

PAY POLICY STATEMENT 2023-2024

1. Introduction

1.1 This statement is published in line with 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.

1.2 This pay policy statement does not apply to schools, other than reference to pay for bargaining for support staff in locally maintained schools.

1.3 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.

1.4. The statement is subject to annual review.

2. Pay structure, national and local frameworks

2.1. Herefordshire Council (the 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.

2.2. 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.

2.3. 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 illustrated in the table under section 3.1. Proposals for new market forces supplements are approved by the Director of HR and OD and Director of Resources and Assurance. 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.

2.4 To respond to the challenges faced by the council of retaining qualified and experienced social workers, the council has introduced a welcome scheme payment and a retention scheme payment, which is supported by robust qualifying rules.

2.5 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.

2.6 The terms and conditions of employment for the majority of council employees are determined by the National Joint Council (NJC) for local authorities. Chief officers are aligned to the Joint Negotiating Committee (JNC) 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.

2.7 Where there are instances of differing pay awards determined for NJC and JNC granted by the national employers, the council reserves the right to adopt the most equitable pay award for senior officers whose salaries fall within the grades HoS1 & HoS2 to ensure fairness and to maintain the pay structure.

2.8 The national rates for annual leave in 2023 for NJC employees will be enhanced by 1 day. This additional allowance has not been awarded to JNC employees, however the council does intend to adopt this additional allowance across the JNC and Chief Executive conditions of employment to ensure consistency. The council's annual leave year runs from January – December and the council will apply the additional holiday from 1st January 2023.

2.9 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.

3. Level and elements of remuneration for each chief officer

3.1 The definition of chief officer is defined as the Head of the Authority's Paid Service or a statutory chief officer which under the Local Government and Housing Act 1989 means Director of Children's Services, Director of Adult Social Services, Director of Public Health, Section 151 Officer and Monitoring Officer or equivalent.

The definition of chief officer also includes non-statutory chief officers which means a person who, for most of the duties of his/her post, is required to report directly to the head of the authority's paid service.

The definition of a deputy chief officer means, a person who, for all or most of the duties of his/her post, is required to report directly to one or more of the statutory or non-statutory chief officers.

Those posts listed below are reported where there is an employee in post at the time of writing. Roles that have an interim worker are not included. A copy of the [senior management structure](#) is available on the council's website.

Post Title	Salary grade
CEO Herefordshire Council (head of paid service)	CX
Statutory chief officers	
Corporate director, children and young people	DIR1
Corporate director, community wellbeing	DIR1
Director of governance and legal services (monitoring officer)	DIR2
Director of resources and assurance (section 151 officer)	DIR2
Director of public health ¹	HOS1
Non statutory chief officers	
Corporate director for economy and environment	DIR1
Director, human resources and organisational development	HOS1
Deputy chief officers	
Service director, safeguarding and family support ²	HOS1
Service director, safeguarding, quality assurance and improvement (vacant)	HOS1
Service director, education, skills and learning	HOS1
Service director, economy (acting)	HOS1
Service director, communities	HOS1
Service director, all ages commissioning	HOS1
Service director, social care delivery	HOS1
Consultant in public health (0.8 FTE)	HOS2
Consultant in public health (0.6 FTE)	HOS2
Strategic assets delivery director	HOS2
Head of legal services (vacant)	HOS2
Head of Chief Executive's office	HOS2
PMO, performance & corporate support delivery director	HOS2
Head of strategic finance (deputy S151 officer)	HOS2
Public health specialist (0.6 FTE)	HC13
Head of practice management	HC13
Head of learning and organisational development	HC13
HR improvement manager	HC11
Democratic services manager	HC11
Emergency planning manager	HC10
Electoral services manager	HC09

¹ Market forces supplement of £7,000 to be reviewed January 2024

² Market forces supplement of £9,567 to be reviewed August 2025

4. Remuneration of lowest paid employees

4.1 'Lowest paid employees' is defined as those paid on full time equivalent salaries on Grade 02HC, spinal column point (SCP) 2. The NJC pay structure shows a Grade 01HC, spinal column point 1, which is not used and no staff are paid at this salary.

5. Relationship between remuneration of chief officers and remuneration of employees who are not chief officers

5.1. 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 1:7.792. This is lower than the

previous year (1.8.86) and is due to the way in which the pay award has been implemented for 2022; with a flat financial increase across all SCPs translates to a higher increase on the lowest SCPs. This ratio has been calculated on the salaries in the pay structure as agreed by the national employers, and has not considered the salary with the real living wage supplement.

5.2 The multiple between the median FTE earnings of £32,030 p.a. and the Chief Executive is 1:4.97; and between the median full time equivalent earning for Chief Officers is 1:2.713.

