

**ROYAL BOROUGH OF KINGSTON UPON THAMES****PAY POLICY STATEMENT 2017-2018****General Principles**

In setting pay, remuneration for council staff at all levels needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, while not being unnecessarily generous or otherwise excessive or perceived as such. At the same time there must be sufficient flexibility to cope with a variety of circumstances (foreseeable or not), such as local or occupation-specific labour market conditions.

As well as affordability, transparency and fairness will be our first principles when setting pay at all levels and this will be reflected in:

- 'Clean pay' (avoidance wherever possible of additions to basic pay)
- Pay rates and terms and conditions are set outside the organisation and the Council is a signatory to all relevant national agreements.
- Job evaluation used to ensure fairness and equality and Equal Pay Audits carried out from time to time.
- Performance pay not operated but ability exists to postpone or withhold increments in the case of poor performance or attendance or to award additional increments or make one-off, non-consolidated payments (within strict limits) to recognise most exceptional performance.
- Emphasis placed on non-financial rewards and salary sacrifice schemes which can benefit the Council.
- Where a member of staff at any level takes on a role which is incidental to their substantive role this will not be remunerated separately and will be taken into account in job evaluation. Conversely, where a member of staff at any level is required to take on a role which is distinct from their substantive role, this will be remunerated separately and appropriately (e.g. election duties, Major Incident Team).
- In general, the Council will not re-engage staff who have previously been made redundant and received their Pension benefits and/or a redundancy payment. However, when considering job applications from those made redundant, we will be mindful of the public interest in reemploying them, taking into account the time which has elapsed, the level which they were employed at, and the level of the vacancy concerned. The Government is proposing for the recovery of exit payments in certain circumstances where an employee subsequently takes up work with a public body. It is expected that this legislation will be implemented in 2017.

- The Government is proposing to cap termination payments in the public sector at £95,000, to be implemented via the Enterprise Bill. It is expected these regulations will be implemented in 2017.
- The Council deducts Income Tax at source for all direct employees, and when it engages contractors/interims it seeks the fullest assurance that their affairs are properly managed and will ask them to commit to this as part of the contractual agreement. The Government is reforming the off payroll intermediaries legislation (commonly known as 'IR35') in the public sector. The plans will be going ahead with effect from 6 April 2017.
- Staff at any level will not be directly involved in setting their own pay, and, wherever necessary external sources will be used.
- The Government has published draft regulations which will implement the mandatory gender pay gap reporting requirement for private and voluntary sector employers including Local Authorities with 250 or more employees. The regulations are due to come into force in April 2017.

#### **Application of General Principles to Pay of Chief Officers, Directors and Chief Executive**

The principles above will apply at all levels of the organisation, including the senior management team. The Council's Senior Staff Panel, comprised of elected councillors and reporting to full council, is responsible for appointments and pay and grading matters relating to the senior management team. Should the council need to offer a new appointment at a salary in excess of £100,000 or make a severance payment in excess of £100,000 the full council could be given the opportunity, should it wish, to endorse any proposed arrangements.

Job evaluation and advice to the Panel on pay structures and scales will be provided externally by the Local Government Employers and recommended to the Council's Senior Staff Panel for approval. In February 2011 the Senior Staff Panel decided to set pay levels in the lower quartile of market rates (previously the advice had been to set at mid-market levels). In line with its commitment to transparency, the Council had published details of senior pay publicly online in advance of government's advice to do this.

In principle, the council is committed to reviewing senior pay levels for the senior management team (Director Level and above) every two years but because of public sector pay restraint the pay rates of senior managers across the sector have largely stood still since 2009 and no purpose would currently be served by such a review. The last increase in Chief Officer pay bands for the senior management team was a two year pay deal for a 1% increase on salaries in April 2016 and April 2017.

For Royal Borough of Kingston upon Thames non school staff the ratio of highest pay to median pay is approximately 1:6.1 (comparison on basis of full-time equivalents at December 2016), revised from 1:7 last year.

**Low Pay**

As a signatory to all national pay agreements applicable, the Council will apply those agreements to all its staff except where this is prevented by other factors such as a TUPE transfer. The Council was an early implementer of the Local Government Services' Single Status Agreement which did much to correct pay differentials for previously undervalued occupations and the Council will continue to work within the framework of national pay agreements to improve pay and conditions.

The Authority monitors the number of non-school based staff and the nature of the roles for those employees whose evaluated grade results in pay based on a spine point below the current London Living Wage (currently £9.75 per hour). The Council introduced the London Living Wage for staff outside schools from 1 April 2016. Affected staff will receive an additional payment to bring their hourly earnings up to the London Living Wage level.

**Review of Policy**

This policy was first published in 2012. It will be reviewed and re-published annually.