

Appendix L

Elmbridge Borough Council Pay Policy Statement – Financial year 2025/26

1. Purpose

This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 (the Act), which, require local authorities to publish an annual statement of their policy for the relevant financial year in relation to:

- The remuneration of their most senior employees (which the Act defines as the Head of Paid Service (Chief Executive), the Monitoring Officer, the Chief Officers (or Directors), and the Deputy Chief Officers (i.e. managers who report directly to a Chief Officer).
- The remuneration of their lowest-paid employees; and
- The relationship between the remuneration of the most senior employees and that of other employees.

The pay policy statement will be reviewed on an annual basis, and a new version of the policy will be approved before the start of each subsequent financial year, which will need to be complied with during that year.

The pay policy statement can also be amended during the course of any financial year, but only by a resolution of the full Council. If it is amended during the year to which it relates, the revised version of the statement will be published as soon as reasonably possible after the amendment is approved by the Council.

This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and will be reviewed annually and agreed by a meeting of the Council.

2. Definitions

For the purpose of this pay policy the following definitions will apply: -

- 2.1 “Pay”** in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments.
- 2.2 “Chief Officer”** refers to the following roles within Elmbridge Borough Council:
- Chief Executive, as Head of Paid Services* (1st tier)

- Strategic Director as a non-statutory Chief Officer* (2nd tier)

* Members of the Council's Council Management Board (CMB).

2.3 “Lowest paid employees” refers to those staff employed on the lowest grade of the Council's pay framework. This excludes apprentices and work experience.

2.4 “Employee who is not a Chief Officer” refers to all staff that are not covered under the “Chief Officer” group above. This includes the “lowest paid employees”. This excludes apprentices and work experience.

3. Pay framework and remuneration levels

3.1 General approach

Remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to fulfilling the council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is not, nor is seen to be, unnecessarily excessive. Each council has responsibility for balancing these factors and each council faces its own unique challenges and opportunities in doing so and retains flexibility to cope with various circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate.

3.2 Responsibility for decisions on remuneration

It is essential for good governance that decisions on pay and reward packages for chief executives and chief officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.

Any proposal to offer a new chief officer appointment on terms and conditions which include a total remuneration package of £140,000 or more, including salary, fees or allowances which would routinely be payable to the appointee and any benefits in kind to which the officer would be entitled as a result of their employment, will be referred to the full Council for approval before any such appointment is advertised or before any such offer is made to a particular candidate.

3.3 Salary grades and grading framework

The current Elmbridge Borough Council's pay framework was implemented from 1 April 2007 and is based on local pay and terms and conditions of employment. There are a very small number of employees (1 currently) who remain on national terms and conditions of employment by choice.

Following the National Joint Council's pay offer each year, the Council Management Board commit to review the Elmbridge salary scales accordingly. Should there be further changes, these will not be applied retrospectively to employees who have left employment with the Council.

Grades are determined in line with the job description of the post and consideration with similar jobs within the Council using the NJC evaluation scheme. The Council aims to pay the Real Living Wage as a minimum and also applies this to Apprentice's pay. Equal pay checks are also undertaken to ensure fair and consistent practice for different groups of workers with the same employer.

Employees can progress to the salary range maximum of their grade subject to satisfactory work performance.

With the exception of any groups where pay is governed by National consultation groups, pay for the "lowest paid employees" and "all other employees" including Chief Officers is agreed by Cabinet following consultation with employees and ratified by Council.

Where the Council considers that pay rates for specific posts are insufficient to enable it to recruit and/or retain staff with the required knowledge, skills and expertise, it may authorise the use of market supplements, or other form of enhancement to pay rates.

4. Remuneration – level and element

Over 98% of Elmbridge Borough Council employees are on local conditions and pay. This includes all employees defined as "Chief Officers" in section 2.2 above and all employees recruited since 1 April 2007. The Authority has a salary and grading structure (pay scales) for all staff which includes the grades and salaries applicable to Chief Officers. The grade allocated to a post is determined by the duties, level of responsibility and competencies required as outlined in the job description and person specification.

In addition to basic pay all officers could receive the following benefits (depending on the duties of their job):

- If the employee chooses to be a member of the Local Government Pension Scheme the employers' contribution.
- A car allowance which is paid in monthly instalments. The amount paid is subject to the amount of mileage done whilst carrying the Council's Business. Employees have to pay tax and national insurance on this allowance.
- Payment of an annual subscription to one professional institution where this is a requirement or a clear benefit to their job.
- Opportunity to opt into a salary sacrifice scheme such as Cycle Scheme.
- Employees who are required to be on standby outside their normal working week or who may be called out to attend to an issue at the Council's premises or other locations may receive an additional payment in accordance with the provisions of the relevant Council policy.

