

Supplementary Information

**HAVANT BOROUGH COUNCIL
HUMAN RESOURCES COMMITTEE
WEDNESDAY, 5TH OCTOBER, 2022**

Please note that the attached supplementary information was unavailable when the agenda was printed.

| Agenda No | Item | |
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NOT EXEMPT

HAVANT BOROUGH COUNCIL

HR Committee

SENIOR PAY POLICY REVIEW

FOR DECISION

Portfolio Holder: Cllr T Denton

Key Decision: No

Report number: HBC/081/2022

1. Purpose

- a. This paper is submitted to the Human Resources Committee for approval of the senior pay policy (Appendix 1)

2. Recommendation

- a. Members are requested to:
 - i. Approve the senior pay policy (Appendix 1)
 - ii. Note the levels of senior pay as set out in the senior pay policy

3. Executive Summary

- a. The senior pay policy is adopted by the Council as a public document to provide transparency on levels of senior pay
- b. The senior pay policy has been revised to take account of the senior management restructure
- c. The changes in pay levels reflect the increased responsibilities for the Executive Heads of Service, Chief Finance Officer (s.151 officer) and Chief Legal Officer (Monitoring Officer) and senior managers
- d. The recruitment exercise has advertised roles based upon this review of the senior pay policy

Background

3.1 The current senior pay policy was adopted in June 2020 and applied to the Chief Executive, x2 Directors and x14 Heads of Service in the former shared management team with EHDC. The current policy is at Appendix 3.

3.2 The current senior salary pay bands are as follows:

| Role | Minimum | Mid-point | Maximum |
|-----------------|----------------|------------------|----------------|
| CEO | £105,494 | £124,110 | £142,727 |
| Director | £86,368 | £101,609 | £116,850 |
| Head of Service | £62,506 | £73,536 | £84,566 |

3.3 The restructure of the Havant Borough Council Management Team led to redesign of the existing structure. The x2 Director roles were *deleted*, their responsibilities merged with the Heads of Service and reduced from x14 to x5.

3.4 A review of senior pay was undertaken to take account of:

- (a) the revised responsibilities for new Executive Heads of Service
- (b) the national market trend increases in senior pay since June 2020

3.5 The review of the current market levels of pay for the CEO, Directors and Head of Service are set out in Appendix 2.

Changes explained

3.6 Based upon existing market trends and the increased responsibilities for the new Executive Heads of Service roles, the following is proposed:

- CEO: no increase
- Director: deleted therefore reducing the upper limits of pay for senior officers
- Executive Heads of Service: pay increased at upper limit to reflect additional responsibilities and market trends

Statutory Officers

3.7 Chief Officers have become increasingly difficult to recruit, in particular statutory officers (s.151 and MO) are in demand in a recruitment market which is currently short on the skills and expertise necessary for the Chief Legal

Officer and Chief Finance Officer roles. It is proposed therefore that pay for statutory chief officers will be the same as the Executive Heads of Service

Senior technical officers

3.8 Some senior officers with particular professional expertise (Chief Planning Officers, Environmental Health Officers, Property and Regeneration specialists) are particularly hard to recruit to within local government. Councils cannot match the salaries offered to such professional experts in the private sector. The Council will remain a competitive employer if it can offer a senior grade salary alongside the wider benefits of LGPS pension, work-life balance, generous annual leave and family friendly policies.

3.9 The pay policy proposes that the Management Team will determine whether it is appropriate to advertise a salary at the senior level, taking into account an evaluation of the role, professional expertise, market forces and ability to remain within budget.

New pay proposals

3.10 The proposed new levels of pay are as follows:

| Role | Minimum | Mid-point | Maximum |
|--|----------------|------------------|----------------|
| CEO | £105,494 | £124,110 | £142,727 |
| Chief Officers (Executive Heads of Service and statutory officers) | £74,000 | £87,500 | £101,000 |
| Senior Technical Officers (subject to Management team approval) | £68,000 | £74,000 | £80,000 |

4. Budgetary Implications

- a. An affordable revenue budget has been established for the Havant BC Senior Management Team as part of the 2022/23 rebase process. This budget reflects the proportionate financial share of the previous Joint Management Team arrangements with EHDC.
- b. The revenue budget has been set around the midpoint of these newly proposed senior grades. However, appointments will be made based on the experience and calibre of individual candidates. We will review

the senior management revenue budget following the conclusion of this recruitment process.

5. Background and relationship to Corporate Strategy and supporting strategies and policies

- a. In creating our Corporate Strategy and our new Management Team new skills are required at senior level. Ability to lead for the whole Borough, to work collaboratively with our stakeholders and contribute at strategic level to ensure better outcomes for the Havant Borough.

6. Options considered

- a. The HR Committee could consider retaining the current Senior Pay Policy (Appendix 3), this will not however align pay to the current senior management structure. It is also likely to have a negative impact upon the recruitment exercise for the current vacant roles.

