

PAY POLICY STATEMENT 2022

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.

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 07HC and the Hay job evaluation scheme for 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 11HC. Pay rates above this are locally determined. The pay structure is at appendix A. 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. To reflect market conditions, the council currently pays enhancements such as market forces supplements to attract candidates or to retain employees where there is an identified and evidenced skills shortage to enable the council to pay a competitive rate for the job. The council has a robust policy in place to manage market forces supplements. The majority of these supplements are paid to staff working in children's social care where there are nationally recognised shortages in the supply of qualified children's social workers. A small number of market forces supplements are also in place for some senior management posts and these are listed in paragraph 12. Proposals for new market forces supplements are approved by the Director of HR&OD and s151 Officer. Existing market forces supplements are reviewed no less frequently than every two years and may be withdrawn subject to notice, where the market conditions no longer warrant the payment.

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.

	Post Title	Salary grade	Notes
	CEO Herefordshire Council (head of paid service)	CX	
Statutory chief officers			
	Corporate director, children and young people	DIR1	
	Corporate director, community wellbeing (acting)	DIR1	
	Director of resources and assurance (section 151 officer)	DIR2	
	Director of public health (acting)	HOS1	1
	Director of governance and legal services (monitoring officer)	HOS1	
Non statutory chief officers			
	Corporate director for economy and environment	DIR1	
	Director, human resources and organisational development	HOS1	
Deputy chief officers			
	Service director, children and families	HOS1	vacant
	Service director, education, skills and learning	HOS1	2
	Service director, corporate services	HOS1	
	Service director, economy and regulatory	HOS1	vacant
	Service director, environment, highways and waste	HOS1	vacant
	Service director, communities	HOS1	
	Service director, all ages commissioning (acting)	HOS1	
	Service director, social care delivery	HOS1	
	Head of corporate finance (deputy S151 officer)	HC13	
	Senior HR business partner	HC12	
	Democratic services manager	HC11	

1. Plus market forces supplement of £7,000, due for review January 2024
2. Plus market forces supplement of £6,000, due for review September 2023

Remuneration of lowest paid employees

12. 'Lowest paid employees' is defined as those paid on full time equivalent salaries on spinal column point 01HC, which is the minimum spinal column point currently in use within the council's grading structure.

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. This is unchanged from the previous year.

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 spot salaries specified in this statement, the right of approval to offer new appointments, not specified above in this statement and or to approve discretionary 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.
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 operates a childcare voucher scheme to those employees already in the scheme at 1 April 2018 and subject to prevailing legislation. The council also offers staff access to a package of high street discounts and benefits. This reflects 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.

Gender Pay Gap

26. The council produces workforce equality data on an annual basis and in accordance with the requirement of the public sector equality duty that data is published. The council's most recent report can be found here: [Equality in employment Herefordshire Council workforce analysis January to December 2021](#).
27. The report includes the council's gender pay gap information which for 2021 is summarised below.

	Mean hourly pay	Median hourly pay
Female	£15.71	£13.20
Male	£17.64	£15.32
Pay gap	11.0% lower	13.9% lower

28. The following table puts the data into context and shows that while Herefordshire Council has a significant gender pay gap of 13.9%, it is performing better than many other organisations and the UK public sector overall.

	Type of comparison	Median pay gap
Herefordshire Council 2020	Historic	8.2% lower
Herefordshire, all sectors 2021 (provisional)	Geographic	11.2% lower

Worcestershire County Council	Sector	12.9% lower
Herefordshire Council 2021	-	13.9% lower
Connexus Housing Ltd 2020	Geographic	14.2% lower
West Midlands, all sectors 2020 (provisional)	Geographic	15.4% lower
UK public sector 2021 (provisional)	Sector	18.0% lower
Age group 40-49, UK, all sectors 2021 (provisional)	Age	21.3% lower
Shropshire Council 2020	Sector	22.6% lower
Wye Valley Trust 2020	Geographic	25.4% lower

Accountability and decision making

29. In accordance with the council's constitution, the employment panel is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements for the chief executive, monitoring officer, section 151 officer, director of public health and corporate directors.
30. In accordance with the council's constitution, the chief executive is responsible for decision making in relation to all other employees of the council.
31. 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. This includes 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.
32. 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

33. 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.

**NATIONAL JOINT COUNCIL FOR LOCAL GOVERNMENT GRADES:
PAY STRUCTURE AS AT 1 APRIL 2021**
(April 2021 and 2022 pay award pending)

Grade	National SCP (scp50 & above are local)	Annual Pay Rate £	Hourly Pay Rate £
01HC	1	17,842	9.25
02HC	1	17,842	9.25
	2	18,198	9.43
	3	18,562	9.62
03HC	3	18,562	9.62
	4	18,933	9.81
04HC	4	18,933	9.81
	5	19,312	10.01
	6	19,698	10.21
05HC	6	19,698	10.21
	7	20,092	10.41
	8	20,493	10.62
	9	20,903	10.83
	10	21,322	11.05
06HC	10	21,322	11.05
	11	21,748	11.27
	11	21,748	11.27
	12	22,183	11.50
	13	22,627	11.73
	14	23,080	11.96
	15	23,541	12.20
	16	24,012	12.45
	17	24,491	12.69
07HC	17	24,491	12.69
	18	24,982	12.95
	18	24,982	12.95
	19	25,481	13.21
	19	25,481	13.21
	20	25,991	13.47
	21	26,511	13.74
08HC	21	26,511	13.74
	22	27,041	14.02
	22	27,041	14.02
	23	27,741	14.38
	23	27,741	14.38
09HC	24	28,672	14.86
	24	28,672	14.86
	25	29,577	15.33
	25	29,577	15.33
	26	30,451	15.78
	26	30,451	15.78
10HC	27	31,346	16.25
	27	31,346	16.25
	28	32,234	16.71
	28	32,234	16.71
09HC	29	32,910	17.06
	29	32,910	17.06
	30	33,782	17.51
	30	33,782	17.51
	31	34,728	18.00
	31	34,728	18.00
10HC	32	35,745	18.53
	32	35,745	18.53
	33	36,922	19.14
	33	36,922	19.14
10HC	34	37,890	19.64
	34	37,890	19.64
	35	38,890	20.16
	35	38,890	20.16
	36	39,880	20.67
10HC	36	39,880	20.67
	37	40,876	21.19
	37	40,876	21.19
	38	41,881	21.71
	38	41,881	21.71

	39	42,821	22.20
11HC	40	43,857	22.73
	41	44,863	23.25
	42	45,859	23.77
	43	46,845	24.28
	44L	48,117	24.94
12HC	45L	49,422	25.62
	46L	50,766	26.31
	47L	52,148	27.03
	48L	53,562	27.76
	49L	55,016	28.52
13HC	50L	56,514	29.29
	51L	58,050	30.09
	52L	59,628	30.91
	53L	61,248	31.75
HoS2	1	77,079	39.95
	2	79,161	41.03
	3	81,296	42.14
HoS1	1	83,492	43.28
	2	85,746	44.45
	3	88,058	45.64
DIR 2	1	106,869	55.39
DIR 1	1	130,860	67.83
CEX	1	155,022	80.35