

Pay Policy Statement 2021/22

1. INTRODUCTION

- 1.1 This is the statement for Test Valley Borough Council
- 1.2 The Localism Act 2011 requires each council to produce and publish annually a pay policy statement. The statement must be approved by 31 March each year, by a meeting of the full Council, and must then be published on their website. The pay policy statement may be amended during the year by further resolution of the Council.
- 1.3 The pay policy statement must as a minimum include details of the Council's policy on:
- the remuneration of its chief officers
 - the remuneration of its lowest-paid employees
 - the relationship between the remuneration of its chief officers and other officers.
- 1.4 For the purposes of the Localism Act 2011 and this statement, the term "chief officers" is defined by Section 2 of the Local Government and Housing Act 1989. For this Council, the term "chief officers" refers to the Chief Executive, Deputy Chief Executive and Heads of Service. These officers make up the Council's Management Team for Test Valley Borough Council.
- 1.5 Test Valley Borough Council recognises that our employees make a critical contribution towards the realisation of the Council's vision – to be an organisation of excellence committed to improving the quality of life of all the people of Test Valley. The Council needs to have flexibility and capability to be able to adapt to change and meet the needs of our customers. Our approach to rewarding staff aims to ensure fairness, equity and transparency and to retain good staff by sensible and proportionate pay and reward strategies appropriate for their role.
- 1.6 Each council has the autonomy to make decisions on pay that are appropriate to their local circumstances and which deliver value for money to local taxpayers. The localism act ensures local authorities are open about their local policies and how these decisions are made.

2. REMUNERATION OF CHIEF (AND OTHER) OFFICERS

- 2.1 Decisions on pay and reward for all employees including Chief Officers are made in an open and accountable way through the General Purposes Committee. The Committee comprises elected Councillors and has responsibility for local terms and conditions of employment for staff.

- 2.2 The Council’s pay framework, implemented prior to 1991, is based on locally agreed pay arrangements for all employees. Remuneration levels are approved by the General Purposes Committee. The Council’s pay framework is based on the Hay Job Evaluation Scheme where the grade for each role is determined by a fair and consistent job evaluation process. There are 16 grades in total in the pay framework, grade 2 being the lowest and grade CE being the highest. With the exception of apprentices and employees on protected spot salaries each employee will be on one of the grades based on the evaluation of their role. Employees can progress to the salary grade maximum of their grade subject to assessment of their performance and in accordance with the Council’s general remuneration policy.
- 2.3 The annual cost of living pay award is considered for all employees in conjunction with the recognised trade unions, UNISON, UNITE and GMB. Any cost of living award is approved by the General Purposes Committee who take account of national and local considerations in making their decision including the national joint council (NJC) pay award, inflation, earnings growth, and salaries in the comparable market. Local and national pay benchmarking is undertaken to provide comparison and assurance of both value of remuneration and competitiveness within the comparable market. All employees received a cost of living award of 2.75% in 2019/20.
- 2.4 Chief Officer salaries are detailed in the table below and their earnings are published each year in the Council’s Statement of Accounts along with details of senior staff earning over £50,000.

Role	Salary Range from 01 April 2019
Chief Executive (1)	£118,190 - £129,990
Deputy Chief Executive (1)	£98,615 – £108,446
Head of Service (10) (9.5 FTE)	£75,335 - £82,880

- 2.5 The salaries remunerate Chief Officers for their full range of duties and hours of work. The Council does not offer performance related pay to any employee. Chief Officers have the option of either a lease car or a cash alternative. A small number of other officers have entitlement to either a lease car or cash alternative and some officers have historic entitlement to an essential car user allowance. Some non-chief officer roles, have use of a Council Vehicle where there is a regular and essential driving requirement as part of the role. All officers, where there is a requirement for their role, have paid membership of a relevant professional body and are reimbursed for business mileage at the relevant HMRC rate.

