

**Spelthorne Borough Council**

**Pay Policy Statement 2018-19**

**1 Purpose**

This Pay Policy Statement is the annual statement as required by the Localism Act 2011, Section 38(1), and applies for the financial year 2018-19. The purpose is to provide transparency about how Spelthorne uses public funds to pay staff.

The statement sets out Spelthorne Borough Council's policies relating to the remuneration of chief officers, the remuneration of its lowest paid employees, and the relationship between the remuneration of Spelthorne Chief Officers and other employees.

**2 Definitions**

For the purposes of this pay policy statement the following definitions will apply:

**2.1 Chief Officers**

The following Spelthorne Borough Council posts are included in the definition of chief officers:

- a) The head of paid service designated under section 4(1) of the Local Government and Housing Act 1989.

This is the Chief Executive

- b) The monitoring officer designated under section 5(1) of that Act.

This is the Head of Corporate Governance

- c) A statutory chief officer mentioned in section 2(6) of that Act.

This is the Deputy Chief Executive who acts as the chief finance officer.

- d) Non statutory chief officers mentioned in section 2(7) of that Act.

This is the other Deputy Chief Executive post.

- e) Deputy Chief officers mentioned in section 2(8) of that Act. These are posts reporting to the Head of Paid Service, the Monitoring Officer, the Chief Finance Officer and the other Deputy Chief Executive, except where the duties are clerical, secretarial or support.

Reporting to the Head of Corporate Governance (monitoring officer)

Principal Solicitor (deputy monitoring officer)

Reporting to the Deputy Chief Executive (chief finance officer) and the other Deputy Chief Executive

Chief Accountant  
Internal Audit Manager (this is a part time post)  
Group Head Commissioning and Transformation  
Group Head Neighbourhood Services  
Group Head Community Wellbeing  
Group Head Regeneration and Growth  
Deputy Group Head, Customer Services and Communications  
Family Support Programme Team Manager (this post is shared with Elmbridge Borough Council and Epsom & Ewell Borough Council)  
Building Control Manager  
Senior Environmental Health Manager

Any restructures during the year or secondments to cover short-term requirements may alter reporting relationships which could change the roles reporting to specific Chief Officer posts.

The definition of chief officers and deputy chief officers for the purposes of this Pay Policy Statement is wider than the definition normally used at Spelthorne. The 3 Management Team posts of Chief Executive and Deputy Chief Executives are generally referred to as 'chief officers' with the Group Head posts as their deputies for their area of responsibility. A number of posts are part time or shared with other councils, as noted above.

## **2.2 Management Team**

Spelthorne Borough Council's Management Team is the Chief Executive and 2 Deputy Chief Executive posts.

## **2.3 Pay**

In addition to salary remuneration includes fees, allowances, benefits in kind and termination payments.

## **2.4 Lowest paid employees**

Refers to those staff employed within grade Scale 1 of the Council's pay framework, which is the lowest grade on the Council's pay framework. Currently there are 78 posts, 17.4% of the Council's establishment, at this level.

Additionally, there are 21 posts, 4.6% of the Council's establishment, which fall under Scale 1 this includes posts that transferred to the Council under the Transfer of Undertakings Protection of Employment Regulations 2006 and apprenticeship posts.

Therefore the number of posts which fall within or under Scale 1 total 99, 22% of the Council's establishment.

## **2.5 Employees who are not a chief officer**

Refers to all staff who are not covered under the 'Chief Officer' group above, including the lowest paid employees.

### **3 Pay framework – general principles applying to all staff**

#### **3.1 General approach**

Remuneration at all levels needs to be adequate to recruit, retain and develop a skilled and flexible workforce to deliver services to the community and fulfil the Council's business objectives. Remuneration must be fair and reasonable in the circumstances and not unnecessarily excessive. Each Council has responsibility for balancing these factors in the light of the unique challenges locally and retaining flexibility to deal with circumstances that might arise. Pay arrangements must comply with UK legislation. Salary payments for individual postholders are pro-rated where they are employed for less than full time. Salary payments are pensionable payments, except where specified in the Pension Regulations.