7. Resource implications

a. Financial implications

- i. A relevant revenue budget has been set to meet the costs of the newly established Havant BC Senior Management Team.

Section 151 Officer comments

The established revenue budget is based around the midpoint of the proposed revised Senior Officer grades as detailed in this report.

b. Human resources implications

- i. Human Resource implications are set out in this report

c. Information governance implications

- i. None

d. Climate and environment implications

i. None

e. Other resources implications

i. None

8. Legal implications

Monitoring Officer comments

Section 38 of the Localism Act 2011 requires local authorities to prepare, approve and publish a pay policy statement. The statement must detail the authority's own policies towards a range of issues relating the pay of its most senior staff.

As each local authority is an individual employer in its own right it has the autonomy to make decisions on pay that are appropriate to local circumstances and changing employment markets. Those decisions should comply with the authority's approved pay policy statement. These policy proposals are consistent with the approach contained within Paragraph 4 of the Council's current policy pay statement which provides that, "... remuneration at all levels needs to be adequate to secure and retain high-quality employees..."

The adoption of pay policies is a matter reserved for Human Resources Committee under SECTION F 1 of the Council's Constitution

9. Risks and mitigations

- a. The budget for the new senior management structure is affordable based upon the revised structure.
- b. Should recruitment markets become more challenging, Management Team will want to recruit at more senior salary levels. The Management Team are however restricted by the Constitution and the budget. This means that the budget cannot be exceeded by the Management Team unless this is authorised by Cabinet and Council.
- c. Failure to agree senior salary levels will impact the current recruitment process.

10. Consultation

- a. Informal consultation has been undertaken with the Cabinet. Advice and guidance has been taken from external HR advisors who have undertaken a market review of salary trends.

11. Appendices

- a. Appendix 1: Proposed senior pay policy
- b. Appendix 2: Salary market trend review
- c. Appendix 3: Current senior pay policy

12. Background papers

- a. None

Agreed and signed off by:

Portfolio Holder: Cllr T Denton

Executive Head: Kim Sawyer

Monitoring Officer: Mark Watkins

Section 151 Officer: Malcolm Coe

Contact officer:

Name: Kim Sawyer

Job title: Interim Chief Executive

Phone number: 07966 467088

Email: kim.sawyer@havant.gov.uk

DRAFT

SENIOR PAY POLICY

Summary

| | |
|--|---------------------|
| Procedure Ratified | |
| Procedure Review Date <i>when under review, this procedure should continue to be used</i> | September 2025 |
| This procedure is contractual This policy forms part of your contract of employment. The councils are entitled to introduce minor and non-fundamental changes to this policy by notifying you of these changes in writing and will consult all employees and the trades union representatives on any significant changes. | |
| Author | HR |
| Version | 3 September 2022 |
| Related Procedures | n/a |

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DRAFT

POLICY DOCUMENT

1. PURPOSE

The purpose of this document is to set out the senior management remuneration scheme which was implemented in March 2016 and revised in June 2020.

2. SCOPE

- 2.1 This scheme is applicable to the Council's Chief Officers specifically the Chief Executive, Executive Heads of Service, Chief Officers for Finance (and Section 151 Officer) and Legal (and Monitoring Officer) and senior technical officers.
- 2.2 It is wholly agreed locally and is outside of any nationally agreed pay bargaining arrangements.

3. OUTLINE OF THE SCHEME

- 3.1 Senior pay scales are set with reference to market rates for the relevant roles.

The current pay ranges are as follows:

| Role | Minimum | Midpoint | Maximum |
|--|----------|-----------------|----------|
| CEO | £105,494 | £124,110 | £142,727 |
| Chief Officers (Executive Heads of Service and statutory officers) | £74,000 | £87,500 | £101,000 |
| Senior Technical Officers (subject to Management team approval) | £68,000 | £74,000 | £80,000 |

- 3.2 The Council retains the right to determine what constitutes comparable market data and to use private sector pay benchmarking where needed.
- 3.3 Appointment to the pay band will generally be at the entry point to mid-point pay level subject to experience, expertise and skills. Over a two year period it is anticipated that an individual will progress through the pay band in reflection of their competence and performance in role. This will be reviewed on average at six monthly intervals.
- 3.4 Senior Technical Officers are those roles considered by the Management Team to require particular expertise, qualifications or skills and experience that are generally hard to recruit to in the public sector market. Where a role is to be advertised as a senior technical role this will be subject to agreement of the management team following presentation of business case.
- 3.5 It is not envisaged that employees will move from their entry point to next stage in the scale in less than two years. If a manager wishes to fast track an employee through the pay band in less than two years, this will require a business case which will be considered by the Management Team. A decision by the Management Team will be

documented for transparency purposes. The Management Team's decision will be final.

