

Pay Policy Statement 2025/26

1. Introduction

- 1.1 The Council is committed to transparency of pay, and best value for money to residents in terms of the pay bill to the workforce and quality of services provided to residents.
- 1.2 London Borough of Sutton monitors the Council's benchmark position regularly in London using data sets from London Councils, and in particular the annual chief officers' salary survey. This information is used when reviewing pay and grading structures, in combination with data on turnover, recruitment and retention.
- 1.3 This pay policy statement sets out the Council's current position in the labour market and pay benchmarking, pay ratios, the current pay structure and arrangements, dealing with data transparency and senior officer termination payments.

2. Pay benchmarking

- 2.1 In terms of the senior pay benchmarks derived from the London Councils database, the Council is positioned in the lower range of senior pay for the 32 boroughs.
- 2.2 The pay benchmarks are reviewed annually to ensure the Council continues to provide good value for money and that senior managers are not paid in excess of local, regional and national labour markets, as appropriate to the job.

3. Pay ratios and Fair Pay in the Public Sector

- 3.1 The Council ensures all staff are required to demonstrate they are performing to meet appraisal objectives in order to qualify for incremental pay increases.
- 3.2 The Council makes comparison of the highest paid with the median (recommended in the Government's transparency guidelines). The ratio of the Chief Executive's pay to the median employee is 1:5 (December 2024). This is significantly lower than the Hutton report which suggested the average ratio for the FTSE top 250 private sector companies is 1:38.
- 3.3 Mandatory employer transparency reporting regulations on the gender pay gap were implemented in April 2017. Organisations are required to report their gender pay gap figures annually for 31 March each year by the following 31 March (for public sector organisations) and publish the figures and report on the council website. London Borough of Sutton's gender pay gap for 31 March 2024, is 8.68% in favour of men based on mean hourly rate (previously 11.39%). The median gender pay gap is 4.97%, a reduction from 11.38% at 31.3.22. The London Borough of Sutton's gender pay gap is below the UK average, which is estimated to be 13.1% (down from 14.2% in 2023) and consistently reduced year on year.
(Source: Office of National Statistics (October 2024)
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2024>

3.4 London Borough of Sutton’s gender pay gap report and action plan is published on the Council’s website, see the Staffing section, on the Local Government Transparency Code page.

<https://www.sutton.gov.uk/-/local-government-transparency-code>

3.5 In March 2024, for the second year, the ethnicity pay gap and disability pay gaps were calculated and are improving. The mean disability pay gap is 1.33% (2.69% in 2022/3) and the median disability pay gap is 4.14% (7.52% in 2022/3). The mean ethnicity pay gap is 7.8% (8.6% in 2022/23) and median ethnicity pay gap 5.29% (6.67% in 2022/3). This will be monitored on an ongoing basis to understand trends and currently not all boroughs capture this information to allow the council to benchmark. Analysis shows that Multi Ethnic staff are overrepresented as a group in the middle two quartiles of the councils salary banding and under-representation in the top quartile. This is not dissimilar to the gender pay gap.

4. Current pay structures and arrangements

4.1 From 1 April 2016 the Council grades all NJC posts based on a single Hay job evaluation scheme throughout. The Council uses pay ranges from:

- The Joint National Council (JNC) for Local Authority Chief Executives, and the JNC for Local Authority Chief Officers pay agreement arrangements and
- The National Joint Council (NJC) Greater London Provincial Council (GLPC) Outer London pay agreement.

4.2 Some other employees are paid on nationally determined pay scales such as: Soulbury, Youth & Community, Teachers and local conditions.

4.3 From 1 April 2016 all NJC employees, Chief Officers and the Chief Executive are placed on grades with incremental progression on an annual basis. Progression through the grade is dependent upon the employee’s appraisal outcome taking into account whether they have met their annual performance objectives, their behaviours and an assessment of their overall contribution.

4.4 Senior Employees receive no performance related pay or bonuses. They receive no overtime or pay in lieu of leave. They contribute a percentage of their salary to the local government pension scheme based on their salary band. From 1st April 2024 the nationally set contribution rates are:

Salary Band	%
Up to £17,600	5.5%
£17,601 to £27,600	5.8%
£27,601 to £44,900	6.5%
£44,901 to £56,800	6.8%

£56,801 to £79,700	8.5%
£79,701 to £112,900	9.9%
£112,901 to £133,100	10.5%
£133,101 to £199,700	11.4%
£199,701 or more	12.5%

Source: LGPS website:

<https://www.lgpsmember.org/your-pension/the-essentials/your-contributions/>

Sutton's employer contribution to the pension fund for all contributing members is 19.1% (not including deficit contributions). Any sums relating to conference speeches or non-executive directorships of other public bodies are paid to the Council.

