


<b>Report to:</b>	Sutton Shareholdings Board	<b>Date:</b>	8 November 2016
<b>Report title:</b>	Encompass Pay and Reward Scheme		
<b>Report from:</b>	Lorraine Thomas, Interim Managing Director, Encompass LATC Ltd		
<b>Ward/Areas affected:</b>	Borough Wide		
<b>Chair of Committee/Lead Member:</b>	Councillor Simon Wales, Chair of Sutton Shareholdings Board		
<b>Author(s)/Contact Number(s):</b>	Lorraine Thomas - Interim Managing Director, 020 8770 5794		
<b>Corporate Plan Priorities:</b>	Not applicable		
<b>Open/Exempt:</b>	Open		
<b>Signed:</b>		<b>Date:</b>	26 October 2016

## 1. Summary

- 1.1 This report sets out the Encompass Pay and Reward Scheme to be introduced for all new Encompass employees.

## 2. Recommendations

The Sutton Shareholdings Board is recommended to:

- 2.1 Approve the Encompass Pay and Reward Scheme.

## 3. Background

- 3.1 Following the approval of company documents for registration of Encompass LATC Ltd at Companies House on 22 June 2016 by the Sutton Shareholdings Board (SSB), it was agreed that the Encompass Pay and Reward Scheme would be referred to the next meeting of the SSB for approval.

#### **4. Issues**

4.1 Encompass' Pay and Reward Scheme has been developed to enable effective performance management of its employees and to develop a recruitment and retention package that provide for a range of financial and non-financial rewards.

4.2 Five objectives underpin the framework and structure of the Scheme:

- To support the aims of the organisation by aligning the individual objectives of employees with the strategic aims of the organisation.
- To ensure that the organisation is able to recruit and retain sufficient number of employees with the right skills.
- To motivate employees.
- To align the risk preferences of managers and employees with those of the organisation
- To comply with legal regulations.

4.3 The Scheme consists of three elements of pay:

i) base pay

ii) bonus scheme consisting of three elements

- individual performance related pay
- profit related bonus
- innovation payments

iii ) employee benefits

- benefits in kind
- flextime
- flexible working and Telecommuting
- annual leave purchase scheme

#### **5. Options Considered**

5.1 The proposed framework supports the overall aims and objectives of Encompass.

#### **6. Impacts and Implications**

##### Financial

6.1 Cost will be contained within Encompass LATC Ltd budgets.

Legal

- 6.2 The pay structure and salary of staff transferred under TUPE to Encompass will remain unchanged and employee's TUPE to Encompass will retain the banding attributed to that job role under the London Borough of Sutton People Plan.
- 6.3 Although structured differently, the Encompass Pay and Reward Scheme for new employees is comparable to that of existing employees. Pay is aligned to current bandings under the London Borough of Sutton People Plan.

**7. Appendices and Background Documents**

<b>Appendix letter</b>	<b>Title</b>
	None

<b>Background documents</b>
None

<b>Audit Trail</b>		
Version	Final	Date: 26 Oct 2016
<b>Consultation with:</b>		
Legal	Yes	Elaine Bruce

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