- 3.6 Where new appointments to roles are offered above the mid-point level of the band this will require a business case which will be considered by the Management Team.
- 3.7 National and local pay awards which are applied across the Council to all grades of staff below senior management will not apply to senior level roles. Pay for senior staff will be determined by the JNC Chief Officer pay negotiations. Any award given will be effective from April of the relevant year and will be formally noted by JHR Committee in line with HR standing orders.
- 3.8 The performance award for the Chief Executive will be agreed by the Leader of the Council via Leader delegated decisions and formally noted at HR Committee. Again, any award given will be effective from April of the relevant year.
- 3.9 For any employee at the top of the scale, their pay award will be non-consolidated to ensure the pay remains within the salary levels for the role.

4. ADDITIONAL TERMS AND CONDITIONS

- 4.1 It is not envisaged that any additional payments will be made to the Councils' Chief Officers (as outlined at para 2.1) in respect of additional duties, honoraria or acting up allowances. Instead the broad band for salary at this level will allow for high/exceptional performance to be rewarded through a consolidated pay increase (or non-consolidated where pay is above the market maximum).
- 4.1 Participation in the on-call and emergency rotas is expected and additional payments are not made to any employee subject to this senior pay policy. There is no payment for overtime and no formal flexi-time scheme for senior staff subject to this policy. Attendance at evening meetings is expected as part of the role. A flexible approach to work, including working from home, where appropriate is encouraged.
- 4.2 Annual leave is 25 days on appointment and 30 days after five years' local government service. For those employed at HBC before April 2017, there is a protected entitlement of 29 days increasing to 34 days after five years' service.

5. REVIEW

- 5.1 This procedure will be reviewed every three years by Human Resources with the support of external reward specialists to ensure fairness and equity if required. It may also be reviewed more frequently, as required, to remain consistent with current employment legislation or may be reviewed earlier if requested by UNISON.

Senior Salary Market Report Havant BC

Kate Trevor

Work Folk

Methodology

Data taken from the 'Town Hall Rich List' published by The Taxpayer's Alliance, which collates publicly available information local government councils are required to published .

2020/21 is latest salary information available - figures must be adjusted for inflation.

- ◇ 2021 national pay increase at 1.75%
- ◇ 2022 national pay increase not yet available

Methodology

Jobs matched by Job Title;

- ◆ Chief Executive
- ◆ Deputy Chief Executive
- ◆ Finance (S151) – direct report to CE
- ◆ Legal – direct report to CE
- ◆ Executive Heads and equivalents (Directors / Heads of) – direct reports of CE
 - ◆ Data for specific roles not available due to large range of responsibilities and combinations

Methodology

Regional Data included for:

- ◆ England and Wales, excluding London
- ◆ South East England, excluding London

Data includes Borough, District and City Councils, excludes County Councils, Unitary Authorities and others.

- ◆ Information including and excluding City Councils provided, to provide alternative comparators.

Next Steps:

HBC to consider, in the light of the data:

- ◆ Appropriate comparators – region and council type.
- ◆ Desired market position, e.g.
 - ◆ Median
 - ◆ Median plus a percentage
 - ◆ 75th Percentile
- ◆ Adjust appropriately for inflation, given current volatile environment.
- ◆ Pay ranges and progression mechanism