Terms and conditions of employment are in accordance with national conditions of service as amended by Spelthorne. The national terms and conditions of service that apply are:

- The Joint National Committee (JNC) for Chief Executives – for the Chief Executive
- The Joint National Committee (JNC) for Chief Officers – for the Deputy Chief Executives, Group Heads and certain professional posts
- The National Joint Council for Local Government Services for other posts.

#### **3.2 Responsibility for decisions on remuneration**

Decisions on pay are made in line with Spelthorne Borough Council's scheme of delegations and in accordance with employment policies, procedures and arrangements in place and staff terms and conditions of employment.

Approval for any change to the Chief Executive's salary is by the Leader of the Council if within the salary scale and existing policies or otherwise by the Cabinet/Council. Approval for any changes to the salary range for Management Team posts below Chief Executive is by the Head of Paid Service (Chief Executive) in consultation with the Leader. Approval for changes for posts below management team are the responsibility of the Head of Paid Service and Management Team or Group Head within the budget, council policy framework and delegations.

Pay awards are considered annually for staff. Spelthorne applies the national pay awards agreed by the appropriate national local government negotiating bodies (the JNC for Chief Executives for the Chief Executive, the JNC for Chief Officers for Deputy Chief Executives, Group Heads, Deputy Group Heads and certain professional posts, the NJC for Local Authorities Services for all other staff). Where the national pay award includes any increase (including higher increases to lower scale points) or deletion of scale points in relation to the national pay scales in order to comply with minimum wage legislation, the Council will not apply this to Spelthorne's pay scales as the Council already comply with this legislation.

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Supplement above the national pay award.

The Council are considering moving from national pay to local pay and will commence consultation accordingly. Affordability and local flexibility will be taken into consideration as part of this decision. Should this be the case, this will be effective for the 2019/20 Pay Policy and any national pay award for 2019/20 as part of a two year deal will not apply to the Council as a local arrangement may be in place.

### **3.3 Salary grades and grading framework**

Grades are determined by taking account of the full scope of the job including the complexity of work, range of responsibilities and the skills and experience required to undertake them, having regard to the need for equal pay for work of equal value. Each grade consists of a number of points from the Spelthorne pay spine, from the bottom to the top of the grade. The top of grade is considered to be the rate of pay for a fully experienced, qualified and competent post holder. Incremental progression is subject to satisfactory performance. Accelerated increments can be awarded in exceptional circumstances within the grade but not beyond the top of the grade. Incremental progression for the two Deputy Chief Executives is subject to performance and achievement of targets.

### **3.4 New starters joining the Council**

Appointments are made at the bottom of the salary scale, or at an appropriate point taking into account relevant skills and experience, and staff progress through the scale to the maximum of the grade over a number of years as experience is gained, subject to satisfactory performance.

### **3.5 Allowances and additional payments**

Additional payments may be approved by the Chief Executive, Deputy Chief Executives and Management Team in the case of a member of staff undertaking additional duties for an extended period of time outside the normal responsibilities of their post or to complete specific tasks. For example to cover the duties of a vacant post which is at a higher grade, to undertake additional work in relation to a time-limited project, or where a formal partnership/secondment arrangement is in place with another local authority resulting in additional duties, responsibilities, complexity and working hours and it is not appropriate to otherwise change the grade of the post.

Spelthorne will consider paying a recruitment, retention or market supplement allowance in order to maintain service provision where it has been difficult to recruit to a vacant post or to retain staff in a particular service and specific criteria are met (policy agreed by the Executive on 9 December 2003). Recruitment and retention payments are a separate payment, not consolidated into salary, and are subject to annual review and removed when no longer justified.

Essential user and casual user car allowances are payable where staff are required to use their own vehicles for council business. A non-pensionable car allowance is applied to the Chief Executive and Deputy Chief Executive posts (car leases no longer apply to these posts). A non-pensionable car allowance is applied to Management Team posts and Group Head posts on Chief Officer terms and conditions of employment. Committee Allowance payments are payable where staff are required to attend Council meetings

outside normal working hours (except for Management Team and head of service posts who do not receive additional payment).

