

Report to the Council

Committee: Cabinet

Date: 28 February 2023

Subject: Epping Forest District Councils Pay Policy Statement

Recommending:

That the Cabinet recommends to Council the Pay Policy Statement for 2023/24.

Introduction

Epping Forest District Council is located adjacent to three outer London boroughs and on the Central Line into the City of London. Residents have easy access to major motorway routes as both the M11 and M25 run through the district. There is a high incidence of commuting from the district which impacts on the local labour market and levels of pay, particularly for jobs that require skills that are in relatively short supply.

There are some long standing recruitment difficulties and retention issues in key skill areas and the Council is making every effort to manage skill shortages with apprenticeships, including higher level apprenticeships, introducing a new recruitment strategy and streamlined processes, working with Public Practice to encourage planners, designers working in the private sector to work in the public sector.

The situation is not static and is capable of changing very rapidly, but the Council continually considers steps regarding pay and allowances that are designed to assist with recruitment and retention.

This Statement reflects the Council's current pay, pension and leave policies and strategies which will be amended over time to deal with changing circumstances. These documents play an important role in attracting and retaining the best people to the Council.

All decisions on pay and reward for Chief Officers will comply with the Council's current Pay Policy Statement.

Legislation

Section 38 (1) of the Localism Act 2011 requires English and Welsh Councils to produce a Pay Policy Statement for 2012/2013 and for each financial year thereafter.

The Council's Pay Policy Statement;

- Must be approved formally by the Council;
- Must be approved each year;
- May be amended during the financial year; and
- Must be published on the Council's website.

The Pay Policy Statement must include;

- The level and elements of remuneration for each of the Chief Officers;
- The remuneration of its lowest paid employees (together with its definition of 'lowest paid employees' and the Council's reasons for adopting that definition);
- The relationship between the remuneration of its Chief Officers and other Officers; and
- Other aspects of Chief Officers' remuneration; remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments and transparency.

Remuneration is defined widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases/enhancements of pension entitlements and termination payments.

All salaries and calculations are based on full time equivalent (fte).

Publication of the Pay Policy Statement

The Policy has been made available on the Council's website.

Effect of this Policy Statement

Nothing in this Policy Statement enables unilateral changes to employee's terms and conditions. Changes to terms and conditions of employment must follow consultation and negotiation with individuals and recognised trade unions as set out in other agreements and in line with legislation.

Pay Arrangements

The Council operates under a local pay agreement via a Collective Agreement which was effective from 1st October 2019. The local pay scales can be found at Appendix 1 (pay rates are as at 1 April 2022).

Employees are paid at a spot salary within their grade which is made up of a Growth, Core and Exception zone salary range. Placement within the respective Grade Zones is in accordance with pay policy.

Grades for roles will continue to be determined by the NJC Job Evaluation Scheme implemented through our Job Family Framework.

Pay Awards

For the future, Epping Forest salary ranges will be benchmarked against the Public & Not for Profit Market, and NJC pay awards will no longer apply, although the Council has agreed that annual pay awards will be no less than the NJC Award.

The Council will consider pay awards annually, and any award agreed will be applied at 1 April.

Remuneration of Chief Officers

The Council will not agree any pay arrangement which does not reflect the correct employment and/or tax/NI status of a Chief Officer or employee.

It will be the responsibility of Council to agree the initial salaries for Chief Officers following external advice/evaluation/benchmarking. At Epping, Chief Officers are determined as the Chief Executive, Strategic Directors and Chief Operating Officer.

Chief Executive

The Chief Executive is paid a spot salary of £148,928 which includes compensation for all other allowances that might normally apply (i.e. evening meeting payments). The Chief Executive may also benefit from a performance payment of up to £5,000 (non-consolidated) if targets and objectives, set by the Leader of the Council and Chair of the Overview and Scrutiny and Committee, together with an independent facilitator, are met.

The Chief Executive is also the Council's Head of Paid Service and the Returning Officer (for which additional fees are paid).