Chief Executive

2020 Havant BC Policy:

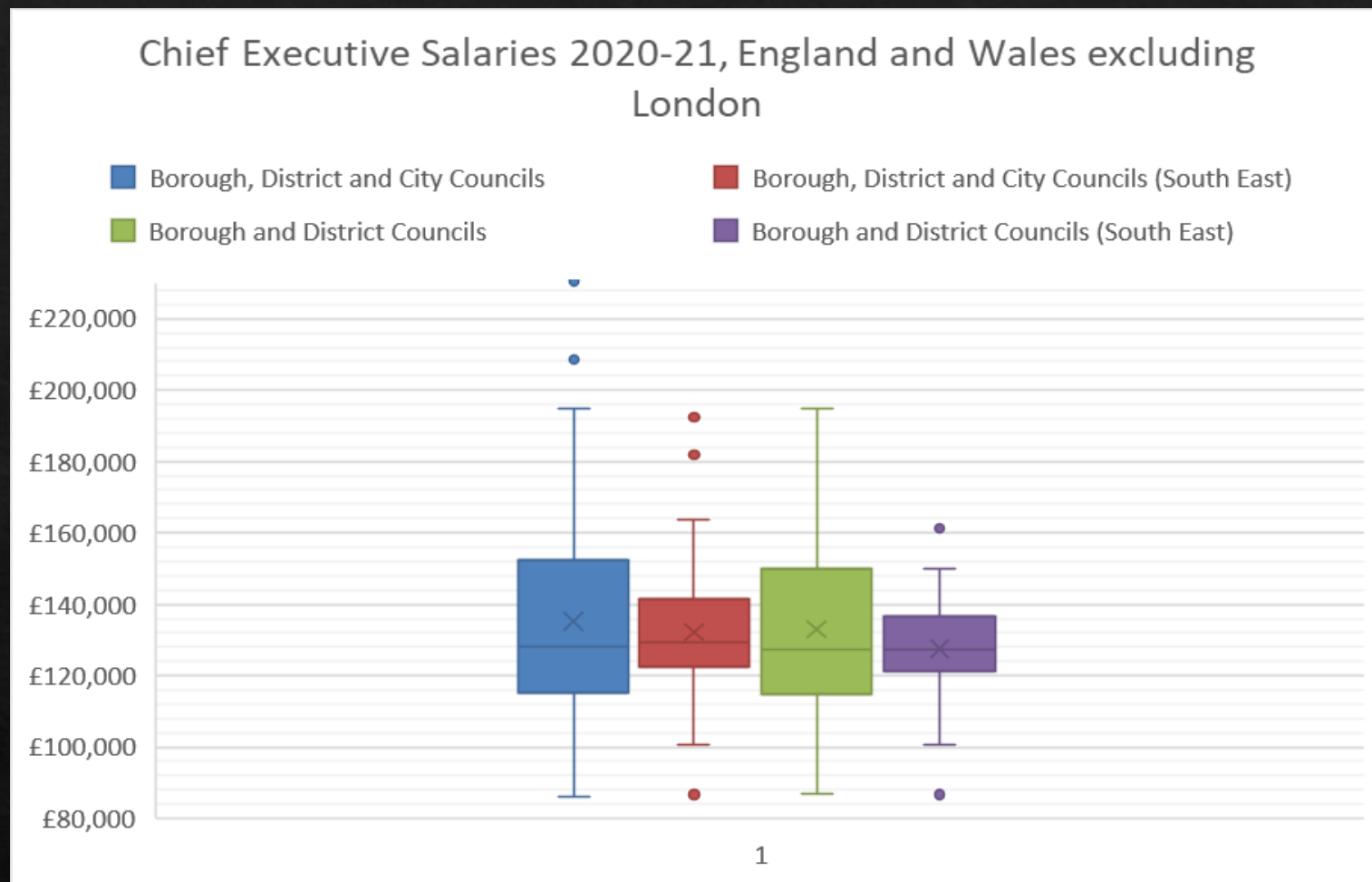
Min: £105,494

Mid: £124,110 (based on previous market median +5%)

Max: £142,727

Market Medians:

- Borough, District and Cities, England and Wales £127,934
- Borough District and Cities, South East £129,230
- Borough and District, England and Wales £127,500
- Borough and District, South East £127,500



Deputy Chief Executive

2020 Havant BC Policy:

Service Director

Min = £86,368

Mid = £101,609

Max = £116,850

Market Medians:

- Borough, District and Cities, England and Wales £105,000
- Borough District and Cities, South East £109,268
- Borough and District, England and Wales £104,350
- Borough and District, South East £109,268