### **3.6 Pay awards**

Pay awards are considered annually for staff. Spelthorne applies the national pay awards agreed by the appropriate national local government negotiating bodies (the JNC for Chief Executives for the Chief Executive, the JNC for Chief Officers for Deputy Chief Executives, Group Heads, Deputy Group Heads and certain professional posts, the NJC for Local Authorities Services for all other staff). Where the national pay award includes any increase (including higher increases to lower scale points) or deletion of scale points in relation to the national pay scales in order to comply with minimum wage legislation, the Council will not apply this to Spelthorne's pay scales as the Council already comply with this legislation.

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### **3.7 Pension scheme**

All Spelthorne staff including Chief Officers are eligible to join the Local Government Pension Scheme with employee contributions tiered according to salary band. Employee contributions range from 5.5% for pensionable pay up to £13,700 to 12.5% for pensionable pay above £153,301 (the top rate does not apply to any Spelthorne posts).

The Council's pension current service contribution as employer is currently 15.8% (additionally there is a past service deficit contribution paid as a single lump sum of £1,117,000 by the Council). Employer contribution rates are reviewed every 3 years following a revaluation of the pension fund and pension liabilities in relation to current and past members. The next revaluation is due in 2019

### **3.8 Policy on employing someone who has taken redundancy from another authority**

An individual who has been made redundant from another council may apply to work at Spelthorne and would be considered against the required criteria for the post. If they accept an offer of employment with Spelthorne before the end of their employment with the other council to take effect within 4 weeks of leaving then they will not be due a redundancy payment from the previous employer and will retain continuity of service. If the gap is longer than 4 weeks their continuous service is broken, which means that they would have no eligibility for redundancy payments until they have 2 years further service.

The government are planning to implement exit payment reforms and, if agreed, this may affect the repayment of any redundancy payments.

### **3.9 Policy on employing someone who is also drawing a pension**

In line with the pension regulations Spelthorne has a flexible retirement policy and will consider requests from staff who wish to draw their pension and continue working in a reduced capacity. Requests will only be agreed where there is a salary saving through either reduced hours or responsibility.

An individual who is drawing a pension in relation to a previous employment may apply to work at Spelthorne and would be considered against the criteria for the post. If they are appointed, the salary will be in accordance with the grade for the job, with abatement of their pension subject to the rules of the appropriate pension scheme of the pension in payment, as apply at the time.

### 3.10 Policy on increase in or enhancement to pension entitlements

Pension entitlements are in line with the Local Government Pension Scheme Regulations and Spelthorne Pensions Policy in operation at the time.

Spelthorne's Pension Policy was agreed by the Council on 24 April 2014. It applies to all Spelthorne employees including Chief Officers. The Pension Policy is attached as Appendix 3 (to the Pay Policy Statement).

### 3.11 Payment arrangements

Employees, including chief officers, are paid through payroll and subject to appropriate income tax and national insurance deductions.

## 4 Level and elements of remuneration for chief officers

### 4.1 Salaries for chief officers

Spelthorne policy is to pay chief officers according to the Spelthorne salary grade appropriate for the duties and responsibilities of the job. Each grade consists of a number of points from the Spelthorne pay spine, from the bottom to the top of the grade.

The salary paid to Group Head posts depends upon the range of responsibilities and consists of a salary range of a number of increments taken from a 4 point Group Head Salary band.

The current full time salary scales for chief officer posts listed in Paragraph 2.1 above are set out in the table below. Where posts are filled on a part-time basis the post holders are paid pro-rata to their contractual hours.

Post	Bottom of salary range	Top of salary range
Chief Executive	£103,720	£116,940
Head of Corporate Governance	£61,973	£70,466
Deputy Chief Executives	£82,975	£93,551
Principal Solicitor and deputy monitoring officer	£44,945	£57,283
Chief Accountant	£67,500	£67,500
Group Heads	£68,332	£74,414
Deputy Group Head Customer Services and Communication	£53,689	£63,482
Family Support Programme	£65,232	£65,232

Manager		
Internal Audit Manager	£31,263	£48,254
Building Control Manager	£44,945	£53,304
Senior Environmental Health Manager	£49,901	£53,304

Any restructures during the year or secondments to cover short-term requirements may alter reporting relationships and could change the roles reporting to specific Chief Officer posts, with the appropriate salary range from Spelthorne grades applying.