- 4.5 All chief officer recruitment is dealt with via the proportionate cross-party Council's appointments sub-committee (a sub-committee of full Council) at which the salary package is considered and approved. These arrangements enable prompt member-level decision making to meet operational demand.
- 4.6. The most recent pay deal agreed for staff covered by the NJC/GLPC with effect from 1 April 2024 was agreed in October 2024. This was for £1,491.00 for staff paid up to £55,620.00/spinal point 49 and 2.5% for staff earning more than this. Negotiations on a national pay deal for 2025/26 are unlikely to be finalised prior to April 2025.
- 4.7 The most recent pay deal agreed by the JNC for Strategic Directors and the Chief Executive was with effect from 1 April 2024 for a 2.5% increase to all pay points. As with the NJC/GLPC, the JNC offer with effect from April 2025 is subject to national negotiations and agreement, at the time of writing, there is currently no provisional offer.
- 4.8 Following the implementation of the Hay based job evaluation scheme and new pay and grading structure in April 2016 an Equalities Impact Assessment was completed. The Equalities Impact Assessment of the proposals indicate that there was no significant potential for adverse impact on any of the equalities groups.
- 4.9 The council does not pay bonuses or honoraria. Incremental progression is based on performance, and enables staff to move through the grade for their role, by one increment per annum. Once staff reach the top of their grade, there are no more increments, but they do receive any pay awards that have been agreed nationally.
- 4.10 Entitlements such as out of hours allowances or overtime are applied in line with the Green Book. Market supplements are applied based on market factors and subject to a business case, with a clear time scale for review and consultation with staff and the trade unions.

- 4.11 The Council has adopted the London Living Wage (LLW) as the minimum rate of pay for its employees and has worked through the supply chain being paid LLW to obtain accreditation.
- 4.12 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 Council implemented the off payroll intermediaries legislation (commonly known as 'IR35') in the public sector with effect from 6 April 2017 as required.

5. Transparency arrangements

- 5.1 Since 2009/10, the Chief Executive's remuneration, that of the Strategic Directors, and any officer earning over £100k, have been the subject of a published statement on the Council's website. This information will continue to be updated on an annual basis. Other salary and budget information is published in the annual statement of accounts, available from the Council's website.
- 5.2 The Council publishes on its internet pages - a range of information as part of the **Local government Transparency Code**. ([Local Government Transparency Code - Sutton Council](#))
- all senior employee salaries with: names (where required), title and salary bands (Staffing > Senior Salaries)
 - on an annual basis a schedule of all council employees earning £50,000*, or more, in accordance with the recommended code of practice for data transparency (Staffing > Senior Salaries)
 - structure charts as recommended by the government code of practice for data transparency (Staffing > Organisation Chart)
 - Trade Union facility time information (How we are organised > Trade Union Facility Time).

6. Termination payments

- 6.1 The Council will continue to review and publish our policy on the exercise of discretions under local authority regulations covering compensation for early termination of employment, redundancy and pension enhancements. We will consider our policy on the remuneration of chief officers who returned to a local authority.
- 6.2 The Department for Levelling Up, Housing & Communities (now called Department Housing, Communities and Local Government) issued statutory guidance, which applies to Sutton Council employees, when making Special Severance Payments (SSPs) from 12 May 2022. At present this guidance does not apply to those local government staff employed in a maintained school.
- 6.3 A Special Severance Payment is a payment made to employees outside of statutory, contractual or other requirements when leaving employment in public service. These payments are not commonly made but on an exception basis, following careful considerations. Payments below £20,000 must be approved according to the local authority's scheme of delegation. Payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any

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others who have signed off the payment. Approval processes comply with this guidance.

- 6.4 Payments of £100,000 and above must be approved by a vote of full council, as [already] set out in the Localism Act 2011 [and the supplementary guidance issued under section 40 of that Act] and this is established already within Sutton's constitution.