Executive Heads

2020 Havant BC Policy:

Service Director

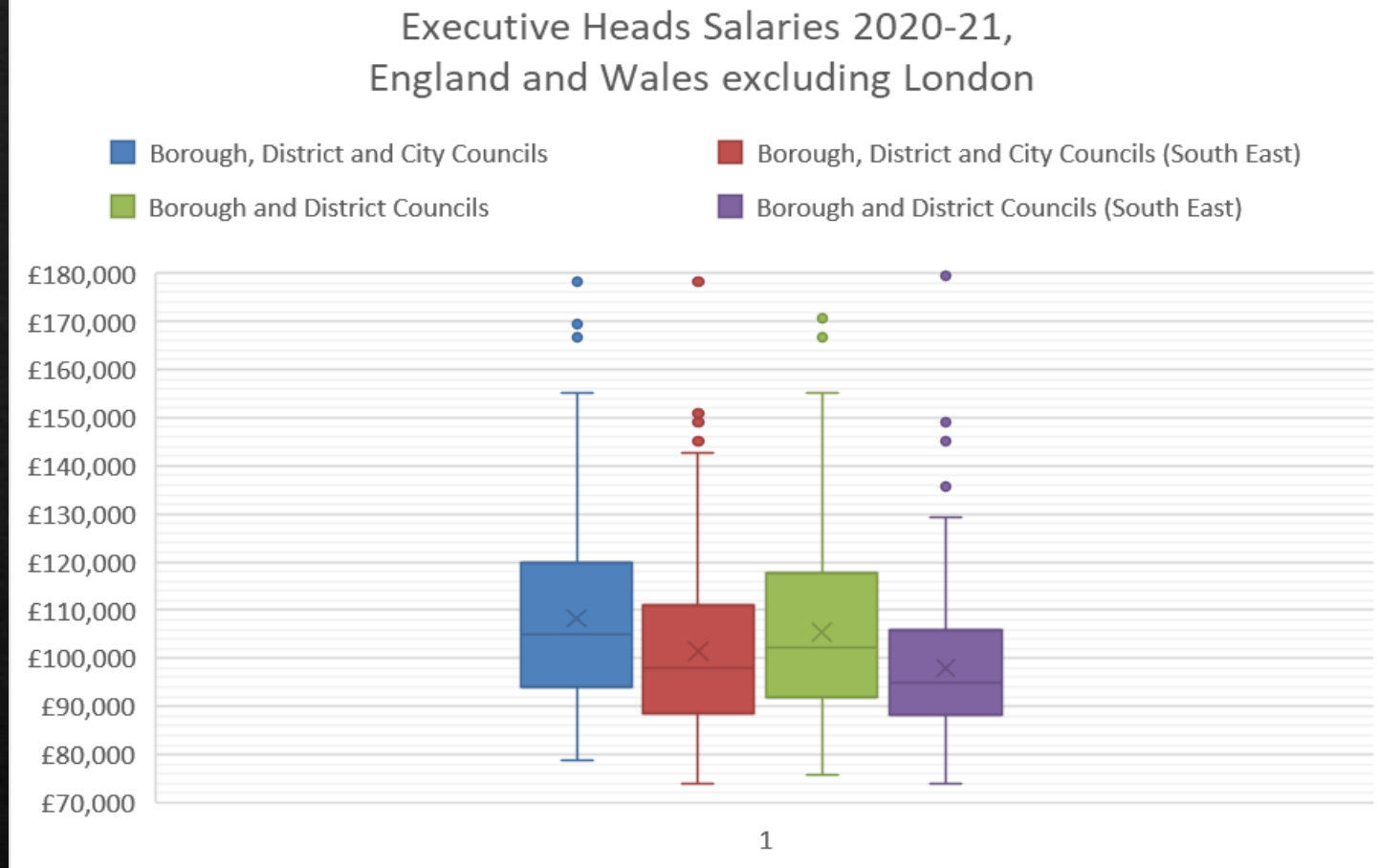
Min = £86,368

Mid = £101,609

Max = £116,850

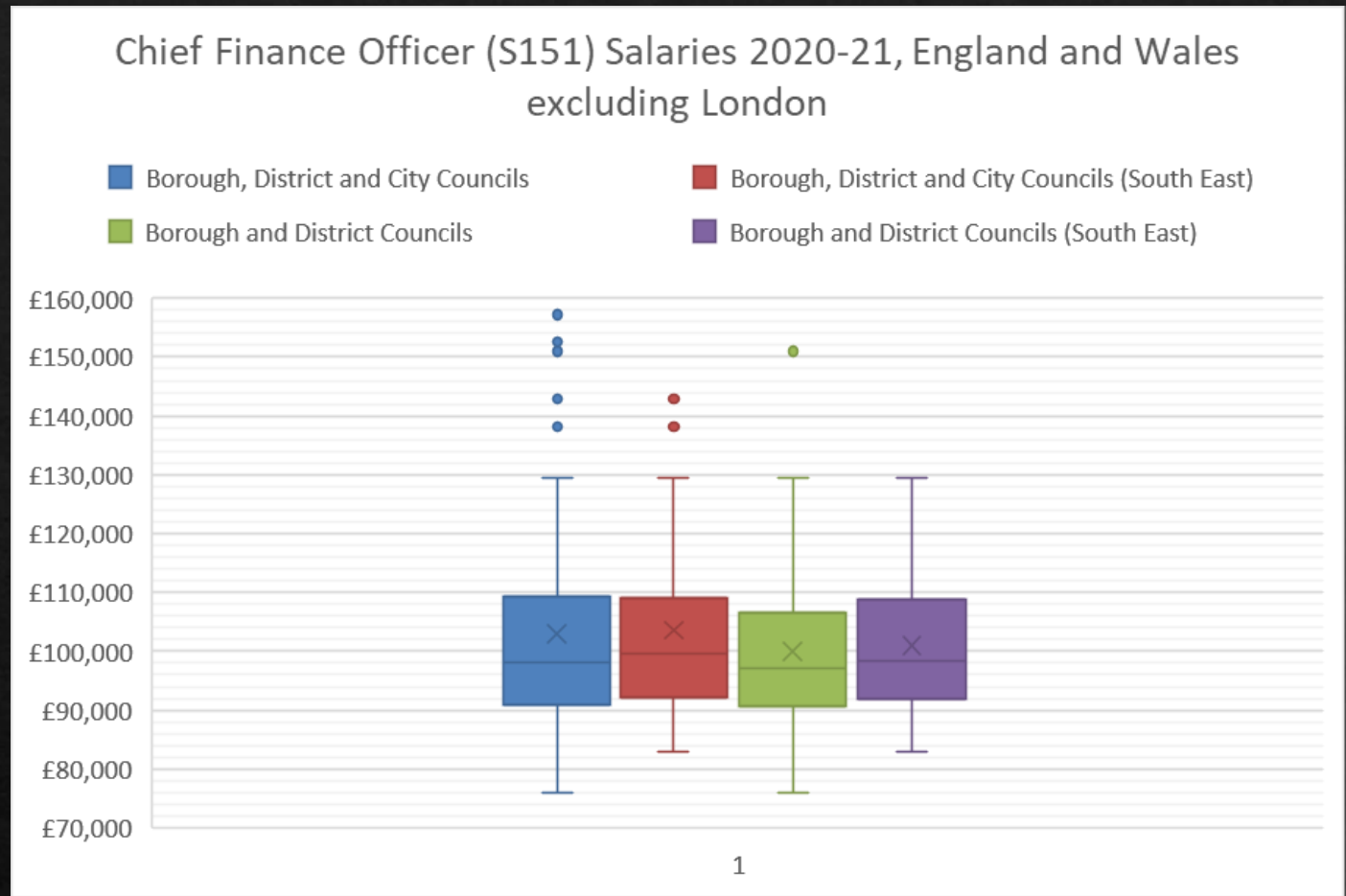
Market Medians:

