

Appendix 5 - Pay Policy Statement for the year 2023/24

1. INTRODUCTION

- 1.1 Under sections 38 to 43 of the Localism Act 2011, Local Authorities are required to prepare, approve by full Council (as a Part 1 item) and publish on their website, a pay policy statement by 31 March 2023, for the financial year 2023/24.
- 1.2 This statement must be reviewed, updated, approved by full Council and published by 31 March annually for the immediately following financial year.
- 1.3 The Council may amend this statement during the financial year in which it is effective; however, any change must be approved by full Council. Any amended statement will be published on the website within 10 working days of the Council meeting.
- 1.4 In drawing up this statement, the Council has taken into account the guidance issued by the Department of Communities and Local Government and the advice supplied jointly by the Local Government Association and the Association of Local Authority Chief Executives (ALACE).
- 1.5 Links to external websites:
 - [CLG Guidance](#)
 - [CLG Supplementary Guidance](#)
- 1.6 This statement does not include employees based in the Council's schools as this is outside the scope of the legislation.
- 1.7 This statement was approved by full Council on 21 February 2023.
- 1.8 The Council fully endorses and supports the requirement to be open and honest about the reward packages of senior employees.

2. REMUNERATION OF CHIEF OFFICERS

- 2.1 Under the current structure of the council, the following posts are included in the definition of 'Chief Officer':
 - Chief Executive
 - Executive Director of Place
 - Executive Director of People Services (DCS & DASS)
 - Executive Director of Resources and S151 Officer
 - Monitoring Officer and Director of Law and Governance
 - AfC Director of Children's Services*
* Seconded to Achieving for Children
 - Head of Education and Schools
 - Head of Finance

- Head of Housing, Environmental Health and Trading Standards
- Head of HR, Corporate Projects and IT
- Head of Infrastructure, Sustainability and Economic Growth
- Head of Law and Governance (Deputy Monitoring Officer)
- Head of Neighbourhood Services
- Head of Partnerships, Community Resilience and Developments
- Head of Planning
- Head of Public Health
- Head of Revenue, Benefits, Library and Resident Services
- Head of Strategy
- Adult Social Care Lead
- Safeguarding Assurance Manager

Salaries

- 2.2 The Chief Executive is paid within a salary band of £150,800 to £192,400. Executive Directors are paid within a salary band of £105,896 to £146,069. Directors are paid within a salary range of £93,811 and £111,248.
- 2.3 Heads of Service are paid within a salary band of £72,400 to £101,125.
- 2.4 Appointments are made on a market benchmarked 'spot salary'. Individual posts are market tested as and when required.

Other payments

- 2.5 The Monitoring Officer and Director of Law and Governance performs the role of the council's Returning Officer, appointed for this role under the Representation of the People Act 1983. The Returning Officer is eligible for fees linked to duties undertaken for running national, European or local elections/referenda. These fees are determined by the number of electors registered in the borough/parliamentary constituency and are determined by a formula operated by the Government for determining fees to all Returning Officers across the country.
- 2.6 There are no other regular payments made to the post holders in the roles listed in section 2.1.

Instant Reward Scheme

- 2.7 An Instant Reward Scheme applies to all employees including Chief Officers.

Salary reviews

- 2.8 The annual pay review is undertaken by the Council and any annual pay award is included in the budget sign off papers considered by full Council in February each year. The annual pay review date is 1 April.
- 2.9 In 2023 a pay award of 4% was approved by full Council on 21 February 2023.

Expenses and benefits

- 2.10 The Council has a comprehensive Expenses policy, which applies to all employees.
- 2.11 The Council will pay for one annual membership of a professional body, where the membership/qualification is required for the post held.
- 2.12 All other benefits are available to all employees and identified in point 3.7.

Remuneration on appointment

- 2.13 In the event of a vacancy the market levels for the post, see 2.4, may be reassessed and any appointment would be made in accordance with the market comparability evidence.

Termination payments

- 2.14 The Council does not treat the Chief Executive, Executive Directors, Directors, and Heads of Service differently to other council employees in relation to termination payments. See section 6.

Special Severance Payments (SSP's)

- 2.15 The Council adheres to the Government's Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England.

