

## PAY POLICY STATEMENT FINANCIAL YEAR 2024-2025

### 1. Introduction

In determining pay and remuneration, the Council recognises the need to exercise the greatest care in managing scarce public resources while securing and retaining high quality employees. We believe that the principle of fair pay is important and are committed to ensuring that our salaries and payments are subject to the principles of fairness, openness and consistency and these can be tested against value for money and equal pay.

The level of remuneration is a very important factor in both recruitment and retention. We therefore need to balance affordability with creating a pay and benefits framework that ensures we can recruit, retain, motivate and develop employees who have the skills and capabilities necessary to ensure the continued provision of high-quality services.

We aim to design our pay policies and procedures to ensure that pay levels reflect the relative demands and responsibilities of posts, together with the knowledge, skills and capabilities necessary to ensure that the post's duties are undertaken to the required standard.

### 2. Purpose

Sections 38 to 42 of the Localism Act 2011 require that local authorities produce an annual policy statement that covers a number of matters concerning the pay of the authority's staff, in particular our approach to the pay of our senior management and our lowest paid employees, and the relationship between the two. The aim behind this Pay Policy Statement is to ensure that our approach to pay is transparent. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Housing, Communities and Local Government to which the authority is required to have regard under Section 40 of the Act.

Following approval by full Council we will publish this Pay Policy Statement on our website at <http://www.guildford.gov.uk/transparencystatement> . Any subsequent amendment to this statement made during the financial year will be similarly published.

Data on pay and rewards for staff is published on our website in line with the Code of Recommended Practice for Local Authorities on Data Transparency and the Accounts and Audit Regulations 2015.

### 3. Decision making on pay

Our overall approach to remuneration for all employees is based on compliance with equal pay, discrimination, and other relevant employment legislation such as the Equality Act 2010, plus ensuring that our overall remuneration packages align with market norms for local government and public sectors. We also take account of pay levels in the local area, including neighbouring public sector employers and the relative cost of living in the local area, particularly housing costs.

Our pay rates and grading structure are determined locally, and a local pay negotiation process is used. Our employees have locally agreed terms and conditions of employment which are incorporated into their contracts of employment. We apply the UK real Living Wage at our minimum salary point.

All pay differentials can be justified objectively using job evaluation mechanisms that directly establish the relative levels of posts in pay bands according to the requirements, demands and responsibilities of the post.

The Council's pay policy is based on a pay and grading structure that is comprised of pay bands with a number of incremental points. An employee's pay progression will normally be one increment (pay spine column point within a band) on 1 April each year, until the top of the band is reached. Pay progression is subject to satisfactory performance and behaviours that are assessed as part of the Council's performance review process.

Depending on the Council's financial situation, we may agree a cost-of-living increase for all staff from 1 April each year. The Chief Executive in consultation with the Leader of the Council agrees the award provided that it is within the available budget. We do not pay any bonuses or non-consolidated performance contribution payments.

### 4. Senior Management pay structure

The Council shares a Joint Leadership Team with Waverley Borough Council, including a joint Chief Executive (who is also the joint Head of Paid Service for both Councils), Directors and Assistant Directors. The Joint Leadership Team is employed by Waverley Borough Council, therefore these roles are not within this Council's Pay Policy, but are within Waverley's Senior Leadership Team. The Joint Leadership Team's terms and conditions of employment are determined by Waverley Borough Council. The annual pay award for the Joint Chief Executive is determined by the Joint Senior Staff Committee. The costs of the Joint Leadership Team are shared across the two councils.

Our policy is to make a payment to those management officers working within the Council who have additional responsibilities in respect of statutory roles as follows:

Deputy Monitoring Officer - £1,500 per annum  
Deputy Section 151 Officer - £1,500 per annum  
Data Protection Officer - £3,000 per annum

These payments will not be reduced where there is a requirement for two officers to share the responsibilities of Deputy Monitoring Officer and/or Deputy Section 151 Officer.

#### Joint Posts

In addition to Joint Leadership Team posts, there are some additional posts which are established as joint posts working across both Councils. These posts are evaluated in alignment with Waverley Borough Council's policy and process and the HAY job evaluation scheme. A salary uplift is also applied which reflects the additional responsibilities that postholders have.

This additional uplift is based on a salary benchmarking exercise which takes into account the need to ensure value for money, ensure that salaries will attract excellent candidates and reduce unnecessary expenditure on expensive interim resources. A pay rise is awarded annually as with Joint Leadership Team posts.

### 5. Remuneration of our lowest paid employees

We define our lowest paid employees as those paid on the lowest grade, that is Band 1, of the Council's pay and grading structure, currently starting at £23,695 per annum. We pay above the Real Living Wage (for outside London) at the bottom of our pay scale.

### 6. Pay relationships

This section sets out our overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation including the Council's current pay multiple. The 'pay multiple' is the ratio between the highest paid salary and the median average salary of our workforce.

The Council's current pay multiple (as at November 2023) is 1: 2.4.

We consider that the current pay multiple, as identified above, represents an appropriate, fair and equitable internal pay relationship between the highest salary and that which applies to the rest of the workforce.