- 2.6 Any allowance or other payment made to chief and other officers will only be made to an employee in connection with their role or the pattern of hours they work and must be in accordance with the Council's employment policies and individual contractual requirements.
- 2.7 Honoraria are paid when an officer undertakes all or some of the duties of a higher graded post. This is a temporary arrangement and their total pay inclusive of the honorarium cannot exceed the rate for the post they are covering if promoted to it. The Council operates a recognition scheme which provides a one-off recognition payment for outstanding performance of up to £1000. A manager may recommend an employee for a recognition payment where they have demonstrated outstanding performance in undertaking additional projects or tasks or for outstanding performance in undertaking duties and responsibilities which fall outside the scope of their post.
- 2.8 The Council operates a small range of flexible benefits to all staff including a salary sacrifice bicycle scheme and the option to pay into a health cash plan to help with medical and dental costs.
- 2.9 The Council may consider the use of market supplements for specific posts in the event of recruitment difficulties. Supplements will be time limited and subject to the provision of objective market evidence to support payment.
- 2.10 All employees are automatically enrolled in the local government pension scheme when they join the Council, they may opt out if they wish. All employees' contributions are determined by their salary and the rules of the scheme. The Council made a pension contribution of 18.1% of pensionable pay in 2020/21 towards the pension for each member of the scheme. More comprehensive details of the scheme are available from the Hampshire Pension Service website. The Council publishes its policy on discretionary aspects of the scheme on its website.
- 2.11 All chief officers are subject to the same performance management process as other employees. Targets and objectives are set and performance is assessed through a performance review process.
- 2.12 For nationally advertised posts above Grade 9, a payment may occasionally be offered to new employees moving within 20 miles of the Council offices to take up a position. Payments are detailed in the Council's relocation policy.
- 2.13 The Chief Executive has been appointed as the Council's returning officer. He may employ other officers to support him in his work. Any fees for elections are paid separately. The amount of the fee is not fixed and is based on electorate/postal votes and the type of election. Any fees payable are calculated in accordance with the statutory rules and recommendations of the Hampshire and Isle of Wight Election Fees Working Party for all local government elections and by Central Government for Parliamentary and other national elections.

- 2.14 The Council has an agreed approach to organisational change which it applies to all employees without differentiation. In cases of redundancy those employees with 2 or more years' continuous service have an entitlement to a redundancy payment.
- 2.15 The Council does not normally provide any additional payment to employees leaving the Council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving.
- 2.16 In exceptional circumstances the Council may agree for an employee's employment to come to end by way of a Settlement Agreement which may involve the payment of severance pay. In calculating any severance package the Council will take into account any contractual and statutory entitlements and value for money as well as the Public Sector Exit Payment Regulations 2020.
- 2.17 It is not normal practice for the Council to re-employ or re-engage a chief officer following a severance or redundancy payment on either a new contract of employment or a contract for services. Where the Council employs a chief or other officer following receipt of a redundancy payment from an organisation covered under the National Modification Order we would ensure the rules of the Order are applied. Where chief or other officers are in receipt of a Local Government Pension and there are restrictions on their earnings, we would comply with the Local Government Pension Scheme Regulations and the Public Sector Exit Payment Regulations 2020.

3. REMUNERATION OF THE LOWEST-PAID EMPLOYEES

- 3.1 The lowest paid employees refer to those staff employed on grade 2 of the Council's pay framework. The definition has been adopted because grade 2 is the lowest grade on which employees are paid within the Council's pay framework. The lowest paid employees do not include apprentices for whom there are separate pay arrangements.
- 3.2 Pay scale for Grade 2 ranges from £18,043 to £19,745. The Council has agreed to pay a minimum salary of £17,043 or £9.35 an hour from 01 April 2020. Any pay award from 01 April 2021 has yet to be agreed.

4 REMUNERATION OF CHIEF OFFICERS COMPARED WITH OTHER OFFICERS

- 4.1 The Council is required to publish the pay multiple defined as the ratio between the highest paid taxable earnings for the given year including variable pay, allowances and the cash value of any benefits in kind compared with the median earnings of the whole of the Council's workforce.

- 4.2 The median earnings for all officers is £27,343. The Chief Executive's total remuneration is 4.7 times the median earnings of the whole of the workforce.
- 4.3 Please note the Council does not set the remuneration of any individual or group of posts by reference to a multiple of another post or group of posts. Pay multiples do not capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required. In terms of overall remuneration packages the Council has a local pay framework which is fair and equitable where roles are evaluated using the HAY job evaluation framework to ensure pay levels reflect differences in roles and responsibilities.

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