

Appendix A

Rushmoor Borough Council **Pay Policy Statement for the Financial Year 2023-2024**

Purpose

The purpose of this pay policy statement is to set out Rushmoor Borough Council's (RBC's) policies relating to the pay of its workforce for the financial year 2023-24, in particular: -

- a) the remuneration of its Chief Officers
- b) the remuneration of its "lowest paid employees"
- c) the relationship between
 - the remuneration of its Chief Officers
 - the remuneration of its employees who are not Chief Officers

Definitions

For the purpose of this pay policy statement, the following definitions will apply: -

"Chief Officer" refers to the following roles within RBC: -

- Chief Executive, as Head of Paid Service*
- Assistant Chief Executive
- Executive Directors
- Executive Heads of Service
- Heads of Service

The **"lowest paid employees"** refers to permanent or fixed-term staff employed at Grade 1 of the pay scale. Grade 1 is the lowest grade.

An **"employee who is not a Chief Officer"** refers to all permanent or fixed-term staff who are not within the "Chief Officer" group above, including the "lowest paid permanent employees" i.e. staff on Grade 1.

Remuneration of the "lowest paid employees" and "all other employees who are not Chief Officers"

Pay framework

Pay for the “lowest paid employees” and “all other employees who are not Chief Officers” is determined by the National Joint Council for Local Government Services and in line with the council’s Pay and Reward Policy.

Not included in the definitions referred to above, there is a small and fluctuating number of ‘casual’ staff, some of whom receive lower salaries in accordance with minimum wage legislation.

The employment of casual staff recognises the need to have a small team of trained and available workers who can be deployed at short notice to assist with seasonal and emergency requirements. This approach enables the organisation to have an efficient and economic response to workload demands but without the need to incur unnecessary costs or to rely upon employment agencies. The use of casual contracts is regularly reviewed and staff engaged in this way are encouraged to apply for permanent roles when they become available.

The only other group employed by the Council who are excluded from the pay comparison data are apprentices. The apprentices are employed for a designated period during which time they are provided with on and off job training alongside the opportunity to gain valuable experience within a working environment. For this reason, the salary comparison would not be relevant.

The Pay and Reward Policy was implemented in April 2007 in line with National guidance, with the grade for each role being determined by a consistent job evaluation process.

The Council’s grading structure is based on the NJC terms and conditions using the national spinal column points with the addition of a number of spinal column points at the top of the scale. There are 13 grades (1 – 7, Service Manager, Corporate Manager, Head of Service, Executive Head of Service, Executive Director and Chief Executive) in the pay framework, grade 1 being the lowest and Corporate Manager, the highest (for those below Chief Officer). Each employee will be on one of the 12 grades based on the job evaluation of their role.

Each grade has a number of incremental steps and employees can progress along the salary range to the maximum of their grade, subject to assessment of their performance.

Pay awards for those staff up to and including Corporate Manager are determined directly from the negotiations held between the Local Government Employers and the recognised Trades Unions under the NJC agreement. Pay Awards at Chief Officer level are determined by the negotiations held between Local Government Employers and

recognised Trade Unions under the JNC for Chief Officers and similarly the pay awards for the Chief Executive is negotiated nationally with ALACE (Association of Local Authority Chief Executives) .

The analysis used for this report draws upon the pay rates as at 1st April 2023.

The remuneration of the “lowest paid employees” includes the following elements: -

- Salary
- Any allowance or other contractual payments in connection with their role

See below for comments on each element

Salary

Each “lowest paid permanent employee” is paid within the salary range for Grade 1.

Details of the Council’s grades and salary ranges are available on the website.

The normal starting salary for new employees will be at the entry point for the grade. However, at the appointing managers discretion, based on their assessment of skills and experience employees may commence at a higher grade point.

Other payments and allowances

Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Pay and Reward policy. In a small number of roles where significant recruitment difficulties are experienced, a market supplement is paid. Market supplements are reviewed annually to ensure they are still required.

Further details of such allowances and payments are available on request.

Progression within the salary scale

The Council has a performance management and development review scheme in place. This embraces a number of elements including a joint review of performance, sharing organisational/team goals and agreeing future plans. Progression through the incremental scale appropriate to the grade is dependent upon performance being assessed as satisfactory by the staff member’s line manager.

In exceptional cases where staff members have consistently delivered exceptional performance, more than one incremental point may be awarded, with the approval of the relevant Chief Officer.

Pension

All Rushmoor Borough Council staff are eligible to join the Local Government Pension Scheme. There is automatic enrolment procedure in place to encourage membership of the scheme.

Severance Payments

Any severance payments will be in line with the Council's adopted policies on Organisational Change and MARS (Mutually Agreed Resignation Scheme). Further details are available on request.

Remuneration of Chief Officers

Pay framework

"Chief Officers" refers to the Chief Executive, Assistant Chief Executive, Executive Directors, Executive Head of Service and Heads of Service.

This group of "Chief Officers" are paid on locally determined pay scales outside of the NJC agreement. These pay scales were created by extending the NJC spinal column points, in the financial year 2022/23 the pay award for all Chief Officers was agreed at an increase of £1,925 on the base salary.

Salary

Salaries of the Council's Chief Officers are published on the council's website.

The normal starting salary for new employees will be at the entry point for the grade., However, at the appointing managers discretion, based on their assessment of skills and experience employees may commence at a higher grade point.

Other allowances or payments

Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Council's Pay and Reward policy.

The Chief Executive is appointed by the Council to act as the Returning Officer at the election of councillors for the Borough and as acting Returning Officer at Parliamentary Elections. The additional fees associated with these functions will be paid in accordance with those set nationally or locally through the Hampshire and Isle of Wight Elections Fees Working Party.

Within the fees structure for elections, provision is made for payments to staff for specific duties. These payments are also made in accordance with nationally set rates or locally through the Hampshire and Isle of Wight Election Fees Working Party. Details are available on request.

Further details of such allowances and payments are available on request.

The relationship between remuneration of highest and lowest paid employees of the council.

There are a number of different ways of presenting this information to provide a rounded picture of pay comparisons within the organisation.

The lowest, median and highest FTE salaries as at 1st April 2023 are as follows:

Lowest:	£20,812
Median	£36,298
Highest	£127,849

By simply taking the salary of those permanently appointed employees paid on the lowest grade of the council's pay structure and comparing this with the Chief Executive a pay ratio of **1:6.1** emerges. This is a slight reduction on the previous year's ratio which was 1:6.7.

The Hutton Report (2010) that looked at the relationship between pay levels in the public sector recommended that organisations should comply with a maximum pay multiple of **1:20**. Rushmoor is well below that ratio.

An alternative approach would be to compare the Chief Executive's salary against the median salary. This equates to a ratio of **1:3.5** which is a slight reduction to the **1:3.7** ratio, which was previously reported.

There has been no significant movement over the last 12 months. These results indicate that there is no cause for concern regarding the ratio between the pay rates for staff and the Chief Executive.