



REPORT OF:	HEAD OF CORPORATE SERVICES
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TO:	COUNCIL
DATE:	14 FEBRUARY 2013

AGENDA ITEM NO:	10	WARD(S) AFFECTED:	N/A
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SUBJECT:	PAY POLICY STATEMENT
RECOMMENDATION: To note and confirm the attached Pay Policy Statement for the year 2013/14.	
SUMMARY This report fulfils the requirement of the Localism Act 2011 to approve and publish a Pay Policy Statement annually.	

STATUTORY POWERS

1. The Localism Act 2011 provisions in relation to 'Pay Accountability' sets out the requirements for Councils to determine and publish annual pay policy statements.

PAY POLICY

2. The pay policy statement must be approved by the Council in advance of the financial year to which it relates.
3. The Council must publish the statement on its website and may choose to expand the publication in other ways as part of its approach towards transparency.
4. The pay policy statement must set out the Council's policies relating to:
 - Chief Officer remuneration,
 - Remuneration of its lowest paid employees plus the definition used for this group and the reason for adopting that definition,
 - The relationship between Chief Officer remuneration and that of other staff
5. The definition of Chief Officers is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them (non-statutory Chief Officers).

Pay Policy Statement

Reigate and Banstead Borough Council provides a wide range of services to residents, visitors and business in the Borough. To be able to provide those services, we depend on our employees. At 1 January 2013 we employed:

- 466 directly employed permanent/fixed term employees
- 75 casual workers
- 30 young workers
- Of these 571 employees, 58% were male and 42% female

Background

- The pay and terms of conditions of employment for local government workers are determined by the National Joint Council (NJC) for Local Government Services.
- The Council no longer works within the national payscales as we have developed our own locally. The local payscale covers all employees of the Council and are approved by the Council following negotiation with relevant bodies.
- As required by law, the Council provides all of its employees with the opportunity to join the Local Government Pension Scheme.
- Relative to most other parts of the country the Borough is expensive to move to and live in. The Council also operates in a competitive local recruitment market made more difficult by the proximity to London and Gatwick Airport.
- Competition for some specialist posts remains high with our neighbouring Local Authorities competing for the same skills and experience.

Aims

The Council's approach to pay and reward, embodied within its agreed payscale, is mindful of the following four aims. We want to:

1. Recruit and retain appropriately experienced and qualified employees.
2. Increase motivation and drive service improvements, with a clear relationship between pay and performance.
3. Maintain cost effectiveness and provide value for money.
4. Comply with equal pay legislation.

Chief Officers' Remuneration

The Council has a group of six Chief Officers and two statutory officers which consists of the following. The mean Chief Officers' salary is £79,041.

Chief Executive
Deputy Chief Executive
Head of Corporate Services
Head of Community Services
Head of Neighbourhood Services & Parking
Head of Policy, Development and Property
Finance Manager (Section 151 Chief Finance Officer)
Legal Services Manager (Monitoring Officer)

The payscale which governs the pay of all employees (including that of Chief Officers) is set by reference to various factors, one of which is through benchmarking against the upper quartile of pay within the local employment market for comparable roles, across the

payscale. The payscale is approved by the Council following negotiation with the relevant bodies.

Definition and remuneration of lowest paid employees

To enable meaningful comparison the Council uses employees on full time contracts for this definition. The lowest paid employees include those employed on our Administrative 3 and Operative 3 grades. These employees include: Support Assistants, Box Office Assistants, Streetsweeper/Drivers and Grounds Maintenance Operatives.

The Council pays its lowest paid employees in accordance with the same payscale as those of Chief Officers. The bottom point on our payscale is £13,788; part-time employees are paid on a pro-rata basis.

The relationship between Chief Officers' pay and all other employees

The pay of all employees is set according to the cross organisational payscale. Although there is a fixed relationship between successive points on the payscale there are no predefined pay ratios between different groups or specified individual posts.

The mean pay for employees other than Chief Officers is £24,915; therefore currently the ratio of mean Chief Officer Pay to the mean pay of other employees is 3:1.

The ratio of the pay of the highest paid earner, the Chief Executive, to the pay of the lowest paid employees is just less than 10:1.

The level and elements of employee remuneration, including performance related pay and bonuses

Pay for all employees (including Chief Officers) comprises payments by way of salary, pensions and other standard elements of contractual remuneration required in law. All employees have the opportunity to take advantage of a number of salary sacrifice schemes (at no cost to the Council) including childcare vouchers, lease cars, and the Cycle to Work scheme.

All employees (including Chief Officers) are subject to an annual assessment of performance, and where performance meets the appropriate standard, contractual increments will be given, until the maximum of the pay scale is reached.

For Chief Officers the performance appraisal scheme results in one of five levels of rating with the potential to earn a non-consolidated bonus of 2.5%, 5% or 10%. A rating in one of the top three categories can also result in an incremental increase within the payscale, up to a maximum point. (N.B. The middle rating results in either an increment or bonus – not both.)

For all other employees the scheme results in one of four levels of rating. A rating of Outstanding Performer or Consistently High Performer can result in an incremental increase within the payscale, up to a maximum point. Employees who receive an Outstanding Performer rating receive a non-consolidated bonus of 2.5%.

Remuneration of employees on recruitment

As with the recruitment of employees across the Council, Chief Officers are generally appointed at the minimum point on their payscale or at a market level of pay negotiated on

appointment. Decisions to approve these negotiations are made by the Head of Paid Service or in the case of the Head of Paid Service, by the Council.

Exceptional increases and additions to remuneration for Chief Officers

One or more Chief Officers will be eligible for payments for election duties (e.g. as Returning Officer or Deputy Returning Officer/s). Some of these payments will be made direct by Government or other Authorities e.g. Surrey County Council.

The use of market supplements

In a few cases the Council also pays market supplements to specific groups of employees where there is evidence that our local payscale is significantly out of alignment with the local pay market and where we have difficulty recruiting and retaining employees. These payments are non-contractual and currently apply only to employees in two departments.

The approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the Authority

Chief Officers who leave the Council's employment, where appropriate, will receive compensation in line with the Council's redundancy payments policy (in line with statutory redundancy payments) or through a negotiated settlement.

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

Chief Officers' pay is published as part of the Council's annual accounts and is available via the Council's website:

http://www.reigatebanstead.gov.uk/council_and_democracy/about_the_council/finance/annual_financial_reports/index.asp

