional subscription will be paid annually by the Council on behalf of the employee.
- When an employee has worked for the Council for a continuous period of 25 years an award of £500 is made in recognition of their service.
- In exceptional circumstances the Authority may consider awarding an honorarium.
- Where applicable the following benefits are offered to staff as part of their salary package:
  - Flexible working arrangements (can relate to hours or time worked, or place of work)
  - Flexitime (allows flexibility in start, finish and lunch times as well as hours carried forward to better match the needs of the Council and employee)
  - Leave buy-back
  - Free staff membership at Waterside Leisure Centre for use of the swimming pool and fitness suite (not classes) to improve the health and wellbeing of staff working a minimum of 15 hours per week. Use of the swimming pool also free at the Runnymede Leisure Centre with access to the fitness suite at lunchtimes only.
  - Casual car user allowance, essential car user allowance, car allowance

- Market supplements (to attract and retain the right calibre staff to key posts)
- Retention payment (to attract and retain the right calibre staff to key posts)
- Performance related pay (see section 5)
- The Council has Redundancy and Retirement Policies and Procedures. These Policies make provision for the following.
  - Employees may voluntarily retire or resign at a time of their choosing.
  - It is the Council's policy to try to avoid compulsory redundancy and it will only resort to this when circumstances make it unavoidable. The Council will seek to ensure continuity of employment so far as it is compatible with the effective, economic and efficient provision of local government services. Due to the changing nature of local government and the reducing central government grant it is essential that the Council is suitably equipped to respond in an agile and responsive manner to the challenges presented without having to divert limited resources to defending its actions. Therefore, where the Council needs to restructure and/or downsize its workforce in order to save costs or improve efficiency in the short to medium term, the Council hereby expressly agrees to waive any cap imposed on exit payments or flexible retirements (see below) to ensure that any changes can be delivered in the required timescales & agreed business cases. The agreed procedures are followed where compulsory redundancies are contemplated.
  - The Council also operates a flexible retirement policy. The Local Government Pension Scheme Regulations 2007 permit flexible retirement where the member has attained the age of 55 and who, with the employers consent, reduces their hours of work by at least 25% or there is a reduction in grade. Flexible retirements are entirely discretionary and therefore a full business case must be completed and submitted to the Strategic Director (Resources) for consideration.
  - The Council will not discriminate against an applicant who has previously been employed by the Council or another Local Authority or who has previously received a redundancy, severance payment or flexible retirement. The Council's recruitment process is used to select and appoint the best applicant to carry out a role.

### 3 **Remuneration (including levels, elements, increases and additions)**

#### 3.1 **Chief Executive**

- All general policies set out in section 2 (above) apply to the Chief Executive.

In addition to these, the following specific policies also apply.

- The Chief Executive will receive the annual national pay increase for Chief Executives if and when offered and agreed by the Local Government Employers. In the absence of this the Chief Executive will receive the annual national pay increase applicable to all other staff.
- The Chief Executive also receives a (Deputy) Returning Officer fee in respect of District, County and Town Council elections. Payment for Local election duties are based on a locally determined scale according to the number of electorate and payment is in addition to the Chief Executives basic pay. Fees for conducting Parliamentary/European and Police & Crime Commissioner elections and referenda are determined by way of a Statutory Instrument.

#### 3.2 **Chief Officers**

- All general policies set out in section 2 (above) apply to Chief Officers.

In addition to these, the following specific policies also apply.

- The Strategic Directors will receive the annual national pay increase for Chief Officers if and when offered and agreed by the Local Government Employers. In the absence of this the Strategic Directors will receive the annual national pay increase applicable to all other staff.

#### 3.3 **All staff including the lowest paid staff**

- All general policies set out in section 2 (above) apply to all staff including the lowest paid staff.

In addition to these, the following specific policies also apply.

- All staff including the lowest paid staff (see also 3.1 and 3.2 above) will receive the annual national pay increase for Local Government Services if and when offered and agreed by the Local Government Employers.

#### 3.4 **Relationship between the Chief Executive/Other Chief Officers and all other staff**

The Hutton report discussed the merits or otherwise of putting a ceiling on managers from earning more than 20 times the pay of the lowest paid person in their organisation.

The Council's current ratios are:

- The ratio of the highest earning officer (Chief Executive) to the lowest paid full time equivalent employee in the Council is 8:1.
- The ratio of the highest earning officer (Chief Executive) to the average of all other staff in the Council is 6:1. The median is based on the annual gross pay of all employees in post as at 31 March 2018.
- The ratio of the average of the Chief Executive and other Chief Officers earnings to the average of all other employees is 5:1

The Council will ensure that the ratios remain below the guideline ceiling.

### **Limitation of the ratio's**

The ratio's set out above should be used as a general guide only. The data used to calculate the ratios for the different categories of employees may differ for a variety of reasons (see examples below) which makes direct comparisons difficult.

- Average earnings will vary according to the mix of employees at any given point in time.
- The Chief Executive and other Chief Officers work a significant amount of additional hours for which no additional payment is made. If this were to be taken into account this would have the effect of reducing the ratio's stated above.

### **4 Publication of and access to information relating to remuneration of Chief Executive and Chief Officers**

The remuneration of the Chief Executive and Chief Officers is disclosed in the Annual Statement of Accounts and published on the Councils website, [www.castlepoint.gov.uk](http://www.castlepoint.gov.uk).

### **5 Definitions**

#### **5.1 Lowest paid staff**

A member of staff performing duties of an unskilled nature will receive a salary determined by scale point 6 on the locally adopted pay scale structure. This definition has been chosen as scale point 6 is the lowest grade paid to an employee of the Council. From 1 April 2019, the Council will be adopting the National Joint Council Pay Spine which means that the lowest grade will be scale point 1 Apprentices are paid in accordance with the HMRC National Minimum Wage Rates which are based on age.

#### **5.2 Chief Officer**

- The head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989
- The monitoring officer designated under section 5(1) of that Act
- The statutory chief officer mentioned in section 2(6) of that Act
- A non-statutory chief officer mentioned in section 2(7) of that Act
- A deputy chief officer mentioned in section 2(8) of that Act

#### **5.3 The use of performance-related pay**

5.3.1 There is a delicate balance to be struck between defending the attractiveness of public service careers while ensuring taxpayers can be confident that public money is being wisely used. Performance-related pay allows pay to vary down as well as up with performance, and ensure that failure is not rewarded.

#### **5.4 The use of bonuses**

No bonus payments are awarded.