Strategic Directors

The role of Strategic Director and Chief Operating Officer are paid a spot salary of £119,060 together with the opportunity of flexibility of benefits. This figure includes all statutory responsibility payments.

Termination Payments

On ceasing to be employed by the Council, individuals will only receive compensation:

- in circumstances that are relevant (e.g. redundancy), and
- in accordance with our published Pension Policy on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or that complies with the specific term(s) of a compromise agreement.

All employees with contracts of 3 months or more are automatically enrolled into the Local Government Pension Scheme (LGPS), which is administered by Essex County Council. Payments on grounds of Redundancy are covered by the Council's Redundancy and Efficiency Payments Policy.

All employees are treated in the same way regarding the calculation of severance payments in situations of redundancy.

Statutory Roles

The statutory roles of Monitoring Officer and 'Section 151' Officer are currently carried out by the Head of Legal Services and the Strategic Director with Finance responsibility. These positions do not need to be held by Chief Officers. The Monitoring Officer role will receive an additional £5,000 supplement for these statutory responsibilities. The 'Section 151' Officer has this in their base salary.

Definition of Lowest Paid Employees

For the purpose of this Policy Statement, employees on grade A are defined as our lowest-paid employees.

At 1 April 2022, the fte annual value of the lowest paid employee was Grade A Core – salary for role rate £21503.

The exceptions to the lowest grade are Apprentices who are paid £4.81 per hour. When apprentices move into year 2 of their placement, they receive the hourly minimum wage for their age.

Pay Multiples

The Hutton Review raised concerns about multiples in the order of 20 or higher between the lowest and the highest paid employees in local authorities. However, the Interim Report noted that the most top to bottom pay multiples in the public sector are in the region of 8:1 to 12:1. The Council is therefore content that having due regard for the level of responsibilities and personal accountability between the lowest and highest paid roles, the current multiple of 6.9 seems to be both justifiable and equitable.

The council does not set the remuneration of any individual or group of posts by reference to a multiple. However, as suggested by the Hutton Review the Council will monitor multiples over time to ensure they are appropriate and fair and will explain significant changes in pay multiples. The multiples are as following;

Role	2022/2023	
	Multiple	Salary
Chief Executive compared to lowest salary	x 6.9	£148,928
Strategic Directors compared to lowest salary	x 5.5	£119,060
Average salary compared to Chief Executive	x 3.9	£37972
Average salary compared to lowest salary	x 1.8	£37972

- The average salary is based on fte and has not been pro-rata'd for part-time employees
- The average salary calculation is based on Grades A to K only.

Other Payments

Market Supplements may be paid in accordance with the Council's Local Pay guidance (although where necessary to secure or retain the employment of essential staff, other means may be applied to achieve the same outcome).

Other payments will be paid in accordance with our Local Pay Guidance.

The Council does not currently apply performance related pay or bonuses (except for in the case of the Chief Executive), but this could be considered at a future date, and may be applied as part of a personal contract of employment if required to secure the employment and retention of essential employees. Under local pay arrangements, the Council may consider the award of a Council wide or Team bonus at any point, paid on the basis of agreed targets/outputs. Such bonus will take the form of an unconsolidated payment and will not affect substantive pay.

These policies are applied consistently to all employees.

APPENDIX 1

Grade	Growth Zone £	Salary for Role £	Exception Zone £
A	20946 – 21403	21503	21513 - 22208
B	22209 – 22266	22366	22466 - 23448
C	23548 - 23990	24090	24190 – 25923
D	26093 – 26787	26887	26987 – 28359
E	28459 – 30733	30833	30933 – 33817
F	33917 – 34890	34990	35090 – 37890
G	37990 – 39882	39982	40082 – 42788
H	42888 – 45005	45105	45205 - 47583
I	47683 - 50232	50332	50432 - 54997
J	55097 - 57237	57337	57437 - 61678
K	61778 - 64163	64263	64363 - 69835