#### 4.2 Other pay elements for chief officers

A non-pensionable car allowance is applied to the Chief Executive, Deputy Chief Executives and Group Head posts on JNC conditions of service for Chief Executives and Chief Officers as part of the total remuneration package. Current car allowance values are £6,300 for the Chief Executive and £4,900 for the Deputy Chief Executives and Group Heads.

Deputy Group Head posts employed on chief officer conditions and posts on NJC conditions of service for Local Government Services are eligible for essential user car allowances if they are required to undertake business mileage and provide a car for work.

The salaries for chief officer posts on JNC terms and conditions for Chief Executives / Chief Officers (the Chief Executive, Deputy Chief Executives, Group Head, Deputy Group Head and certain professional posts) are inclusive salaries with no additional recompense for additional hours worked, for attendance at Council or other meetings outside of normal working hours, for expenses, for telephone use or for business mileage, except for journeys of 100 miles or more. A mileage rate equivalent to the HMRC rate for company cars applies (13p per mile for most vehicles) for journeys of 100 miles or more.

Posts listed as deputy chief officers which are employed on the NJC conditions of service for Local Government Services are eligible for car allowances if they are required to undertake business mileage, committee attendance allowance if they are required to attend council or other meetings outside normal working hours, overtime payments if required to work additional hours and they may claim for reimbursement of expenses incurred in the performance of their duties.

Professional fees required for the post are paid (for example membership of CIPFA for the chief finance officer and legal practising certificate for the monitoring officer).

Election fees are paid separately for additional duties and responsibilities undertaken as elections fall. The Head of Corporate Governance acts as Returning Officer at elections and other chief officers may receive payments for any additional work undertaken during a national or local election as deputy returning officers, presiding officers or poll clerks at polling stations or for working at the election counts. Election fees are set as elections are called taking account of guidance issued by the Ministry of Justice.

#### 4.3 Remuneration of chief officers on recruitment

Starting salaries are at the bottom of the salary scale, or at an appropriate point taking into account relevant skills and experience.

Chief Executive and Management Team or Group Head approval is required before recruitment to any post below management team level. Approval to fill posts at management team level and for Group Heads requires the agreement of the Leader of the Council, with selection decisions made by a member Appointments Committee and ratified by Council if required (for Chief Executive). New appointments may be eligible for removal expenses under the Council's Home Relocation Policy.

#### **4.4 Increases and additions to remuneration for each chief officer**

Pay awards are considered annually for staff including Chief Officer. Spelthorne applies the national pay awards agreed by the appropriate national local government negotiating bodies (the JNC for Chief Executives for the Chief Executive, the JNC for Chief Officers for Deputy Chief Executives, Group Heads, Deputy Group Heads and certain professional posts, the NJC for Local Authorities Services for all other staff). Where the national pay award includes any increase (including higher increases to lower scale points) or deletion of scale points in relation to the national pay scales in order to comply with minimum wage legislation, the Council will not apply this to Spelthorne's pay scales as the Council already comply with this legislation.

Where affordable and justified the Cabinet may agree to recommend to Council a Spelthorne Pay Supplement above the national pay award.

The Council are considering moving from national pay to local pay and will commence consultation accordingly. Affordability and local flexibility will be taken into consideration as part of this decision. Should this be the case, this will be effective for the 2019/20 Pay Policy and any national pay award for 2019/20 as part of a two year deal will not apply to the Council as a local arrangement may be in place.

Changes to salary ranges and other pay elements must be agreed by the Leader/Cabinet for the Chief Executive, by the Chief Executive in conjunction with the Leader for Deputy Chief Executive posts and by the Chief Executive and Management Team for all other posts.

#### **4.5 Performance related pay for chief officers**

There is no additional performance related pay for Spelthorne chief officers or any other staff. Progression through increments is subject to satisfactory performance. Incremental progression for Deputy Chief Executives is subject to performance and achievement of targets. Once an employee reaches the top of their salary scale there is no opportunity to earn more.

#### **4.6 Bonuses for chief officers**

There are no bonuses available for chief officers or for other staff.

