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Remuneration Policy

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1. PURPOSE

- 1.1 This procedure sets out the arrangements for salary, wages and related allowances paid to employees at Havant Borough Council (HBC) and East Hampshire District Council (EHDC). It sets out the basis for determination of salary, how salary levels are arrived at and the method of pay progression. It also provides clarity on the different types of payments that are in place and how/when an employee may receive these during the course of their employment.

2. SCOPE

- 2.1 This procedure applies to all employees of the Councils. As an equal opportunity employer, care is taken to ensure that salaries are applied equally regardless of race, colour, ethnic origin, nationality, religion, gender, sexual orientation, HIV status, disability, marital status, and age, parental or caring responsibilities.
- 2.2 Please contact Capita Payroll or Capita Human Resources for assistance with the contents of this document.
- 2.3 This procedure will be reviewed regularly and may be amended to ensure that it continues to meet legal, nationally/locally agreed or operational requirements.

3. DETERMINATION OF PAY

- 3.1 HBC - The Council operates a nationally agreed pay structure in collaboration with the National Joint Council (NJC) for local government services at Havant Borough Council. New job roles are evaluated using the NJC Job Evaluation scheme. Any re-evaluation of an existing role would also be conducted using this scheme.
- 3.2 EHDC - Local pay and grading arrangements have been agreed at East Hampshire District Council. New job roles are evaluated using the Hay Job Evaluation scheme. Any re-evaluation of an existing role would also be conducted using this scheme.
- 3.3 There are a small number of employees whose pay is set at an individual level. This may be on a fixed point due to the unique nature of the role. There are also groups whose pay is set as an hourly rate and this is most often used for those required on an ad-hoc basis including those doing work to support elections.

4. PAY PROGRESSION

- 4.1 Pay progression is based on increments. Progression up to the maximum of the grade through the incremental salary points normally takes effect from 1st April each year based on satisfactory performance.

- 4.2 New employees and employees promoted internally who commence employment between 1st October and 31st March normally receive their first increment six months after their start date. Following this, the normal annual incremental progression would apply as detailed at 4.1.
- 4.3 Existing employees who are working under a secondment arrangement will be granted an incremental increase relevant to their substantive role, unless the employee has already reached the top of the salary scale for their substantive role.

5. PAY ARRANGEMENTS

- 5.1 All employees are paid monthly into a bank or building society account nominated by the individual as follows;
- EHDC employees are paid on the 24th day of each month.
 - HBC employees are paid on the last working day of each month.
- 5.2 Where the above dates fall on a Saturday, Sunday or public holiday, salary will be paid on the preceding Friday.

6. DEDUCTIONS FROM PAY

- 6.1 For the purposes of the Employment Rights Act 1996, the Council will be entitled to deduct from salary any over payments, loans or advances made to an employee in the course of their employment.
- 6.2 No other deductions, with the exception of statutory deductions¹ may be made without the express authorisation of the employee.

7. CALCULATION OF PAY

- 7.1 For annual salaried employees, a day's pay is calculated by dividing the annual salary by 260, the number of working days in the year.
- 7.2 The monthly salary is the annual salary divided by 12. In the month in which an employee joins or leaves the Council, they will be paid for actual time worked.
- 7.3 For hourly paid employees, the hourly rate is determined by dividing the full-time salary by 52.143 (weeks) and 37 (hours).

8. SENIOR MANAGEMENT GRADES

- 8.1 Senior management grades – Head of Service and above - are evaluated by reference to the Hay framework and are banded outside

¹ (e.g. income tax, national insurance, Child Support Agency payments, Council Tax orders and Court Orders)

of the Councils' pay scales. This is in recognition of additional management/leadership responsibilities and demands.

- 8.2 The senior pay scales are based on a broad band approach and are benchmarked every two years to ensure pay remains competitive in the market place. The national (HBC) and local (EHDC) cost of living pay awards which are applied across the Councils to all grades of staff below senior management do not automatically apply to senior level roles.
- 8.3 A remuneration board is in place to formally ratify senior pay decisions. This board consists of the Head of Paid Service, the Section 151 Officer, the Head of Organisational Development and a Director.