### 7. Remuneration on appointment and re-appointment

Newly appointed staff would normally start on the lowest point in the pay range for their job evaluated post however where a successful candidate possesses the skills and experience to justify a higher salary they may be appointed at a higher point, and this is also common where a post is hard to recruit to.

Any proposal to offer a new senior appointment on terms and conditions which include a total remuneration package of £100,000 or more, including salary, fees, allowances and any benefits in kind to which the officer would be entitled as a result of their employment (but excluding employer's pension contributions), will be referred to the Council for approval. This will be before any offer is made to a particular candidate.

Former employees in receipt of a LGPS pension or a redundancy payment may be re-employed by the Authority. If a former employee leaves the Authority by reason of redundancy the individual cannot be reappointed to their former post as it will not exist. Following redundancy, the employee must have a break in local government employment of four weeks otherwise we may apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 regarding the recovery of redundancy payments where appropriate.

In the event that we employ a senior manager who is already in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council's Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the Local Government Pension Scheme (Administration) Regulations 2008 must be applied. These currently provide that there will be no abatement of pension in these circumstances.

## 8. Payment upon termination of employment

Any termination or severance payment we make to any of our employees (in the interests of efficiency of the service or on grounds of redundancy) will be made in accordance with the statutory terms under the Local Government Pension Scheme (LGPS) or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as applicable. Statements of policy on the exercise of discretions within the LGPS and the Discretionary Compensation Regulations do not amount to any contractual commitment to individual employees on future severance payments.

### **Termination payments**

In accordance with the (former) Department for Communities and Local Government supplemental statutory guidance issued in February 2013 titled 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011' any proposal to make a termination payment of £100,000 or more will be referred to the Council for approval and will only be agreed in exceptional circumstances. For the purposes of calculating whether a termination payment exceeds £100,000 account will not be taken of statutory redundancy payments and pension strain costs paid to the LGPS which are not discretionary. In the event of such a payment being proposed, a detailed breakdown of the components (for example redundancy pay, pension, pension strain, severance payment) will be provided for councillors.

### **Special Severance Payment**

Special Severance Payments are payments reached under a settlement agreement which are payments in lieu of notice, payment in addition to the entitlement set out in our policies on the exercise of discretions within the LGPS and the Discretionary Compensation Regulations, or the value of any employee benefits which are allowed to continue beyond the employee's agreed exit date. Special Severance payments do not include contractual redundancy pay, payment for untaken leave, pension strain costs paid to the LGPS which are not discretionary or payments made as part of the ACAS early conciliation process.

In accordance with the relevant provisions of the statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England, which was published on 12 May 2022:

- any Special Severance Payment of £100,000 or more must be approved by full Council.
- for all posts below Director level payments below £100,000 must be approved by the Head of Paid Service and the Leader of the Council and payments below £20,000 can be approved by the Joint Assistant Director, Strategy and Corporate Services and the Leader of the Council or Leader of the Council approval is not required. **CLB to decide on either option as legal comment has differed.**
- payments made to Directors require the approval of the Employment Committee and recommendation to full Council if £100,000 or more.

#### 9. Market rate supplements

Our job evaluation scheme does not take into account market factors such as market pay rates relating to specific jobs or fluctuating demand for skills in the marketplace. The Council recognises therefore, that there may be occasions where it is necessary to pay a market rate supplement in addition to base salary in order to recruit or retain staff. This typically pertains to known national hard to recruit roles in Local Government and is an approach undertaken by Local Authorities across the country.

The Market Rate Supplement Policy ensures a clear and systematic process is followed in considering the potential for a supplement and for identifying the relevant 'market rate' for any specific post, or group of posts. The policy ensures that relevant considerations are taken into account, both initially and at every subsequent two-yearly review and ensures that a consistent approach is applied across the Council with regard to:

- the circumstances in which a market rate supplement is considered,
- the monetary value of any supplement, and
- the duration of the supplement and the review period that will apply.

#### 10. Employee benefits schemes

The Council continues to invest in high quality benefits for its employees. This includes access to an employee discount scheme offering employees the chance to

purchase a range of goods and services at discounted rates from a variety of suppliers.

We provide access for all of our employees to an Employee Assistance Programme (EAP). EAPs are intended to help employees deal with personal problems that might adversely impact their work performance, health, and wellbeing.

#### 11. Fees for election duties

Sources of funding for elections in England vary according to the type of election. The Council's Returning Officer has overall responsibility for the conduct of elections and is appointed under the Representation of the People Act 1983. The Ministry of Justice, who set the fees to be paid to the Returning Officer, provides the costs of running UK Parliamentary general elections. Elections fees are paid for these additional duties, and they are paid separately to salary.

The costs of parish, borough and county elections are met through local authority budgets and vary according to the size of the electorate and number of postal voters. A scale of fees for Returning Officers, polling station and count staff is set annually in line with the Surrey wide scheme.

#### 12. Review and policy amendment

We will review the statement annually and approve a new version of the policy before the start of each subsequent financial year. If we choose, or need, to amend the statement during the course of any financial year, this will be by resolution of the Council.