#### **4.7 The approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority**

Spelthorne's Discretionary Compensation Policy agreed by the Executive on 6 February 2007 and confirmed by Cabinet in July 2014, sets out the approach for payments in the event of termination on the grounds of redundancy and efficiency of the service. There is a consistent method of



calculating redundancy pay which is applied to all redundant employees, including chief officers, with the level of redundancy pay calculated using the statutory matrix with a multiplier of 2 and at actual weekly earnings (to a maximum of 60 weeks' pay for staff with over 20 years local government service). The redundancy payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment and applies when a post is deleted. In the case of termination on efficiency grounds payments would depend on the circumstances of the case and would exceed the amount due for redundancy only in exceptional circumstances, to a maximum of 104 weeks.

The government are planning to implement exit payment reforms and, if agreed, this may affect redundancy/termination payments.

The taxation of termination payments is in accordance with statutory provisions.

#### **4.8 Additional payments for chief officers**

Additional payments may be approved in the case of a member of staff undertaking additional duties for an extended period of time outside the normal responsibilities of their post. For example to undertake additional responsibilities, to cover the duties of a vacant post which is at a higher grade, to undertake additional work in relation to a time-limited project, or where a formal partnership/secondment arrangement is in place with another local authority resulting in additional duties, responsibilities, complexity and working hours and it is not appropriate to otherwise change the grade of the post.

#### **5. The remuneration of the lowest paid employees**

The lowest paid employees are those in posts graded at Scale 1, which has a current salary range from £17,462 to £18,673 per annum. The pay rate at the bottom of scale 1 is £9.30 per hour compared to the national minimum wage of £7.38 per hour (National Minimum Wage rate from 1 April 2018 for workers aged 21 to 24 years) and the National Living Wage of £7.83 per hour from April 2018 for workers aged 25 and over. With effect from 6 November 2017, the Living Wage Foundation's non-statutory UK Living Wage is £8.75 per hour.

Young people employed as Apprentices for the temporary period of their apprenticeship training are paid on an appropriate pay rate taking into account the level of work and level of qualifications to be obtained with a minimum of the appropriate statutory minimum wage rates [£3.70 per hour Apprentice rate in the first year, The National Minimum Wage rate of £4.20 per hour for under 16-17 year olds, £5.90 per hour for 18 – 20 year olds, £7.38 per hour for 21 – 24 year olds and £7.83 per hour for age 25 and over from 1 April 2018].

#### **6. The relationship between the lowest and highest paid staff**

The ratio between the lowest and highest paid salaries is less than 1:7. The lowest salary rate is £17,462, the top of the Chief Executive's salary scale is £116,940 which is a pay multiple of 1:6.69.

**7. The relationship between the highest paid employee and employees who are not chief officers**

The ratio between the median earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:4.98.

The ratio between the mean average earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:4.26

**8. Salary and severance payments over £100,000**

8.1 Spelthorne has one post with a salary package above £100,000, the Chief Executive. The appointment of a new Chief Executive is made in accordance with the council's Constitution and statutory provisions. There would be a report to members on the arrangements for an appointment, including the salary level, and the appointment would be made by a member Appointments Committee and confirmed after ratification by full Council.

8.2 Severance payments are made in accordance with the council's Discretionary Compensation Policy and would exceed £100,000 only in exceptional circumstances. Redundancy payments are based on the statutory matrix and Spelthorne multiplier to a maximum of 60 weeks' pay. Severance payments on the grounds of efficiency will exceed that level only in exceptional circumstances. To date no staff have received direct severance payments over £100,000.

8.3 Where the severance payment made to the individual and any pension costs payable by Spelthorne total over £100,000 the amounts are reported in the Statement of Accounts for the year that the termination was agreed (the termination may take effect in a subsequent financial year).

8.4 The government are planning to implement exit payment reforms and, if agreed, this may affect severance payments.

**9. The publication of and access to information relating to remuneration of chief officers**

The annual pay policy statement is published on the Spelthorne Borough Council website where it can be easily accessed by tax payers and external organisations.

Appendix 1 Pay Policy Statement effective from April 2017

Appendix 2 Discretionary Payments Policy

Appendix 3 Pension Policy