

## **PAY POLICY STATEMENT 2019**

### **Introduction**

1. This document meets section 38(1) of the Localism Act 2011 that requires councils to produce an annual pay policy statement that articulates the council's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and lowest paid employees. The majority of terms and conditions are universal and apply to all employees, unless otherwise specified.
2. The council's pay policy statement does not apply to schools, other than reference to pay for bargaining for support staff in locally maintained schools.
3. Herefordshire Council's rules with regard to employment of staff are set out within the employment rules contained within Part 4, section 9 of the constitution.
4. The statement is subject to annual review. Council has delegated authority to the monitoring officer to make in year amendments to reflect changes to post holder details or changes to local or national pay policy.

### **Pay structure / national frameworks**

5. Herefordshire Council is committed to fair pay and grading determined by a robust and objective job evaluation process. The National Joint Council's (NJC) job evaluation scheme is used for identifying the pay grade for all posts up to HC7 and the Hay job evaluation scheme for all posts above this level.
6. The council's pay structure is based on the National Joint Council for local authorities pay spine as the basis for its local grading structure up to HC11. Pay rates above this are locally determined. The pay structure is at appendix 1. The council adheres to the national pay bargaining for local government employees, including any negotiated annual cost of living increases. This also applies to support staff in local authority maintained schools.
7. This statement takes in to account the changes introduced in the NJC pay agreement for 2018-20 which introduces a new pay spine on 1 April 2019 that is based on the following:
  1. A bottom rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP)1.
  2. 'Pairing off' old SCPs 6-17 incl. to create new SCPs 1-6 inclusive
  3. Equal steps of 2.0% between each new SCPs 1 to 22 inclusive.
  4. Introducing 5 new SCPs (10, 13, 16, 18 and 21) to which no old SCPs will assimilate.
  5. On new SCPs 23 and above 2.0% increase on 2018 rate.

The NJC has issued assimilation guidance which the council will follow in moving staff across to the new pay spine.

8. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by council policy.
9. The terms and conditions of employment for the majority of council employees are determined by the National Joint Council for local authorities. Statutory chief officers and employees on director grade and above are aligned to the Joint Negotiating Committee for Chief Officers of Local Authorities (or Joint Negotiating Committee for Chief Executives of Local Authorities). These may be amended, supplemented or superseded by decisions on conditions of service made by the council from time to time and contained within the council's employment policies and procedures.
10. Nationally or locally determined rates and terms and conditions apply for other employee groups including:
  - Employees whose pay and conditions are determined by the Soulbury Committee;
  - Centrally employed teachers whose pay and conditions are determined nationally;
  - Employees who have transferred from the NHS to the council and retain their former terms and conditions of employment;
  - Employees who have retained terms and conditions of employment from other employers following a TUPE transfer to the council.

#### **Level and elements of remuneration for each chief officer**

11. For the purpose of this statement 'senior management' means 'chief officers' as defined within section 43 of the Localism Act. The posts falling within this definition are listed below, with details of their grade.

	<b>Post Title</b>	<b>Salary grade</b>	<b>Notes</b>
	CEO Herefordshire Council (head of paid service)	CX	
	Solicitor to the council (0.3fte) (monitoring officer – 0.7fte))	HC13 HoS2	1
<b>Statutory chief officers</b>			
	Director of children and families	DIR1	
	Director for adults and communities	DIR1	
	Chief finance officer (section 151 officer)	DIR2	
	Director of public health (0.6fte)	HOS1	2
<b>Non statutory chief officers</b>			
	Director for economy and place (acting)	DIR1	
<b>Deputy chief officers</b>			
	Assistant director, safeguarding and family support	HOS1	3
	Assistant director, education, development and skills	HOS1	
	Assistant director, corporate support	HOS1	
	Assistant director, people and performance	HOS1	
	Assistant director for highways and transport (acting)	HOS2	
	Assistant director for technical services (acting)	HOS2	
	Assistant director for regulatory, environment and waste services (acting)	HOS2	
	Head of economic development	HOS2	
	Programme director – housing and growth	HOS2	
	Head of infrastructure delivery	HC13	
	Head of corporate finance (deputy S151 officer) (0.81fte)	HC13	