- Borough, District and Cities, England and Wales £102,000
- Borough District and Cities, South East £98,030
- Borough and District, England and Wales £100,302
- Borough and District, South East £95,000



Chief Finance Officer (S151)

2020 Havant BC Policy:

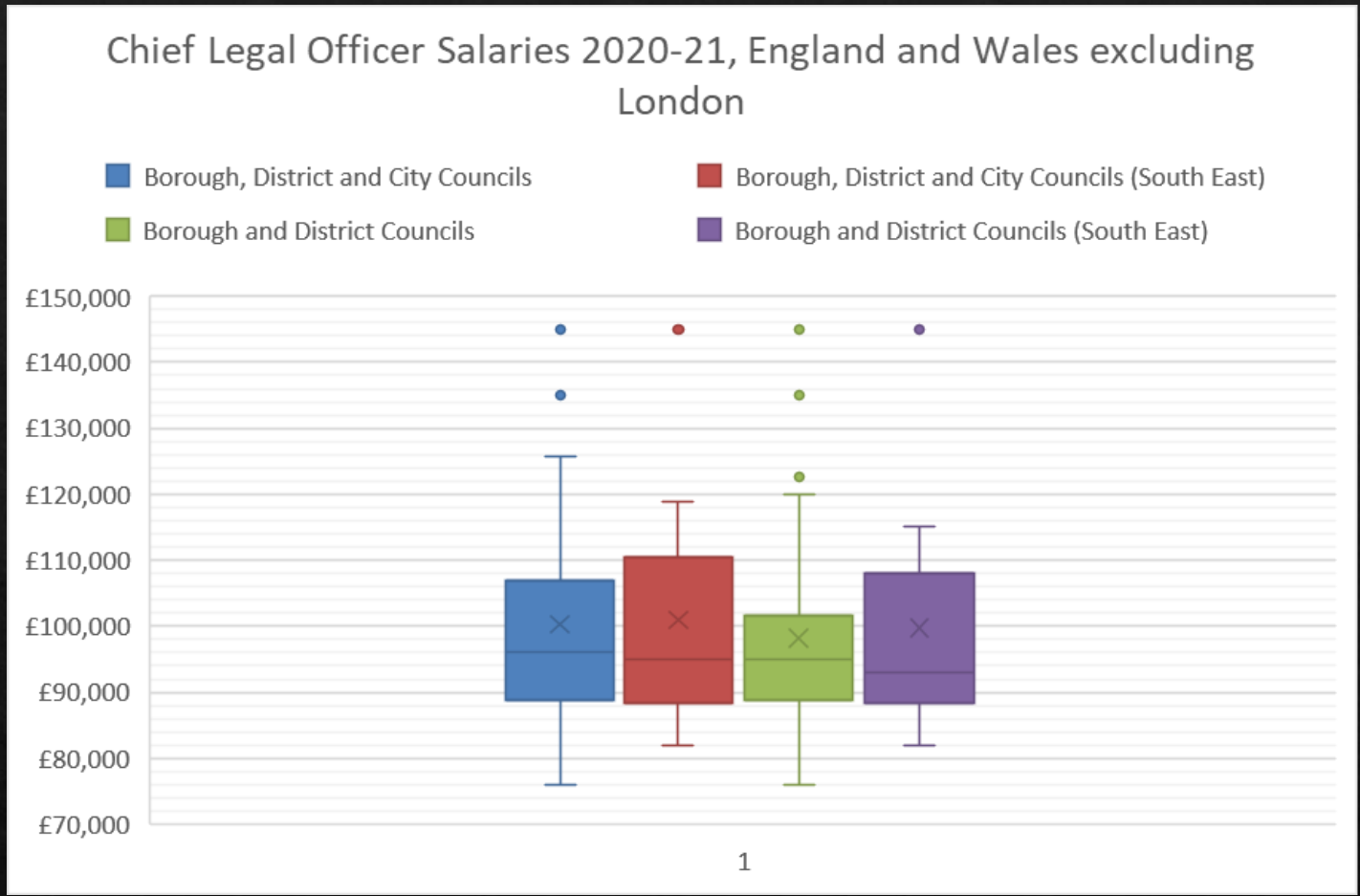


Market Medians:

- Borough, District and Cities, England and Wales £98,157
- Borough District and Cities, South East £99,950
- Borough and District, England and Wales £97,000
- Borough and District, South East £98,314

Chief Legal Officer Officer

2020 Havant BC Policy:



Market Medians:

- Borough, District and Cities, England and Wales £96,000
- Borough District and Cities, South East £95,007
- Borough and District, England and Wales £95,007
- Borough and District, South East £93,000

CONFIDENTIAL

SENIOR PAY POLICY

Summary

| | |
|--|--|
| Procedure Ratified | June 2020 |
| Procedure Review Date <i>when under review, this procedure should continue to be used</i> | June 2023 |
| This procedure is contractual This policy forms part of your contract of employment. The councils are entitled to introduce minor and non-fundamental changes to this policy by notifying you of these changes in writing and will consult all employees and the trades union representatives on any significant changes. | |
| Author | Caroline Tickner Head of Organisational Development |
| Version | 1 |
| Related Procedures | n/a |

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POLICY DOCUMENT

1. PURPOSE

The purpose of this document is to set out the detail of the senior management remuneration scheme (tier 3 and above) which was implemented in March 2016.

2. SCOPE

2.1 This scheme is applicable to the Councils' Chief Officers specifically the Head of Paid Service/Chief Executive, Directors (including Section 151 Officer) and Heads of Service.

2.2 It is wholly agreed locally and is outside of any nationally agreed pay bargaining arrangements.

3. OUTLINE OF THE SCHEME

3.1 Senior pay scales are set at market rate plus. This means that the Councils are committed to paying 5% above the market rate based on relevant market data.

3.2 Senior pay scales are based on a broad band approach. This means that the entry point of the pay scale is 15% below market rate plus and the top of the pay scale is 15% above market rate plus. The mid-point of the scale is set at market rate plus i.e. market rate plus 5%.

The current pay ranges are as follows:

| Role | Minimum (85%) | Midpoint (100%) | Maximum (115%) |
|------------------|---------------|-----------------|----------------|
| CEO | £105,494 | £124,110 | £142,727 |
| Service Director | £86,368 | £101,609 | £116,850 |
| Head of Service | £62,506 | £73,536 | £84,566 |

3.3 The Councils will conduct a pay benchmarking exercise every two years based on public sector comparison to assess whether there is any movement in the market which needs to be reflected in the pay bands. Every 4th year, the Councils will conduct a pay benchmarking exercise which uses both public and private sector data¹. The Councils retain the right to determine what constitutes comparable market data and to use private sector pay benchmarking where needed in the intervening periods.

3.4 Appointment to the pay band will generally be at the entry point level. Over a two year period it is anticipated that an individual will progress through the pay band to the mid-point of the scale which reflects market rate pay and competence in role. Movement through the band to mid-point will be based on performance in role and will be reviewed on average at six monthly intervals. Progression through the band up to mid-point will be determined according to performance. For ease, this is illustrated overleaf for each level of role:

¹ The pay benchmarking exercise time periods commenced from the implementation of the scheme in 2016.

| Timescale | Appointment | Typically after Six Months | Typically after 12 Months | Typically after 18 months | Typically after 2 years |
|--------------------|-------------|----------------------------|---------------------------|---------------------------|-------------------------|
| Role | Entry Point | Performance 1 Review | Performance 2 Review | Performance 3 Review | Performance 4 Review |
| CEO | £105,494 | £110,148 | £114,802 | £119,456 | £124,110 |
| Executive Director | £86,368 | £90,178 | £93,988 | £97,798 | £101,609 |
| Head of Service | £62,506 | £65,263 | £68,020 | £70,777 | £73,536 |

