

# Pay Policy Statement 2023/2024

## April 2023

### **1.0 Introduction**

- 1.1 A pay policy statement is required to be produced annually under Section 38 of the Localism Act 2011. Guidance from the Secretary of State has been taken into account when producing this statement.
- 1.2 Any decision under powers delegated in the council's Constitution with regard to remuneration from 1 April 2023 to 31 March 2024 will be bound by and must comply with this statement.
- 1.3 This statement supports the requirements under the Local Government Transparency Code to publish data on Senior Salaries and Pay Multiple.
- 1.4 The Head of Human Resources and Organisational Development must be consulted prior to any decision impacting on remuneration to ensure compliance with this pay policy statement.

### **2.0 Scope**

- 2.1 This statement sets out the council's policy with regards to:
  - the remuneration of Chief Officers
  - the remuneration of the lowest paid employees
  - the relationship between Chief Officers' remuneration and that of other officers

"Remuneration" for the purposes of this statement includes three elements:

  - basic salary
  - pension
  - all other allowances arising from employment
- 2.2 The council's constitution regards the following as its "Chief Officers"  
  
Chief Executive  
Deputy Chief Executive
- 2.3 The council, also has Statutory officer roles (Head of Paid Service; S151 Officer; Monitoring Officer, Data Protection Officer)

- 2.3 There is a statutory requirement that for the purposes of producing this statement the following posts (Leadership Team) be covered by the policy statement as well as the above posts and statutory roles.

Head of Strategic Finance and Property (S151 Officer)  
Head of Legal and Democratic Services (Monitoring Officer)  
Head of Human Resources and Organisational Development  
Head of Shared Revenues and Benefits Service  
Head of Operations  
Head of Communications, Strategy and Policy  
Head of Housing and Health  
Head of Planning and Building Control

In this policy statement the term “Chief Officers” refers to the Chief Executive and Deputy Chief Executive roles in that where there are any differences in terms of the policy it is between this group and all other employees.

- 2.4 This policy statement applies to all Council employees, but not to other workers such as casuals, agency workers, etc.
- 2.5 This pay statement does not include the Returning Officer payment. The fees payable to the Returning Officer are set by statute for national elections, and are paid by central government. Fees are, also, payable to the Councils’ Returning Officer for local elections. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the Council. As Returning Officer, he/she is paid a separate fee, which includes expenses, for each election for which he/she is responsible. Regulations govern which elections the fee is pensionable and, if opted in, a separate pension will accrue in the Local Government Pension Scheme for each election type.

### **3.0 Objectives**

- 3.1 East Herts Council recognises the importance of having a clear written policy statement on pay in order to ensure that employees are fairly rewarded and there is proper public accountability.
- 3.2 In respect of Chief Officers and all other employees the council’s policy is to set remuneration sufficient to attract and retain adequately experienced, trained and qualified individuals to deliver the council’s priorities.

- 3,3 The council aims to be transparent on pay to its employees, prospective employees and the wider community and uses and maintains an effective job evaluation system and procedures to provide equity and consistency in pay, whilst adhering to the basic principles of the national Local government Single Status pay agreement.

#### **4.0 Remuneration subject to national and local determination**

- 4.1 The council is a member of the Local Government Employers' Association for national collective bargaining in respect of Chief Officers and other employees.
- 4.2 Changes from national negotiations generally take effect from 1 April each year and are retrospective to 1 April if agreements are finalised after 1 April. It is the council's policy to implement national agreements.
- 4.3 The Chief Executive and Deputy Chief Executive are under the Joint Negotiating Committee for Chief Officers (JNC) conditions of service including pay. All other employees are under the National Joint Council (NJC) national agreement on pay and conditions of service.
- 4.4 The national pay award (the NJC national agreement) for 2023-2024 has not yet been considered following delays in both previous years. Currently the employers' side are awaiting the Trade Union Claim and regional pay consultation rounds are due to begin in February 2023. This Pay Policy Statement will therefore provide that the National Award will be implemented for both NJC and JNC once agreement is confirmed. East Herts will implement increments for applicable staff from the 1<sup>st</sup> of April 2023 but the national pay award is not expected (due to the delay in negotiations/agreement) to be implemented in this (April) payroll and will instead be processed as a backdated payment once the award is agreed.
- 4.5 Previous Awards for 2021-2022 and 2022-2023  
As reported in previous Pay Policy Statement the final offers made for 2021-2022 of 1.75% for officers and 1.5% for chief officers had been made but rejected by the unions, agreement was finally reached in March 2022 when the majority of the Trade Unions accepted the final offer. East Herts Council were able to process the award, including back-pay, in the March 2022 payroll to ensure it stayed within the correct tax year and benefit from lower National Insurance rates. The NJC award was as above 1.75% and the JNC award was 1.5% (the JNC agreement was received in February and also processed in the March 2022 payroll). This was first year in some time that the JNC and NJC award differed, normally they have been aligned.