4.1 "Lowest paid employees"

Each "lowest paid employee" is paid within the salary range for their grade.

4.2 Merit Payments

The Council has a policy to pay a one-off non-consolidated payment of £500 called a merit award to any employee who significantly exceeds the requirements of their post. It is unlikely that any senior manager would be awarded a merit award, given the already demanding expectations of their job.

4.3 Pay Progression (where this applies)

Pay progression is normally by annual increment, payable from 1 April each year until the employee reaches the maximum of their grade. This is subject to satisfactory performance.

4.4 Charges, fees or allowances

Any allowance or other payments will only be made to employees in connection with their role or the patterns of hours they work and must be in accordance with the Council's policies.

Details of election fees paid to employees (including "Chief Officers") who volunteer to assist in elections can be found on the Council's website and are in line with the Ministry of Justice and Surrey district scales.

4.5 Exit Payments

Elmbridge Borough Council has a managing organisational change policy which sets out a consistent method of calculating redundancy pay which is applied to all employees whose posts are made redundant. There are no additional payments for Chief Officers. The level of redundancy pay is calculated using the statutory system applying the government weekly earnings cap with a multiplier of 2. The payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment. Payments made to the Chief Executive and Strategic Directors (1st and 2nd tier) as a result of their employment being terminated have to be taken to Cabinet in accordance with the relevant Policy.

4.6 New starters joining the Council

Employees new to the Council will normally be appointed to the first point of the salary range for their grade. Where the candidate's current employment package would make the first point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a higher salary may be considered by the recruiting manager. This will be within the salary range for the grade. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range. This approach fits with the Council's ambition to become an employer of choice and its aim to compensate within the upper quartile of the region.

The salary scales for "Chief Officer" posts are determined by reference to a combination of national comparators, local conditions, recruitment difficulties, inflation, and whether the post has recently been advertised and the process has been unsuccessful. In professions where there is a particular skills shortage, as a temporary arrangement, it may be necessary to consider a market premium to attract high quality applicants. With Chief Officer salaries, there can be scope for negotiation over the exact starting salary at the point of job offer, and a range of factors will be considered. As outlined in the Council's Constitution, appointments to the post of Chief Executive are made by the Council.

5. Re-engagement of Chief Officers who have left Elmbridge Borough Council with a severance or termination payment

5.1 Flexible Retirement and Re-engagement as employees

The LGPS regulations permit the Council to consider flexible retirement for employees (including Chief Officers) aged 55 or over, so that they can reduce their hours of work, and receive a pension in respect of the proportion of fulltime hours they no longer work.

In line with our flexible retirement policy we will consider requests from staff who wish to draw their pension but continue working in a reduced capacity. We would expect to see a reduction of a minimum of 20 per cent in salary through either reduced hours or responsibility.

5.2 Re-engagement under a contract for services

The Council's policy is not to re-engage under a contract for services any former Chief Executive or Chief Officer who left the Council for any reason and was in receipt of a redundancy, severance or termination payment, for a period of two years from the cessation of employment. This policy may be varied in exceptional circumstances which are approved by the Council's Chief Executive in consultation with the Monitoring Officer and the Section 151 Officer and/or the Council as appropriate.

6. Relationship between remuneration of “Chief Officers” and “employees who are not Chief Officers”

The ratio between the median average earnings and the Chief Executive's salary has decreased from 3.66 in 2023/2024 to 3.60 in 2024/2025. The ratio between the lowest paid and the highest paid, has decreased from 6.22 in 2023/2024 to 6.03 in 2024/2025. These figures are based on estimated taxable earnings for the 2023/2024 and 2024/2025 financial years including base salary, variable pay, allowances and the cash value of any benefits in kind.

7. The publication of and access to information relating to remuneration of “Chief Officers”

Our annual Pay Policy statement will be published on the website where it can be easily accessed. The rates of pay for Chief Officers as at 1 April 2024 are:

Job Title	Salary Range £'000
Chief Executive	134 - 161

Strategic Director	106 - 118
Head of Service – Band 1	61 - 77
Head of Service – Band 2	79 - 88
Head of Service – Band 3	90 - 101

Further Information about Chief Officer Remuneration has also been published on the Council's website www.elmbridge.gov.uk in the section "About Your Council".

We are also required to publish information about the remuneration of senior officers under The Accounts and Audit (England) Regulations 2015. This information is available in the annual accounts which is published on the Council's website.