

PAY POLICY STATEMENT 2024-2025

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 the employment of staff are set out within the employment rules contained within Section 4.9.3 of the constitution.

1.4. This 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 and HoC1 to ensure fairness and to maintain the pay structure.

2.8 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.

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

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

3.4 Those posts listed below are reported where there is an employee or interim in post at the time of writing. 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)	CEX
Statutory chief officers	
Corporate director, children and young people	DIR2
Corporate director, community wellbeing	DIR2
Director of governance and law (monitoring officer)	DIR1
Director of resources and assurance (section 151 officer)	DIR1
Director of public health ¹	HOC1
Non statutory chief officers	
Corporate director for economy and environment	DIR2

Director, human resources and organisational development	HOC1
Director, strategy and performance	HOC1
Deputy chief officers	
Service director, safeguarding and family support ²	HOS1
Service director, early help, QA and prevention	HOS1
Service director, education, skills and learning	HOS1
Service director, economy and growth	HOS1
Service director, environment & highways	HOS1
Service director, all ages commissioning	HOS1
Service director, social care delivery	HOS1
Service director, communities (Interim)	HOS1
Director Transformation, PMO and Corporate Support	HOS2
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 & deputy monitoring officer	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
Democratic services manager	HC13
HR improvement manager	HC11
Head of communications	HC13
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) 3. The NJC pay structure shows a Grade 02HC, spinal column point 2, which is not used and no staff are paid at this salary.

4.2 In July 2023 the council voluntarily adopted the Real Living Wage as a supplement to those employees whose hourly rate fell under the Real Living Wage, on a discretionary basis. As the Real Living Wage sets out its amount in a differing timeframe to the pay awards set by the National Employers, the adoption of these rates will be at differing periods and will be kept under review.

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 1:7.37. This is lower than the previous year (1.7.79) and is due to the way in which the pay award has been implemented for 2023; with a flat financial increase across all SCPs (up to SCP 41) which 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 £30,825 p.a. and the Chief Executive is 1:5.35; and between the median full time equivalent earning for Chief Officers is 1:3.08.

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 the average earnings for male and female employees, known as the gender pay gap. This is not measuring equal pay (equal pay for equal value) which ensures male and female workers doing the same work or work of equal value are paid the same. Equal pay, has been a legal requirement since the adoption of the Equal Pay Act 1970, now covered by the Equalities Act 2010.

6.2 The gender pay gap is not to check that male and female employees are paid equally for the same work, it is about the differences in the types of jobs held by male and female employees that result in males generally being paid more than females. Employers who adopt equal pay can still have a large gender pay gap caused by where male and female employees are distributed along the pay structure. This is demonstrated in Appendix 2.

6.3 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 analysis of our workforce 2022-23](#).

6.4 The report includes the council's gender pay gap information for 2022 as the most recent data available at the time of publishing and is summarised below.

	Mean hourly pay	Median hourly pay
Female	£15.70	£13.43
Male	£17.06	£15.59
Pay gap	7.97% lower	13.9% lower

6.5 The following table puts the data in to context and it shows that while Herefordshire Council has a pay gap of 13.9%, it is performing better than some other organisations and the UK public sector overall.

	Median pay gap
Gloucestershire County Council	3.2%
Powys Council	7.4%
Worcestershire County Council	9.7%
Herefordshire Council	13.9%
Shropshire Council	17.2%
Hoople Ltd	13.7%
UK Public Sector	14.9%
West Midlands (all sectors)	15.4%
West Mercia Police	19.2%
Wye Valley NHS Trust	22.2%

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 to roles 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. 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.

12.5 In line with [HM Treasury Guidance on Public Sector Exit Payments](#), decisions will be made at full council for any severance package exceeding £100,000. Any decision required for a severance payment over £20,000 and under the £100,000 threshold will be made by the chief executive and the council leader. Any decision on a severance package under £20,000 falls within the scheme of delegation.

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 2023***

**SCP 44 and above are local SCPs*

Grade	SCP	Annual Salary	Hourly Pay Rate
		£	£
02HC	2	22,366	11.59
	3	22,737	11.79
03HC	3	22,737	11.79
	4	23,114	11.98
04HC	4	23,114	11.98
	5	23,500	12.18
	6	23,893	12.38
05HC	6	23,893	12.38
	7	24,294	12.59
	8	24,702	12.80
	9	25,119	13.02
	10	25,545	13.24
06HC	11	25,979	13.47
	12	26,421	13.69
	13	26,873	13.93
	14	27,334	14.17
	15	27,803	14.41
	16	28,282	14.66
	17	28,770	14.91
	18	29,269	15.17
	19	29,777	15.43
07HC	19	29,777	15.43
	20	30,296	15.70
	21	30,825	15.98
	22	31,364	16.26
	23	32,076	16.63
	24	33,024	17.12
08HC	25	33,945	17.59
	26	34,834	18.06
	27	35,745	18.53
	28	36,648	19.00
	29	37,336	19.35
	30	38,223	19.81
	30	38,223	19.81

09HC	31	39,186	20.31
	32	40,221	20.85
	33	41,418	21.47
	34	42,403	21.98
10HC	35	43,421	22.51
	36	44,428	23.03
	37	45,441	23.55
	38	46,464	24.08
	39	47,420	24.58
11HC	40	48,474	25.13
	41	49,498	25.66
	42	50,512	26.18
	43	51,515	26.70
	44L	52,859	27.40
12HC	45L	54,238	28.11
	46L	55,658	28.85
	47L	57,119	29.61
	48L	58,613	30.38
	49L	60,151	31.18
13HC	50L	61,734	32.00
	51L	63,357	32.84
	52L	65,025	33.70
	53L	66,738	34.59
HoS2	1	83,471	43.26
	2	85,671	44.41
	3	87,929	45.58
HoS1	1	90,249	46.78
	2	92,632	48.01
	3	95,076	49.28

JNC Chief Officer Pay structure 23-24

Grade	SCP	Annual Salary £	Hourly Pay Rate £
HoC1	1	90,249	46.78
	2	92,632	48.01
	3	95,076	49.28
DIR 1	1	114,261	59.22
DIR 2	2	139,465	72.28

Chief Executive Pay structure 23-24

Grade	SCP	Annual Salary £	Hourly Pay Rate £
CEX	1	164,848	85.44

Staff distribution across grades* as at October 2023

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.