	<b>Post Title</b>	<b>Salary grade</b>	<b>Notes</b>
	Head of management accounting (deputy S151 officer)	HC13	
	Consultant in public health (0.5 fte)	HOS2	4
	Consultant in public health (0.5 fte)	HOS2	
	Head of transformation and delivery	HOS2	
	Assistant director for commissioning	HOS1	
	Assistant director for communities and partnerships	HOS1	

1. Reflects percentage split for substantive role and monitoring officer responsibilities
2. Plus market forces supplement of £12,000
3. Plus market forces supplement of £3,000
4. Plus market forces supplement of £3,000

### **Remuneration of lowest paid employees**

12. 'Lowest paid employees' is defined as those paid on full time equivalent salaries on scp10 (SCP01 from 1 April 2019), which is the minimum spinal column point currently in use within the council's grading structure. The council engages some apprentices on learning agreements rather than employment contracts and this group is not included within the definition of 'lowest paid employees'.

### **Relationship between remuneration of chief officers and remuneration of employees who are not chief officers**

13. The relationship between the rate of pay for the lowest paid and chief officers is determined by the job evaluation process used for establishing the grading of posts and grade/role profiles as set out earlier in this policy statement. The salary ratio between the council's lowest paid staff and the chief executive's salary is 1:8.68.

### **Remuneration on recruitment**

14. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate or if an internal candidate is appointed on promotion so that a pay rise ensues. The chief executive and directors are on a spot salary being mindful that the right of approval to offer new appointments a pay package in excess of £100k or to approve a severance packages in excess of £100k is reserved to Council

### **Increases and additions to remuneration**

15. Employees, within a salary pay band, receive annual increments until the top of their salary grade has been reached. The first increment is paid when the employee has been in post for 12 months or six months after appointment, whichever is the later. This does not apply to the chief executive or directors. In exceptional circumstances increments may be accelerated within the grade on grounds of special merit or ability subject to the maximum of the level not being exceeded.
16. The chief executive is the returning officer for Herefordshire. No additional payment is made for fulfilling this duty for local elections as this is built into the overall salary. Employees who undertake election duties are paid a fee that is set by the returning officer depending on the duties undertaken.
17. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where this is necessary the council may apply pay supplements to posts which are determined to be 'hard to fill'. At all times the council will ensure the requirement for such supplements is

objectively justified by reference to clear and transparent evidence of relevant market conditions. These supplements are regularly reviewed and from 2019 reported to employment panel on an annual basis.

18. Honoraria payments are made to recognise either a special contribution an employee has made that is over and above general performance in a role, or where they have temporarily undertaken additional responsibility at a higher grade.

#### **Use of performance related pay, bonuses or pension enhancements**

19. The council does not apply any bonuses or performance related pay to employees.
20. Pension enhancements are made in line with the council's LGPS discretions policy.

#### **Benefits in kind**

21. Employees currently have access to salary sacrifice schemes for bicycles. The council also operates a childcare voucher scheme to those employees already in the scheme at 1 April 2018 and subject to prevailing legislation. In 2019 the council will introduce a further package of high street discounts and benefits which staff can access. This is being introduced to reflect the benefits available to staff in neighboring authorities so that the council is able to be competitive in recruitment markets.
22. Reasonable relocation expenses may be paid for new employees or workplace relocation. Employees are reimbursed for reasonable travel and subsistence expenditure incurred in the course of their work. Subsistence is only paid when travelling outside of the county.
23. Worcestershire County Council administers the local government pension scheme on behalf of the council.

#### **Approach to payment on ceasing to hold office under or to be employed by the authority**

24. The council's policy on termination of employment of employees prior to reaching normal retirement age is to base redundancy payments on the statutory calculation multiplied by 1.5.
25. The council operates a mutual early resignation scheme (MERS) under which an individual employee, in agreement with the council, chooses to leave employment in return for a severance payment or, if in the Local Government Pension Scheme and aged over 55, a pension that is not actuarially reduced. It is not a redundancy or a voluntary redundancy.

