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## PAY POLICY STATEMENT FINANCIAL YEAR 2023-2024

### 1. Introduction

In determining pay and remuneration, the council recognises the need to exercise the greatest care in managing public resources while securing and retaining high quality employees. We believe that the principle of fair pay is important and are committed to ensuring that our salaries and payments are subject to the principles of fairness, openness and consistency and these can be tested against value for money and equal pay.

Fair remuneration that reflects the requirements of the role as well as the employment market is a very important factor in recruitment and retention. We therefore need to balance affordability with creating and maintaining a pay and benefits framework that ensures we can recruit, retain, motivate and develop employees who have the skills and capabilities necessary to ensure the continued provision and delivery of high quality services.

Our pay policies and procedures are therefore designed to ensure that pay levels reflect the relative demands and responsibilities of posts, together with the knowledge, skills and capabilities necessary to ensure that the post's duties are undertaken to the required standard.

### 2. Purpose

Sections 38 to 42 of the Localism Act 2011 require that local authorities produce an annual policy statement that covers a number of matters concerning the pay of the authority's staff, in particular our approach to the pay of our senior management and our lowest paid employees, and the relationship between the two. The aim behind this Pay Policy Statement is to ensure that our approach to pay is transparent. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Housing, Communities and Local Government to which the authority is required to have regard under Section 40 of the Act.

Following approval by full Council we will publish this Pay Policy Statement on our website at: [Waverley Borough Council - Data transparency](#). Any subsequent amendment to this statement made during the financial year will be similarly published.

Data on pay and rewards for staff is published on our website in line with the Code of Recommended Practice for Local Authorities on Data Transparency and the Accounts and Audit Regulations (2015).

### 3. Decision making on pay

Our overall approach to remuneration for all employees is based on compliance with equal pay, discrimination and other relevant employment legislation such as the Equality Act 2010, plus ensuring that our overall remuneration packages align with market norms for local government and public sectors. We also take account of pay levels in the local area, including neighbouring public sector employers and the relative cost of living in the local area, particularly housing costs.

Our pay rates and grading structure are determined locally and a local pay negotiation process is used. Our employees have locally agreed terms and conditions of employment which are incorporated into their contracts of employment. We apply the UK real Living Wage at our minimum salary point.

All pay differentials can be objectively justified using job evaluation mechanisms that directly establish the relative levels of posts in pay grades according to the requirements, demands and responsibilities of the post.

Senior Managers are paid spot salaries. This means that they are paid at a single rate for their grade with no incremental increases. They are awarded cost of living rises as agreed during pay negotiations. Staff who are not senior managers have a pay and grading structure that is comprised of pay bands grades with a number of incremental points. An employee's pay progression will normally be one increment (pay spine column point within a band grade) on 1 April each year, until the top of the band grade is reached. Pay progression is subject to satisfactory performance and behaviours. We do not pay any bonuses or non-consolidated performance contribution payments

Depending on the Council's financial situation, we may agree a cost-of-living increase from 1 April each year. The Joint Negotiating Committee meetings annually to agree the award provided it is within the available budget. A current award for 2023/2024 is proposed of a £2500 consolidated increase across all pay bands up to Strategic Director and a non consolidated cost of living payment of £1650.

Chief Executive pay is agreed by the Joint Appointments Committee.

### 4. Senior Management pay structure

The Council shares a Joint Management Team with Guildford Borough Council, including a joint Chief Executive (who is also the joint Head of Paid Service for both Councils), Directors and Executive Heads of Service. The Joint Management Teams' terms and conditions of employment are determined by Waverley Borough Council and an annual pay award is determined by the Joint Negotiating Committee. The Joint Appointments Committee decide

any cost of living increases for the Joint Chief Executive. The costs of the Joint Management Team are shared across the two councils. The percentage split how costs are shared between the Councils are weighted to reflect the different business needs in each role.

The Joint Management Team is defined as the Chief Executive, the three Strategic Directors and the 12 Executive Heads of Service.

### **Senior management remuneration**

The spot salaries agreed for the pay period 2023-24 are as follows:

Chief Executive: Currently £155625 per annum (To be reviewed by JAC for 2023/24)

Strategic Directors: £125500 per annum

Executive Heads of Service: £92500 per annum

Statutory Officer Allowance: This is paid to the Section 151 Officer and the Monitoring Officer to reflect the additional duties they bear in these statutory roles. This is agreed at 5% of their base salary and so amounts to £4625 per annum for 2023/24.

Red phone allowance: This has now been removed for 2023/2024.

There are a number of senior officers who benefit from historic financial arrangements such as lease cars and mortgage subsidies. These will end as each contract agreements ends over the next three years.

More information about our senior officers can be found here: [Senior Management Team](#)

## **5. Remuneration of our lowest paid employees**

We define our lowest paid employees as those paid on the lowest grade, that is Band 12 A grade, of the council's pay and grading structure, starting at £21,600 per annum from the 1<sup>st</sup> April 2023.

## **6. Pay relationships**

This section sets out our overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation including the Council's current pay multiple. The 'pay multiple' is the ratio between the highest paid salary and the median average salary of our workforce.

The Council's current pay multiple 1:4.7

We consider that the current pay multiple, as identified above, represents an appropriate, fair and equitable internal pay relationship between the highest salary and that which applies to the rest of the workforce.

## **7. Remuneration on appointment and re-appointment**

All newly appointed staff normally start on the lowest point in the pay range for their job evaluated post. Successful candidates may be appointed at a higher incremental point, where it is considered that they already possess the skills and experience needed to justify a higher salary.