9. SALARY ON APPOINTMENT

- 9.1 Any new employee will normally be appointed to the bottom of the grade for their job. The Head of Service has the discretion to appoint to the spinal point within that grade.
- 9.2 Heads of Service and above will be appointed within the salary band for the role. This is normally at the entry point and an individual would move to the competent rate once they are judged to be meeting the full demands of the role. A separate senior pay policy sets out the arrangements for this group of staff.

10. MARKET RATE SUPPLEMENT

- 10.1 Some jobs may attract a market rate supplement based on external pay and benchmark comparison data. Market rates are not definitive but are an indication of the going rate which is being paid for that type of work at that point in time.
- 10.2 A market rate supplement is only applied in exceptional circumstances and must be agreed by the relevant Director in conjunction with the Head of Organisational Development. Relevant evidence must be provided to warrant the application of a market supplement.
- 10.3 Any agreed market rate supplement must be reviewed annually and is not deemed to be part of base pay.
- 10.4 Market rate supplements can be removed at any point if the data gained from the market determines that the market pay for the role has shifted. The relevant notice would be provided to the employee to remove this supplement.

11. CAREER GRADES

- 11.1 Some jobs are designated as career graded posts. This means that the salary band for the role spans over multiple grades, usually 2-3 grades.

11.2 An employee who is appointed to a career graded post can progress through a number of grades (normally two or three) on the basis of professional development, experience and level of responsibility. The route for progression through these grades will be agreed between the line manager and the employee.

12. ACTING UP ALLOWANCE

12.1 'Acting up' is where an individual covers some or all of the duties of a more senior post on an agreed temporary basis. When an employee agrees to act up in a higher position, they are entitled to receive additional salary based on the following formula:

- Lowest salary point for the higher post, less their existing salary, multiplied by the % of the higher-level job they are undertaking.
- The percentage is determined by the Head of Service in consultation with Human Resources based on the job description and the percentage of the job description which is being undertaken.

This payment will be incorporated into monthly salary. Example:

Lower salary point for higher level job/additional duties	= £25,500
Existing salary	= £22,000
Percentage of higher level duties	= 85%
Therefore 'Acting Up' allowance would be	
$£25,500 - £22,000 = £3,500 \times 85\%$	= £2,975
This would be payable as £248 per month.	

13. HONORARIA

13.1 All employees are expected to perform any other duties commensurate with their job grade as reasonably required from time to time. However, there may be exceptional circumstances where an employee agrees to take on additional duties and responsibilities that may be at the same level as their substantive grade but are beyond the reasonable scope of their normal job remit. In such circumstances, it may be possible to justify a one off honorarium payment.

13.2 An honorarium payment should only be considered where there is a justifiable reason and the individual is not eligible for any additional hours or acting up payment or a payment under any other Council policy.

13.3 An honorarium payment is a one off token payment to recognise the employee's good will in undertaking duties beyond the scope of their normal job remit and is not intended to be rewarded on a purely hours worked basis.

14. LINK TO HOLIDAY ENTITLEMENT

- 14.1 For all staff appointed after 1 April 2017 the entitlement to annual leave is 25 days increasing to 30 days after 5 years' continuous local government service. The entitlement is irrespective of grade.

Staff who were in service prior to 1 April 2017 can elect to move to this scheme for annual leave with effect from the beginning of the annual leave year (i.e. the next April) if they choose to do so.