- 2.16 The statutory guidance defines the following as likely to constitute a Special Severance Payment:

- payments reached under a settlement agreement between the employer and employee to discontinue legal proceedings without admission of fault.
- pay in lieu of notice, where non-contractual
- the value of any employee benefits or allowances which are allowed to continue beyond the employee's agreed exit date.
- write-offs of any outstanding loans.
- honorarium payments.
- hardship payments.
- payments to employees for retraining related to their termination of employment

- 2.17 The Council approves Special Severance payments by the following process:

- payments of £100,000 and above full Council, as required by the Localism Act 2011.
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Chief Executive, s.151 Officer, Monitoring Officer, with a clear record of the Leader's approval.

- payments below £20,000 must be approved by the Chief Executive, Monitoring Officer, and s.151 Officer.
- 2.18 As a Local Government employer, the Council must comply with its duties under The Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999.
- 2.19 In the event that an employee ceases to hold office and is eligible for a redundancy payment, such payment is determined in accordance with the Council's redundancy policy and procedure that applies to all employees, or any protection rights accrued where the employee has TUPE transferred to the council.
- 2.20 Where the payment exceeds £100,000 this must be referred to full Council.

Other terms and conditions

- 2.21 Since 1 March 2013 the terms and conditions for this group of employees have been wholly locally determined and set out in the council's Employee Handbook.
- 2.22 All employees receive 28 days annual leave plus 8 bank holidays each year. (Pro-rata for part-time employees)

Use of interim managers in senior roles

- 2.23 The Council would not normally appoint a consultant to a permanent post, unless specific expertise was required.
- 2.24 There may be occasions when the Council has a short-term need for an interim senior manager, for example pending a permanent appointment or for maternity cover etc. In these cases, the Council may use a consultant appointed via their temporary worker agency or a direct consultancy agreement, both routes being in accordance with Contract Rules.
- 2.25 The Council would consider appointing a senior manager via their agency or on a consultancy contract for a fixed period where they have been unable to recruit to the post. Such appointments would be in accordance with Contract Rules and regularly reviewed.

3. DEFINITION AND REMUNERATION OF THE LOWEST PAID EMPLOYEES

Definition of the council's lowest paid employees

- 3.1 The simplest definition to use is that of the lowest pay point that the Council uses.
- 3.2 The reason for adopting this definition is because it is recommended by the Joint National Committee for Chief Executives in their guidance to local authorities.

Salaries

- 3.3 The hourly rate of the lowest paid employee is £10.61, which equates to an annual salary of £20,466.
- 3.4 From April 2023 National Living Wage hourly rate will be £10.42.

Other payments

- 3.5 The Council's pay and benefits policy sets out the policy on additional payments such as shift pay, stand by etc.

Salary review and increments

- 3.6 Since 2010, the annual pay review for this group of employees has been undertaken by the Council and any pay award is included in the budget sign off papers considered by full Council. The pay review date is 1 April.

Benefits

- 3.7 The Council offers a range of benefits to its employees:
 - Advantage card – for those employees who are non-residents (residents automatically qualify)
 - Bike Lease Scheme via salary sacrifice
 - Buy and sell annual leave
 - Contributory pension scheme (employee contribution rates from 5.5% to 11.4% and the council's employer contribution rate of 16.6%)
 - AVC scheme via salary sacrifice
 - Employee Assistance Programme (EAP) and other mental wellbeing support services
 - Employee Benefits Portal
 - Eye care vouchers for designated DSE users
 - Car parking at work
 - Season ticket loan
 - Birthday leave
 - Discounts via MS Home Use and Dell Advantage employers' schemes

4. RELATIONSHIP BETWEEN THE REMUNERATION OF CHIEF OFFICERS AND THE LOWEST PAID EMPLOYEES

- 4.1 The salary for the Chief Executive is £180,000, plus employer's pension contributions.
- 4.2 The remuneration of the lowest paid employee is £20,466 which represents solely basic salary as no other allowances are payable.
- 4.3 Using a remuneration figure for the Chief Executive of £180,000 and a remuneration figure of £20,466 for the lowest paid employee, the pay multiple has increased from last year, due to the appointment of a new Chief Executive and a review of the salary range for the post due to market pressures.

- 4.4 The ratio between the highest paid employee, the Chief Executive and the average pay including permanent allowances of all council employees is 1:4.8 and the median pay of all employees is 1:5.8.
- 4.5 The Hutton Review of Fair Pay in the public sector, published in March 2011, did not recommend a defined pay multiple, but instead recommended that the public sector should publish, track and explain their pay multiples over time. Table 1 shows the pay multiples since 2012.