The national award for 2022-2023 was also delayed and was not agreed until November 2022. The award was not this time a percentage and instead a flat consolidated award for both NJC and JNC of £1925 on all

SCPs (and fixed salaries) this ensured that SCP 1 stayed above the National Living Wage and the award favoured the lower paid being the equivalent of a 10% increase on the lowest pay points.. East Herts Council Salaries start from SCP 4. The NJC award also included an additional day's annual leave applicable from 1 April 2023 to counter the union claim for a shorter working week.

## **5.0 General Pay Policy**

- 5.1 All employees other than Chief Officers have their basic pay determined by a job evaluation scheme to ensure that different jobs which have the same value are paid on the same grade. Grades have between 4-7 spinal column points (increments) within them.
- 5.2 The Chief Executive is paid a fixed spot salary with no set incremental progression. Performance review is facilitated through the East of England Local Government Association .
- 5.3 Heads of Service and the Deputy Chief Executive's progression through the pay range (incremental points) is based on performance (measured through the LT 360° performance review process) rather than by annual time served increments and this can lead to a drop of one increment if poor performance has been established.
- 5.4 The Deputy Chief Executive is paid on incremental scale points between a pay range of £95,808 to £105,963 base pay (as at April 2022), with set incremental progression also based on performance.
- 5.5 There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments, emergency call rota, etc, paid to these senior staff (Chief Officers and Leadership Team), as they are expected to undertake duties outside their contractual hours and working patterns without additional payment.
- 5.6 Basic pay is calculated on a pro-rata basis for part-time employees.
- 5.7 All employees (except chief officers) receive local weighting which is called an outer fringe payment which is determined by the NJC, for 2022-2023 this was £663pa for a full time employee but will be revised for 2023-2024 once the pay awards have been agreed and the increase will be backdated to 1 April 2023 as appropriate.

## **5.8 Setting Salaries**

For the posts of

Chief Executive  
Deputy Chief Executive

The council will use robust recruitment processes when making an appointment to these roles, ensuring the best candidate for the role is appointed. In determining the appropriate salary, market testing and bench marking from peer authorities will be considered. Both the Chief Executive and Deputy Chief Executive salaries were benchmarked for 2019-2020 and this has led to a revised spot salary for the Chief Executive appointed from 3 June 2019 in line with market expectations as advised by EELGA and a revised salary range for the Deputy Chief Executive.

## 5.9 Pay ceilings

For 2023/24 the basic pay ceiling for Chief Executive post will be £126,645 per annum (including an additional payment of £10,000 for Head of Paid Service) plus the percentage or award agreed by the JNC.

The basic pay ceiling (i.e. including additional payments, salary protection and professional fees where appropriate) for Deputy Chief Executive will be £105,963 plus the percentage or award agreed by the JNC.

As noted above national agreed pay settlements from the JNC will be applied to the Chief Officer posts with effect from 1 April 2023 once agreed.

For other posts covered by this statement the basic pay ceiling for grade 13 will be £78,564 plus the percentage or award agreed by the NJC (the outer fringe area allowance is paid in addition to these posts):

Grade 13 Posts:

Head of Legal and Democratic Services\*

Head of Strategic Finance and Property\*

Head of Human Resources and Organisational Development

Head of Operations

Head of Housing and Health

Head of Communications, Strategy and Policy

Head of Planning and Building Control

Head of Shared Revenue and Benefits Service \*\*

\* Both of these posts are statutory posts designated as the council's Monitoring Officer and S151 Officer respectively (see additional payments below for further details).

\*\* Head of Shared Revenues and Benefits Service post receives an additional 10% of base salary per annum for shared services role.

## 5.10 Pay floor

The pay floor is the remuneration of the lowest paid employees. “Lowest paid” is defined as the average pay of employees paid on grade 2. Grade 2 are the lowest grades paid by the council. This year the figure is 0.32% (1 part-time employees) of the council’s employees. Where any employee is less than full time their pay is multiplied up to full time salary and the aggregate full time equivalent pay is determined.

