

Appendix C

Essex County Council Pay Policy Statement 2021/22

1. Introduction

This is the Council's Pay Policy Statement adopted under the Localism Act 2011.

The Council seeks to be able to recruit and retain employees in a way which is externally competitive and internally fair.

2. Determination of Grade and Salary for chief officers and lowest paid employees

The Council's pay policy is influenced by a number of factors which include market information, market forces, economic climate, measures of inflation and budgetary position and political context. Pay is revisited from time to time to ensure they remain appropriate when benchmarked against external independent appropriate compensation surveys, applicable to each role.

The Essex Pay policy referred to in this Statement is relevant to the majority of Council employees. However, the scope of this Statement does not include all Terms and Conditions as some are set on a national basis. Those outside the scope include:

- Teachers who are covered by the national conditions for school teachers pay and conditions in England and Wales,
- Soulbury Committee, Adult Education, Joint National Council (JNC)
- people on National Health Service (NHS) terms and conditions.

For the main pay scales the appropriate grade for a job is established through the KornFerry HAY job evaluation methodology which provides the basis for grade determination based upon a range of established factors.

No evaluation process exists for Soulbury or Youth and Community conditions, but employees are placed within Nationally defined grading structures.

3. Salary

The Essex Pay scheme operated by the Council consists of local grades A to J for the main scales and grades SCC to SCH for specialist social care roles. The Chief Executive is on a negotiated rate outside these grades. Each job is assigned the appropriate grade and salary (known as the 'rate for the job'). Details of these grades can be found on the Council's website.

The details of the salary package for the Chief Executive, and all members of the Corporate Leadership Team are published and updated on the Council's web site.

The definition of the lowest paid employee used by the Council is for those undertaking an approved apprenticeship programme and where the apprenticeship pay rate of the

national minimum wage applies as described by law. For all other employees on Essex Main Pay, salaries will be no less than the National Living Wage, or 85% of the rate for the job, whichever is the highest.

All employees who are new to, or secure a new job within the organisation are appointed at a salary in accordance with Essex Pay / Essex Pay Social Care guidance agreed by the Chief Executive. Employees will be provided with an appropriate progress plan in accordance with the Essex Pay Policy and subject to satisfactory progress, salary will be increased accordingly. Further consideration is given to the level of salaries of existing employees to prevent pay inequality.

Pay is reviewed annually, usually in April, as follows:

- The 'rate for the job' for each job that is on Essex Pay main grades is reviewed in line with policies by the Chief Executive.
- For Essex Social Care roles, the pay is reviewed and, where increased, a percentage increase is applied to all employees in these roles by the Chief Executive.
- For employees appointed at grades A and B of the main grades, the pay is reviewed and, where increased, the minimum, mid-point and maximum pay rates will be increased by the same percentage.

No other payments are generally made as part of salary. In exceptional circumstances, the use of an individual supplement may be required where a business case exists.

4. Appointment of Chief Officers

Generally new employees will start at either the bottom of the grade or at the mid-point for Grade A or B, or by exception at the maximum rate of pay.

The appointment of individual chief officers, including those receiving salaries in excess of £100,000, is in accordance with the pay structure and the principles outlined in the Essex Pay / Essex Pay Social Care guidance. No chief officer is appointed to a job without being approved by the Councillors who are members of the Senior Managers Employment Committee.

5. Appointment of other employees paid above £100,000

The appointment of Deputy Chief Officers are also the subject of a vote by the Senior Managers Employment Committee (SMEC), which is a committee of elected councillors.

There are a small number of senior posts which are neither Chief Officer nor Deputy Chief officer posts which may attract a salary of £100,000 and which are not subject to a decision by the SMEC.

6. Pay Progression for Chief Officers

Levels of increase and any unconsolidated payments for Chief Officers

are set by the Committee for determining the terms and conditions of employment of Chief Officers annually; considering a number of factors including market conditions, benchmarking data and affordability.

The pay of Chief officers does not currently include a performance related element. Any change to this would result in a change to the pay policy statement.