#### **Accountability and decision making**

26. In accordance with the council's constitution, the employment panel (in respect of the chief executive, monitoring officer, Section 151 officer and directors) or the chief executive (in respect of all other employees) is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the council.
27. For those pay accountability matters identified within the Localism Act as being reserved to Council, the employment panel will be the body accountable for formulating recommendations to council including the undertaking of an annual review of this statement before recommending its approval to council as one of the suite of documents council approves as part of its medium term financial strategy. The pay policy statement therefore forms part of the budget and policy framework of the council.

28. In addition to approval of this statement, the right of approval of new salary packages for additional posts not listed in this statement over £100,000 is reserved to Council. In such circumstances the employment panel will be the body accountable for developing recommendations to Council.

#### **Publication of and access to information**

29. After approval by Council, this statement will be published on the council's website. In addition, statutory employees' (chief executive, directors, including the chief finance officer, and monitoring officer) details are disclosed in the council's annual statement of accounts setting out the total amount of:

- Salary, fees or allowances paid to or receivable by the person in the current and previous year.
- Any bonuses so paid or receivable by the person in the current and previous year.
- Any sums payable by way of expenses allowance that are chargeable to UK income tax.
- Any compensation for loss of employment and any other payments connected with termination.
- Any benefits received that do not fall within the above.

## Pay Structure 2019

	New SCP	New Annual Rate	New Hourly rate
<b>Grade</b>			
HC01	1	17,364	9
HC02	1	17,364	9
HC02	2	17,711	9.18
HC02	3	18,065	9.36
HC03	3	18,065	9.36
HC03	4	18,426	9.55
HC04	4	18,426	9.55
HC04	5	18,795	9.74
HC04	6	19,171	9.94
HC05	6	19,171	9.94
HC05	7	19,554	10.14
HC05	8	19,945	10.34
HC05	9	20,344	10.54
HC05	10	20,751	10.76
HC05	11	21,166	10.97
HC06	11	21,166	10.97
HC06	12	21,589	11.19
HC06	13	22,021	11.41
HC06	14	22,462	11.64
HC06	15	22,911	11.88
HC06	16	23,369	12.11
HC06	17	23,837	12.35
HC06	18	24,313	12.6
HC06	19	24,800	12.85
HC07	19	24,800	12.85
HC07	20	25,296	13.11
HC07	21	25,801	13.37
HC07	22	26,317	13.64
HC07	23	26,999	13.99
HC07	24	27,906	14.46
HC07	25	28,786	14.92
HC08	25	28,786	14.92
HC08	26	29,636	15.36
HC08	27	30,508	15.81

HC08	28	31,371	16.26
HC08	29	32,029	16.6
HC08	30	32,878	17.04
HC09	30	32,878	17.04
HC09	31	33,798	17.52
HC09	32	34,788	18.03
HC09	33	35,933	18.63
HC09	34	36,876	19.11
HC10	35	37,849	19.62
HC10	36	38,813	20.12
HC10	37	39,782	20.62
HC10	38	40,760	21.13
HC10	39	41,675	21.6
HC11	40	42,682	22.12
HC11	41	43,662	22.63
HC11	42	44,632	23.13
HC11	43	45,591	23.63
HC11	44L	46,829	24.27
HC12	45L	48,099	24.93
HC12	46L	49,407	25.61
HC12	47L	50,752	26.31
HC12	48L	52,128	27.02
HC12	49L	53,544	27.75
HC13	50L	55,001	28.51
HC13	51L	56,496	29.29
HC13	52L	58,032	30.08
HC13	53L	59,609	30.9
HOS02		75,016	38.88
HOS02		77,042	39.93
HOS02		79,120	41.01
HOS01		81,257	42.12
HOS01		83,451	43.25
HOS01		85,701	44.42
Dir 2		101,969	52.84
Dir 1		124,860	64.72
CX		150,873	78.20