As at 24 January 2023 this figure is £22,777 per annum (full time).

The council will not pay basic pay less than the amount applicable to the bottom point of the national pay scales as agreed from time to time by the Local Government Employers (apprenticeships are excluded). Employees in this group will be entitled to all other benefits – local weighting/fringe, pension, redundancy as all other employees.

## 5.11 Pay multiples

The council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts.

In terms of overall remuneration packages the council’s policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities.

The council would not expect the remuneration of its highest paid employee to exceed 10 times that of the lowest group of employees. In the case of East Herts Council, the pay of the Chief Executive is 5.56 times the value of the lowest paid employee (calculated using salaries at 1<sup>st</sup> November 2022). (CEO salary plus statutory post holder allowance = £126,645 divided by average of lowest paid employees: £22,777 = 5.56)

## 5.12 Pay ranges are as follows as set on 1 November 2022 and still current (N.B. These will be adjusted by any Pay Award agreed by NJC)

Grade	Minimum £	Maximum £	Median £	Number of employees in the grade *
2	21,189	22,277	21,968	0.27
3	23,194	24,948	24,054	17.99
4	24,948	26,845	25,878	23.09
5	26,845	30,151	28,371	73.48
6	30,151	32,909	31,560	20.68
7	32,909	36,298	34,723	34.66
8	36,298	39,493	37,779	23.93
9	39,493	42,503	40,987	23.74

10	44,539	48,587	46,549	20.39
11	48,587	54,437	51,138	12.86
12	54,437	62,719	58,805	9.00
13	67,584	78,564	72,841	9.00
Deputy Chief Exec	95,808	105,963	100,755	1.00
Total				270.09

\* Full Time Equivalent (excludes Casual staff as at 24 January 2023)

5.13 The minimum apprenticeship pay rate is in line with statutory rates and is currently £4.81 for year one, the national living wage rate is paid as appropriate to an individual's age range thereafter (i.e. from year 2).

## **6.0 Additional payments and Variations**

### **6.1 Additional Payments**

The council's policy is not to normally pay any form of "signing on" fee or incentive payment when recruiting. Exceptions may occasionally be agreed for hard to recruit posts.

The statutory posts designated as the council's S151 Officer, Monitoring Officer and Head of Paid Service will receive a payment of £10,000 per year. No officer will receive more than one additional statutory post payment.

### **6.2 Acting Up and Honorarium payments**

The council will ensure that acting up and honorarium payments are paid in a fair and consistent manner across the council.

Acting up payments can be made when an employee undertakes either some or all of the duties of a senior post, for a continuous period of four weeks or more (payment will then be backdated to the beginning of the cover).

Acting up payments do not apply for periods of less than four weeks or when an employee is providing cover for another employee's annual leave

Honorarium payments (Responsibility Allowances) can be made where an employee is required to complete an important project or produce major work output to a high standard that is significantly above and beyond the scope of their normal duties or responsibilities, or for significant additional duties or responsibilities not commensurate with the employee's current job description/grade or for work which is

exceptionally onerous (e.g. difficult and/or demanding situations or working to extremely tight timescales).

Where an Honorarium payment is determined to be appropriate for additional work, any additional work time spent on the additional duties/responsibilities for which the honorarium is being awarded should not be accounted for on the flexi-time sheet.

Permanent changes to job roles should be dealt with through the job evaluation process.

The Head of Service in consultation with the Head of HR and OD have the responsibility for implementing and monitoring these arrangements.

### **6.3 Professional fees and subscriptions.**

The council will meet the cost of a legal practicing certificate for all those employees where it is a requirement of their employment. No other professional fee or subscription is paid.

## **7.0 Market Supplements**

Market supplements are only paid in exceptional circumstances where several attempts have been made to recruit and usual recruitment processes have not resulted in an appointment. Market rate will be established by reference to soft market testing, external advice and dialogue with peer authorities.

## **8.0 Pension**

Pension provision is an important part of the remuneration package.

All employees (except those employees over the age of 75) may join the local government pension scheme. The scheme is a statutory scheme with contributions from the employee and from the employer.

All employees will automatically be enrolled into the LGPS pension scheme unless the contract of employment is less than 3 months' duration, although the employee does have the option to 'opt in'.