6. Equality in pay – Gender Pay Gap

6.1 Since April 2018, employers with more than 250 employees have been legally required to publish the difference between pay for male and female employees. This measure shows the differences in average earnings between men and women. This does not show differences in pay for comparable jobs, which has been illegal since the adoption of the Equal Pay Act 1970.

6.2 The council's gender pay gap is published annually within the equality analysis of our workforce, and the most recent report can be found here: [Equality in employment Herefordshire Council workforce analysis January to December 2021](#).

6.3 The report includes the council's gender pay gap information for 2021 as the most recent data available at the time of publishing and 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

6.4 The following table puts the data in to context and it shows that while Herefordshire Council has a significant 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
Worcester 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% 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

7. Remuneration on recruitment

7.1 New appointments will normally be made at the minimum of the relevant grade, although exceptions can arise where necessary to secure the best candidate or if an internal candidate is appointed on promotion so that a pay rise ensues.

7.2 The chief executive and corporate directors are on a spot salary as specified in this statement. Spot salaries are where there are no annual incremental increases in the salary

structure; these are DIR1, DIR 2, and CEX detailed in the pay structure at the end of 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.

8. Increases and additions to remuneration

8.1 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. 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.

8.2 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.

8.3 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.

8.4 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.

9. Use of performance related pay, bonuses or pension enhancements

9.1 The council does not apply any bonuses or performance related pay to employees.

9.2 Pension enhancements are made in line with the council's LGPS discretions policy.

10. Benefits in kind

10.1 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 neighbouring authorities so that the council is able to be competitive in recruitment markets.

10.2 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.

10.3 Worcestershire County Council administers the local government pension scheme on behalf of the council.

11. Approach to payment on ceasing to hold office under or to be employed by the authority

11.1 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.

11.2 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. The option for MERS applicants to receive a non-reduced pension has been temporarily withdrawn. It is not a redundancy or a voluntary redundancy.

12. Accountability and decision making

12.1 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.

12.2 In accordance with the council's constitution, the chief executive is responsible for decision making in relation to all other employees of the council.

12.3 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.

12.4 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.

13. Publication of and access to information

13.1 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 2022

Grade	National SCP (scp50 & above are local)	Annual Pay Rate £	Hourly Pay Rate £
01HC	1	20,258	10.50
02HC	1	20,258	10.50
	2	20,441	10.60
	3	20,812	10.79
03HC	3	20,812	10.79
	4	21,189	10.98
04HC	4	21,189	10.98
	5	21,575	11.18
	6	21,968	11.39
05HC	6	21,968	11.39
	7	22,369	11.59
	8	22,777	11.81
	9	23,194	12.02
	10	23,620	12.24
06HC	11	24,054	12.47
	12	24,496	12.70
	13	24,948	12.93
	14	25,409	13.17
	15	25,878	13.41
	16	26,357	13.66
	17	26,845	13.91
	18	27,344	14.17
	19	27,852	14.44
07HC	19	27,852	14.44
	20	28,371	14.71
	21	28,900	14.98
	22	29,439	15.26
	23	30,151	15.63
	24	31,099	16.12
08HC	25	32,020	16.60
	26	32,909	17.06
	27	33,820	17.53
	28	34,723	18.00
	29	35,411	18.35
	30	36,298	18.81
09HC	30	36,298	18.81
	31	37,261	19.31
	32	38,296	19.85
	33	39,493	20.47
10HC	34	40,478	20.98
	35	41,496	21.51
	36	42,503	22.03
	37	43,516	22.56
	38	44,539	23.09
11HC	39	45,495	23.58
	40	46,549	24.13
	41	47,573	24.66
	42	48,587	25.18
12HC	43	49,590	25.70
	44L	50,885	26.38
	45L	52,212	27.06
	46L	53,579	27.77

	47L	54,986	28.50
	48L	56,424	29.25
	49L	57,904	30.01
13HC	50L	59,428	30.80
	51L	60,991	31.61
	52L	62,596	32.45
	53L	64,245	33.30
HoS2	1	80,353	41.65
	2	82,471	42.75
	3	84,644	43.87
HoS1	1	86,878	45.03
	2	89,172	46.22
	3	91,524	47.44
DIR 2	2	110,397	57.22
DIR 1	1	134,748	69.84
CEX	1	157,348	81.56

N.B: 01HC SCP1 is illustrated in the NJC pay structure, however, this is not used and there are no staff are paid at this grade or spinal column point

Staff distribution across grades* as at October 2022

The table below demonstrates the distribution of employees across the whole organisation against the council's pay structure. This should not be used in comparison to the table in section 3, which lists roles that the authority is required to report under the definitions of chief officers, non-statutory chief officers and deputy chief officers.