Any proposal to offer a new senior appointment on terms and conditions which include a total remuneration package of £100,000 or more, including salary, fees, allowances and any benefits in kind to which the officer would be entitled as a result of their employment (but excluding employer's pension contributions), will be referred to the council for approval. This will be before a final offer is made to a particular candidate.

Former employees in receipt of a LGPS pension or a redundancy payment may be re-employed by the Authority subject to approval by the Chief Executive. If a former employee leaves the Authority by reason of redundancy the individual cannot be reappointed to their old post as it will not exist. Following redundancy, the employee must have a break in local government employment of four weeks otherwise we may apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 regarding the recovery of redundancy payments where appropriate.

In the event that we employ a senior manager who is already in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council's Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the Local Government Pension Scheme (Administration) Regulations 2008 must be applied. These currently provide that there will be no abatement of pension in these circumstances.

Waverley is also committed to 'clean pay' for newly recruited staff and only pays staff an allowance where it is absolutely necessary such as for election duties or when overtime needs to be worked.

The Council has 12 grades on the pay scales, plus spot salaries for the Directors and Chief Executive. Most of the 12 grades currently have 4 salary increments which progressively go up from the lowest pay point to the highest. The only exception to this is Grade 12 which has one grade point. The Council has also approved a professional planners salary scale with 5 grades and 4 salary increments. This incremental progression applies to all staff on the pay grades until they reach the top pay point. The progression is dependent on satisfactory performance and would normally be applied in April each year. For historic reasons, there are some staff on all grades who for contractual reasons, fall outside the increments and are on two additional pay scales at each grade.

## 8. Payment upon termination of employment

Senior management who cease to hold office or be employed by the Council will receive payments calculated using the same principles as any other employee, based on entitlement within their contract of employment, their general terms and conditions and existing policies.

Any termination or severance payment we make to any of our employees (in the interests of efficiency of the service or on grounds of redundancy) will be made in accordance with the statutory terms under the Local Government Pension Scheme (LGPS) or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as applicable.

Statements of policy on the exercise of discretions within the LGPS and the Discretionary Compensation Regulations do not amount to any contractual commitment to individual employees on future severance payments.

### **Termination payments**

In accordance with the (former) Department for Communities and Local Government supplemental statutory guidance issued in February 2013 titled 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011'

any proposal to make a termination payment of £100,000 or more will be referred to the Council for approval and will only be agreed in exceptional circumstances. In the event of such a payment being proposed, a detailed breakdown of the components (for example redundancy pay, pension, pension strain, severance payment ) will be provided for councillors.

### **Special Severance Payment**

Special Severance Payments are payments reached under a settlement agreement which are payments in lieu of notice, payment in addition to the entitlement set out in our policies on the exercise of discretions within the LGPS and the Discretionary Compensation Regulations, or the value of any employee benefits which are allowed to continue beyond the employee's agreed exit date. Special Severance payments do not include contractual redundancy pay, payment for untaken leave, pension strain costs or payments made as part of the ACAS early conciliation process.

In accordance with the relevant provisions of the statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England, which was published on 12 May 2022:

- any Special Severance Payment of £100,000 or more must be approved by full Council.
- for all posts below Director level payments below £100,000 must be approved by the Head of Paid Service in consultation with the Leader of the Council.
- payments made to Directors require the approval of the Employment Committee and recommendation to full Council if £100,000 or more.

## 9. Market rate supplements

Our job evaluation scheme does not take into account market factors such as market pay rates relating to specific jobs or fluctuating demand for skills in the marketplace. The Council recognises therefore, that there may be occasions where it is necessary to pay a market rate supplement in addition to base salary in order to recruit or retain staff.

In this instance, the Human Resources team undertake a pay benchmarking exercise to establish market rates of pay. Business cases for market supplements will then go to the Corporate Management Board for agreement together with the pay benchmarking report which includes recommendations.

If there is a request to adjust a salary in excess of the above (for example a market supplement that is unsupported by pay benchmarking, a request for a pay increase to be backdated etc.) a business case and benchmarking exercise is required to be presented at a Pay Panel that includes the Section 151 Officer, the Head of Policy and Governance, a representative from Unison (the recognised union) and the HR Manager. The Pay Panel will make and document the decision relating to remuneration. There is no right of appeal. The budget responsibility for salary costs lies with the Head of Service.

## 10. Employee benefits schemes

The Council continues to invest in high quality benefits for its employees. This includes access to an employee discount scheme offering employees the chance to purchase a range of goods and services at discounted rates from a variety of suppliers.

We provide access for all of our employees to an Employee Assistance Programme (EAP). EAPs are intended to help employees deal with personal problems that might adversely impact their work performance, health, and wellbeing.

## 11. Fees for election duties

Sources of funding for elections in England vary according to the type of election.

The Returning Officer has overall responsibility for the conduct of elections and is appointed under the Representation of the People Act 1983. The Ministry of Justice, who set the fees to be paid to the Returning Officer, provides the costs of running UK Parliamentary general elections and European Parliamentary elections. Elections fees are paid for these additional duties and they are paid separately to salary.

The costs of parish, borough and county elections are met through local authority budgets and vary according to the size of the electorate and number of postal voters. A scale of fees for Returning Officers, polling station and count staff is set annually in line with the Surrey wide scheme.

## 12. Review and policy amendment

We will review the statement annually and approve a new version of the policy before the start of each subsequent financial year. If we choose, or need, to amend the statement during the course of any financial year this will be by resolution of the Council.