For more comprehensive details of the local government pension scheme see: <https://lgpsmember.org>

Neither the scheme nor the council adopt different policies with regard to benefits of employees, the same terms apply to the Chief Officers and other employees (although higher paid staff are required to pay a higher contribution in terms of the percentage of pay deducted as a pension contribution).



East Herts Council as an employer is under a legal duty to prepare and publish a written statement of its policy relating to certain discretionary powers under the Regulations which apply to the Local Government Pension Scheme (“the LGPS”). The scheme provides for the exercise of discretion that allow for retirement benefits to be enhanced. The council will consider each case on its merits but has determined that its usual policy is not to enhance benefits for any of its employees. The Policy on Exercise of Employer Discretions reaffirms this in respect of Chief Officers and other employees.

The pension scheme provides for flexible retirement. In applying the flexible retirement provision no distinction is made between the Chief Officers and other employees. The scheme requires that a minimum permanent reduction in working hours of 25% is made and/or there is a reduction in grade and that any consequential payments to the pension fund are recoverable in three years with the discretion to extend the three years in exceptional circumstances. The council’s Human Resources Committee will consider requests from a Chief Officer and Leadership Team will consider requests from other employees where there is a cost to the council, if there are no costs the Head of Service can approve in consultation with the Head of HR and OD.

## **9.0 Annual Leave**

Annual leave entitlement is related to both an individual employee’s spinal column point and length of continuous service in local government. From 1 April 2023 the basic annual leave entitlement for staff covered by the NJC increases by 1 day in line with the 2022/23 pay award.

The council awards five days additional annual leave for employees that reach five years’ local government service.

Spinal Column Point (SCP)	Annual leave entitlement	Annual leave entitlement after 5 years in continuous local government service
4-22	26 days	31 days
23-25	27 days	32 days
26-28	28 days	33 days
29-59	29 days	34 days
Chief Officers	30 days	35 days

Annual leave entitlement is calculated on a pro-rata basis for part-time employees.

## **10.0 Occupational Sick Pay**

Entitlement to sick pay is related to continuous service, measured in complete months or years at the start of the period of absence. Any

previous absences in the twelve months before the start of any absence are deducted from the entitlement.

Entitlement to sick pay is in accordance with the provisions of the NJC for Local Authorities, as follows:

During 1st Year	1 month's full pay and (after completing 4 months service) 2 months half pay
During 2nd Year	2 months full pay and 2 months half pay
During 3rd Year	4 months full pay and 4 months half pay
During 4th and 5th Year	5 months full pay and 5 months half pay
After 5 Years	6 months full pay and 6 months half pay

## **11.0 Expenses**

- 11.1 The council will meet or reimburse authorised travel, accommodation and subsistence costs for attendance at approved business meetings and training events in accordance with the council's Expenses policy. The council does not regard such costs as remuneration but as non-pay operational costs. This policy is applied consistently to Chief Officers and other employees.
- 11.2 The council pays car mileage in accordance with HMRC approved rates which are the same for Chief Officers and other employees. The current rates are:

<b>Mileage</b>	<b>HMRC Rates</b>
Car* (first 10,000 business miles per annum)	45p per business mile
Car (after 10,000 business miles per annum)	25p per business mile
Electric Car Rate	4p per business mile
Motorcycle Rate	24p per business mile
Bicycle Rate	20p per business mile
Passenger Rate (employee/member)	5p per passenger per mile

\*A Hybrid car falls under the Car HMRC rate of 45p per business mile.

## **12.0 Redundancy payments and payments on termination**

- 12.1 The council has a single redundancy scheme which applies to all employees without differentiation. The council does not provide any

further payment to employees leaving the council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving.

- 12.2 The redundancy payment is based on the length of continuous local government service as set out in the employee contract, the council follows the statutory process in terms of age multipliers and a maximum of 20 years' service, however, no statutory cap is applied to weekly pay and actual weekly pay is used in all cases and the council then further enhances the redundancy payment by applying a multiplier of 2. Details of the full scheme can be found in the council's Redundancy Policy.

### **13.0 Future appointments**

In the event of a vacancy to either a Chief Officer or other employee post the arrangements set out above in regards to pay will apply in respect of permanent appointments.

### **14.0 Publication and access to information**

The publication of and access to information relating to remuneration of Chief Officers' is set out in this document and published on the council's website.