- 14.2 Annual leave entitlements for staff who were in service prior to April 2017 and who have not elected to move to the new annual leave arrangements are directly linked to the annual leave entitlement for the grade as shown:

HBC Grades	Basic	With five years' local government service
Grade A to C	23 days	28 days
Grade D to E	24 days	28 days
Grade F to G	26 days	29 days
Grade H to K	27 days	30 days
Heads of Service	31 days	34 days
Directors	33 days	36 days

EHDC Grades - leave shown in days

Grades	Basic	5 years +	10 years +	20 years +	30 years +
1-2	24	29	30	31	32
3	25	30	31	32	33
4	26	31	32	33	34
5-6	27	32	33	34	35
7+	29	34	35	36	37

Heads of Service	31 days	34 days
Directors	33 days	36 days

Part time employees are entitled to leave/public holidays pro-rata to their contracted hours.

15. VARIATION IN HOURS

- 15.1 Where an employee changes their hours of work in agreement with their manager, this is known as a variation. Their salary and leave entitlement will be adjusted accordingly.

16. REDEPLOYMENT, PAY PROTECTION AND REDUNDANCY

- 16.1 The Councils have agreed that where the grade in the previous role is one above the post to which the employee could be redeployed, the former salary will be protected on a “marked time” basis for two years or until any pay awards, pay increments or grade restructuring takes the basic salary of the redeployed basic salary above that of the original redundant post. Any benefits such as annual leave which are associated with that grade are also protected for the same period.

This will be effective for staff employed at East Hampshire District Council from 1 November 2016.

Staff at Havant Borough Council who were employed prior to 1 April 2017 will have a protected entitlement for four years (until 31 March 2021) of three years’ protected pay only.

- 16.2 Pay protection will not normally apply in cases where redeployment is due to medical or capability reasons. In these circumstances, an employee will transfer to the terms and conditions associated with the role at the point at which their notice period would have ended.
- 16.3 From 1st November 2016, using the statutory redundancy payment scheme, the Council will enhance payment by applying a multiplier of 1.5 to actual basic pay in calculating the compensation payment of any member of staff dismissed due to redundancy. This is inclusive of any contractual allowances but not inclusive of any non-contractual ones which are defined as temporary (for example acting-up allowances, honoraria, fair pay payments etc.) Calculations of payments for pension purposes in these circumstances are defined by the LGPS rules.

This will be effective for staff employed at East Hampshire District Council from 1 November 2016.

Staff at Havant Borough Council who were employed prior to 1 April 2017 will have a protected entitlement for seven years (until 31 March 2024) of a redundancy multiplier of x2.

17. ADDITIONAL HOURS / OVERTIME

- 17.1 The Councils do not normally pay overtime. Additional hours worked over and above the contractual hours, agreed in advance with the manager, are normally compensated through flexi-time.
- 17.2 Where there is a likelihood of regular and planned overtime for particular jobs, this must be agreed in advance by the Head of Service. Exceptional overtime must also be agreed in advance by the Head of Service.

17.3 Rates are as follows:

- Saturdays are paid at time and a half
- Sundays are paid at double time
- Bank holidays are paid at double rate for any hours worked during normal working hours. Time worked outside of normal working hours is paid at double time. In addition a half day TOIL is given for up to 4 hours work and a whole days TOIL is given for over 4 hours work.
- Part-time employees are paid at basic rate for all hours worked up to 37 hours per week after which overtime rates would apply
- Attendances at evening meetings are incorporated into flexi-time hours. Overtime does not apply except where meetings extend before 7am and after 7pm.
- Employees who have a contractual working pattern which includes weekends and public holidays will not receive overtime. Time off in lieu is given at a double time rate for hours worked on a public holiday.

18. REVIEWS OF SALARY

- 18.1 An annual pay review is undertaken in collaboration with the NJC and Trades Unions nationally. Any increase is payable from 1st April each year unless otherwise advised. This applies for staff who are HBC employed.

For EHDC staff, an annual pay review is undertaken in collaboration with the locally recognised trade union. Any increase is payable from 1st April each year unless otherwise advised.

19. RELATED POLICIES / PROCEDURES

- Annual Pay Policy Statements
- Annual Leave Policy
- Job Evaluation Procedure
- Flexi-time Procedure