

Pay Policy Statement for 2023-24

Spelthorne Borough Council

Pay Policy Statement 2023-24

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 2023-24. 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 Group Head 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) For the purposes of this Pay Policy Statement the definition of deputy chief officers is wider than the definition contained within section 2(8) of that Act. In this Pay Policy Statement, deputy chief officers are those posts, including those considered in the nature of

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support services, reporting directly to the statutory and non-statutory chief officers i.e. Head of Paid Service, the Monitoring Officer, the Chief Finance Officer and the other Deputy Chief Executive:

Reporting to the Chief Executive

Deputy Chief Executive (Chief Finance Officer, Section 151)
Deputy Chief Executive
Group Head Corporate Governance
Head of Communications and Customer Experience

Reporting to the Group Head Corporate Governance (monitoring officer)

Principal Lawyer (deputy monitoring officer)

Reporting to the Deputy Chief Executive (Chief Finance Officer) and the other Deputy Chief Executive

Chief Accountant
Group Head Commissioning and Transformation
Group Head Neighbourhood Services
Group Head Community Wellbeing
Group Head Place, Protection and Prosperity
Group Head for Assets
Head of Family Support (this post is shared with Elmbridge Borough Council and Epsom & Ewell Borough Councils)

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.

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

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framework. Currently there are 67 posts, 15.37% of the Council's filled establishment, at this level.

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 local Spelthorne terms and conditions as amended by Spelthorne.

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 Corporate Policy and Resources Committee/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 operate local arrangements for deciding pay awards in consultation and negotiation with the Spelthorne Branch of UNISON ("UNISON"), within the limits of the Collective Agreement between UNISON and Spelthorne. Pay awards are decided by full Council as part of the annual budget process. Retention, affordability and local circumstances will be taken into consideration as part of this decision.

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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. 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. A non-pensionable car allowance is applied to Group Head posts on Chief Officer local terms and conditions of employment. Committee Allowance payments are

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payable where staff are required to attend Council meetings outside normal working hours (except for Management Team and Chief Officer posts who do not receive additional payment).

3.6 Pay awards

Pay awards are considered annually for staff. Spelthorne operate local arrangements for deciding pay awards in consultation and negotiation with UNISON, within the limits of the Collective Agreement between UNISON and Spelthorne. Pay awards are decided by full Council as part of the annual budget process. Retention, affordability and local circumstances will be taken into consideration as part of this decision.

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 £15,000 to 12.5% for pensionable pay above £170,101 (the top rate does not apply to any Spelthorne posts).

The Council's pension current service contribution as employer is currently 17.3% (additionally there is a past service deficit contribution paid as a single lump sum by the Council. The figure for this was £1,000,000 in 2022-23). Following the most recent triennial valuation, the past service contribution rate will rise in 2023-24 to £1,544,000, this rises to £1,602,00 in 2024-25 and to £1,662,000 in 2025-26. 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 as at 31 March 2025 and will impact on employers' contribution from 2026/27.

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 consulting on the possible implementation of 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

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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 27 February 2020. It applies to all Spelthorne employees including Chief Officers. The Pension Policy is attached as Appendix 2 (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
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Chief Executive	£116,206	£131,018
Group Head Corporate Governance	£76,557	£83,372
Deputy Chief Executives	£92,963	£104,812
Principal Lawyer and Deputy Monitoring Officer	£50,356	£64,178
Chief Accountant	£76,557	£76,557
Group Heads	£76,557	£83,372
Head of Family Support	£65,572	£65,572
Head of Communications and Customer Experience	£55,909	£59,721

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 as part of the total remuneration package. Current car allowance values are £6,718 for the Chief Executive and £5,225 for the Deputy Chief Executives and Group Heads.

The salaries for chief officer and Chief Executives / Chief Officers (the Chief Executive, Deputy Chief Executives, Group Heads (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.

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).

A separate allowance is paid for the statutory monitoring officer and Section 151 officer duties.

Election fees are paid separately for additional duties and responsibilities undertaken as elections fall. The Chief Executive 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.

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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 operate local arrangements for deciding pay awards in consultation and negotiation UNISON, within the limits of the Collective Agreement between UNISON and Spelthorne. Pay awards are decided by full Council as part of the annual budget process. Retention, affordability and local circumstances will be taken into consideration as part of this decision.

Changes to salary ranges and other pay elements must be agreed by the Leader/Council 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 January 2020, sets out the approach for payments in the event of termination on the grounds of redundancy and efficiency of the service. There is a

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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 Exit Cap Regulations which came into force on 4 November 2020 have been revoked.

Further exit pay and pension reforms are expected to be re-introduced (timing not known) and the latest consultation on this ended on 22 October 2022. Any exit payments will be in line with any regulations and caps in force at the time.

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 chief officer 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 £20,174 to £21,076 per annum (to be uplifted with 2023/2024 local pay award from April 2023 giving an increase of £1925 on all pay points). The pay rate at the bottom of scale 1 is £10.75 per hour compared to the national minimum wage of £9.18 per hour (National Minimum Wage rate from 1 April 2022 for workers aged 21 to 22 years) and the National Living Wage of £9.50 per hour for workers aged 23 and over. This rate will be uplifted from April 2023 to £10.18 per hour for workers aged 21 to 22 years and £10.42 per hour for workers aged 23 and over. The Living Wage Foundation's non-statutory UK Living Wage for 2022/2023 is £10.90 per hour (an increase of £1 per hour from 2021/2022). The effect of

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the Spelthorne local pay award for 2023/2024 will mean an increase to £11.80 per hour for the lowest pay point.

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 [£4.81 per hour Apprentice rate in the first year, The National Minimum Wage rate from April 2023 is £5.28 per hour (up from £4.81 per hour) for under 16-17 year olds, £7.49 per hour (up from £6.83 per hour) for 18 – 20 year olds, £10.18 per hour (up from £9.18 per hour) for 21 – 22 year olds and £10.42 per hour (up from £9.50 per hour) for age 23 and over from 1 April 2023.

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 £20,174, the top of the Chief Executive's salary scale is £131,018 which is a pay multiple of 1:6.49

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 1:4.19

The ratio between the mean average earnings across the organisation and the taxable pay of the highest paid employee (the Chief Executive) is 1:4.06

8. Salary and severance payments over £100,000

8.1 Spelthorne has three posts with a salary package above £100,000, the Chief Executive and Deputy Chief Executives. 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. 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.

The Exit Cap Regulations which came into force on 4 November 2020 have been revoked.

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Further exit pay and pension reforms are expected to be re-introduced (timing not known). Any exit payments will be in line with any regulations and caps in force at the time.

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 2023

Appendix 2 Discretions Policy