Table 1: Pay multiples

Year	Pay multiples highest to lowest pay
2012/13	12
2013/14	11.3
2014/15	9.6
2015/16	9.6
2016/17	9.2
2017/18	9.5
2018/19	8.3
2019/20	8.8
2020/21	8.8
2021/22	7.9
2022/23	7.9
2023/24	8.8

- 4.6 The trend since 2012 has generally been a reduction of the pay multiple. This reflects a number of changes and reductions in the management structure. The increase in 2023/24 was the result of the appointment of a new Chief Executive.
- 4.7 The policy regarding the pay of senior employees aims to ensure that the Council can recruit and retain the calibre of employee that is needed to deliver continuous improvement in service delivery. The Council will use market comparability to determine pay levels to ensure that they are not over or underpaying for these key roles.

5. RE-EMPLOYMENT OF THOSE IN RECEIPT OF SEVERANCE PAY OR RETIREMENT PENSION

- 5.1 If an individual is in receipt of a severance payment or retirement pension from another local authority or the Royal Borough, that would not be taken into account in the decision as to whether or not to employ them.
- 5.2 Under Regulations 70 and 71 of the Local Government Pension Scheme (LGPS) (Administration) Regulations 2008, the Berkshire Pension Fund is required to determine its approach to the abatement of pensions in the event that the recipient re-enters Local Government employment and to keep that policy under review. The Pension Fund Committee determined on 7 March 2022 to maintain its previous policy that no abatement would be exercised

for those returning to local government employment within the Berkshire area or anywhere else in England and Wales.

6. POLICIES ON REDUNDANCY AND PENSION ENTITLEMENT

Redundancy

- 6.1 The policy and procedure for redundancy, early retirements on the grounds of efficiency of the service and ill health defines how the Council will approach redundancy including redundancy pay.
- 6.2 The Council uses its discretionary powers to calculate redundancy pay using the individual's actual weekly salary.
- 6.3 The Council does not enhance the number of statutory week's redundancy pay an individual is entitled to under the Employment Rights Act 1996.

Pension enhancement

- 6.4 The LGPS contains provision for employers to enhance pension payments. Employers are required to determine how they will use these discretionary provisions. The Council has determined generally not to use its discretion to enhance pension payments by either additional years or additional pension, the Council will however consider any application on its merits.

Early retirement or flexible retirement

- 6.5 In certain circumstances, eligible employees may request early retirement or flexible retirement. (Flexible retirement gives access to accrued pension, whilst allowing the scheme member to continue working). In both these cases, there must be sufficient financial or other benefit to the Council for such retirements to be approved.

7. APPROVAL OF SALARY PACKAGES OVER £100,000

- 7.1 Under the terms of the Constitution the appointment of the Chief Executive is approved by full Council following a recommendation by the Appointments Committee.
- 7.2 For Directors appointment is made by the Appointments Committee. The appointment of Heads of Service is delegated to the Head of Paid Service (Chief Executive).
- 7.3 Arrangements for appointments are set out in Part 8 B of the Constitution.

8. HOW DECISIONS ON PAY AND REWARD POLICIES ARE MADE

- 8.1 Proposals for the annual pay award are included in the budget sign off papers considered by full Council. All other pay and reward policies are approved by the Head of Paid Service (Chief Executive) in consultation with Finance as appropriate.

8.2 All of the policies are reviewed regularly and updated to reflect legislation, best practice and organisational changes.

9. PUBLICATION AND ACCESS TO INFORMATION AND REMUNERATION OF CHIEF OFFICERS

9.1 In accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Recommended Practice for Local Authorities on Data Transparency, the council publishes annually the remuneration of the Chief Executive and Directors on its website.

10. OTHER RELEVANT COUNCIL DOCUMENTS

- Expenses policy
- Flexible retirement
- Instant Reward Scheme
- Pay & benefits policy
- Pension abatement policy
- Pension's discretion policy
- Redundancy and early retirements' policy.

11. NUMBER OF EMPLOYEES AND SALARY BANDS

11.1 This table shows the number of employees within specified pay bands:

Pay band* £	Number of staff*
up to 20,000	16
>20,000 <25,000	124
>25,000 <35,000	211
>35,000 <45,000	109
>45,000 <55,000	54
>55,000 <65,000	30
>65,000 <80,000	11
>80,000 <100,000	7
>100,000	6
Total number of staff	568

* Excludes casual workers. Multiple job holders counted individually. All data based on Full Time Equivalent salary.