Where a Chief Officer has been appointed to a role at the minimum salary for grade, accelerated base pay towards mid-point may take place in accordance with a progression plan. Any pay increase for a Chief Officer or any pay increase for beyond the mid-point for a Deputy Chief Officer requires the approval of SMEC and will be considered on exceptional circumstances for example where performance, retention or specific market pressures may exist.

7. Other Allowances/Payments

As a general rule, all other forms of payments/allowances are applicable to all employees or specific groups of employees (such as pension contributions, childcare vouchers etc). As an exception, Chief Officers, Deputy Chief Officers and other employees at Grade C may also receive:

- Annual Allowance Payment in lieu of a lease car (other eligible employees may receive a lease car subject to eligibility criteria but they are not entitled to an allowance in lieu)
- Private Medical Health Insurance – This is not contractual but is currently applicable to Chief Officers and roles at grade C and above

8. Definition of Lowest and Highest Paid Employees

The lowest paid employees are defined as those currently on an approved apprenticeship scheme. This excludes some interns who, although employees, are subject to significant investment in terms of training and learning.

The highest paid employee is the Chief Executive. Other than the Chief Executive, the highest paid posts within the Council fall within posts evaluated at grade A.

9. Pay Ratios

The recommendation of the Hutton Report into “Fair Pay in the Public Sector”, as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency, was that a pay ratio of the Chief Executive compared to the median average salary in the organisation should be published.

For the start of financial year 2021/22 that ratio is 1:7.0 This is a reduction in the differential from last year, driven by increases in pay to the wider workforce which was greater than the increase paid to the Chief Executive.

10. Publication of Pay Data

The Council will publish the number of people and job title by salary band. This is from £50,000 to £54,999 and then by pay bands of £5,000 thereafter. This will include elements made on a repeatable or predictable basis such as market premium payments.

The pay of all Chief Officers is published on the Council's website.

11. Governance

The Council's policy is to delegate authority for decision-making to the appropriate level and to detail such delegations within the Constitution.

Under the Council's Constitution, the Chief Executive is the Head of the Paid Service and has delegated authority to appoint, dismiss and determine pay for all employees except where this function is specifically delegated to Members under the constitution or by law. The Chief Executive has authorised certain other officers to appoint and dismiss certain staff.

Full Council appoints Members to a politically balanced committee called the 'Senior Management Employment Committee (SMEC)'. This committee has authority to:

- to recommend to Full Council the appointment of the Head of the Paid Service
- to appoint and dismiss Chief and Deputy Chief Officers (other than the Chief Executive, the s151 officer and the monitoring officer) this may be through the appointment of sub-committees of three Members to deal with particular appointments, dismissals or appeals or through authorising the Chief Executive or his nominee to deal with a particular appointment or dismissal;
- to consider and approve the recommendations of the Chief Executive and the Leader of the Council in respect of unconsolidated payments (if made) for the Chief Executive and Executive Directors
- to determine pay levels for Chief and Deputy Chief Officers including market supplements and retention payments (which may only be made in exceptional circumstances).

The Committee can delegate functions relating to Layer 2 employees (Directors and Heads of Service) to a Sub-Committee.

Any change of pay for Chief Officers and for Layer 1 (Executive Directors) and Layer 2 employees other than in accordance with normal progression through the grade including market supplements or other retention payments must be approved by the Committee.

The appointment or dismissal of the Head of the Paid Service, the section 151 officer or the monitoring officer is required to be approved by the full Council.

The authority must consult with the Secretary of State before dismissing its Director of Public Health.

12. Termination of Employment of Chief Officers

The Council's Policy on the termination of Chief Officers' employment is as detailed at paragraph 11 of this Statement and within the Constitution.

The Council's early retirement Policy is that requests for early payment of Pension benefits will be agreed (before the age of 60) only if there is a compelling business reason for doing so.

The Council's redundancy policy may be implemented and enacted if, a Chief Officer position is made redundant. All payments will be made in accordance with the redundancy policy and subject to any legal restrictions regarding Public Sector Exit payments.

In exceptional circumstances to avoid or settle a claim or potential dispute, the Council may agree payment of a settlement sum in line with the restrictions regarding Public Sector Exit payments. All cases must be supported by a business case and take account of all legal, financial, contractual and other responsibilities.