- 3.5 It is not envisaged that employees will move from entry point to mid-point market rate plus in less than two years. If a manager wishes to fast track an employee through the pay band to mid-point in less than two years, then this will require a business case which will be considered by the remuneration board². A decision by the remuneration board will be documented for transparency purposes. The remuneration boards' decision will be final.
- 3.6 New appointments to roles will typically be at the entry level of the band. If a manager wishes to appoint a new employee above the entry level of the band then this will require a business case which will be considered by the remuneration board. If market forces determine a higher level of salary at appointment, then the remuneration board will consider the appropriateness of a market supplement until such time as the pay exceeds the market supplement + salary amount. A decision by the remuneration board will be documented for transparency purposes. The remuneration boards' decision will be final.
- 3.7 National and local pay awards which are applied across the Councils to all grades of staff below senior management will not apply to senior level roles. Pay for senior staff will be determined by the JNC Chief Officer pay negotiations. Any award given will be effective from April of the relevant year and will be formally noted by JHR Committee in line with HR standing orders.
- 3.8 The performance award for the Chief Executive will be agreed by the Leaders of each Council via Leader delegated decisions and formally noted at JHR Committee. Again, any award given will be effective from April of the relevant year.
- 3.9 For any employee at the top of the scale, their pay award will be non-consolidated to ensure the pay remains within the benchmarked salary levels for the role.

4. ADDITIONAL TERMS AND CONDITIONS

- 4.1 It is not envisaged that any additional payments will be made to the Councils' Chief Officers (as outlined at para 2.1) in respect of additional duties, honoraria or acting up allowances. Instead the broad band for salary at this level will allow for high/exceptional performance to be rewarded through a consolidated pay increase (or non-consolidated where pay is above the market maximum).

² The remuneration board consists of the Chief Executive as Head of Paid Service, the Section 151 Officer, a Director and the Head of Organisational Development.

- 4.1 All Chief Officer roles are joint appointments across both Councils and as such there is no reimbursement for travel between EHDC and HBC sites. Participation in the on-call and emergency rotas is expected and additional payments are not made for this. There is no payment for overtime and no formal flexi-time scheme for Heads of Service. Attendance at evening meetings is expected as part of the role. A flexible approach to work, including working from home, where appropriate is encouraged.
- 4.2 Annual leave is 25 days on appointment and 30 days after five years' local government service. For those employed at HBC before April 2017, there is a protected entitlement of 29 days increasing to 34 days after five years' service and for those employed at EHDC before April 2017, the entitlement is as shown below:

| Basic | 5 Years plus | 10 Years plus | 20 Years plus | 30 Years plus |
|--------------|---------------------|----------------------|----------------------|----------------------|
| 29 days | 34 days | 35 days | 36 days | 37 days |

5. REVIEW

- 5.1 This procedure will be reviewed every three years by Organisational Development with the support of external reward specialists to ensure fairness and equity. It may also be reviewed more frequently, as required, to remain consistent with current employment legislation or may be reviewed earlier if requested by UNISON.

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NON-EXEMPT

HAVANT BOROUGH COUNCIL

Human Resources Committee

Update: Hybrid Working Trial

Date of Meeting: 5 October 2022

Report by: Matt Goodwin, Executive Head of Internal Services

Report No: HBC/082/2022

Introduction

This report is intended to update the Human Resources Committee on the progress regarding trials for extended hybrid working at Havant Borough Council. It provides context for discussions, progress made to date and details of the next steps. This is for noting, at this stage.

Context

Since the recent reduction in incidences of Covid-19, and the relaxation of Government provisions for testing and compulsory self-isolation, increasing efforts have been made to support staff to return to the offices at Havant Borough Council. This has been via trialling of a fuller 'Hybrid' working model, which balances working from home, with obligations for teams to attend the office on defined days, and, where practicable, for them to work in defined zones. This is intended to recognise the importance of collaboration and better team working, whilst addressing issues, for example, with staff feeling isolated and impacts on the ability to induct and train new starters. That, though, is offset against a clear realisation that staff have realised benefits from flexible working and have adjusted their work/life balance accordingly. It is also important to note that the ability to attract and retain staff does require a recognition that, post-Covid, flexible working is a benefit that many employees will actively seek.

In addition to this, the Council is seeking to make better commercial use of the excellent facilities at Public Service Plaza. This has involved active engagement with potential partners, and direct steps to create Zones in Block A which can be let. This is the basis for efforts to move staff to distinct Zones in Block B.

Progress to Date

The roll out of the current trial was timed to commence 4th July 2022. That is when requirements to attend 1 day per week minimum and for staff to use the current zonal system commenced. That zonal system is accompanied by a rota, which determines days and requested working locations for teams. The month of July was considered a "pilot" to iron out logistical and technical issues. Attendance has been monitored and activity promoted consistently since the beginning of August. It receives regular mention at the Fountain, where the matter is actively discussed with all staff. To date, the

average number of staff attending office has been 95 – 98 people, which is around 35 – 40% of our full complement. This should be taken in context that, in conduct of their duties, not all staff *should* attend site. As such, this represents a relatively strong attendance pattern.

Whilst overall attendance is at a reasonable level, the zonal system has not fully worked. Many teams feel unable to use the zones, for logistical or operational reasons. As a result, the zones can be left relatively empty and the decant from Block A has not been fully realised. Work to address that is underway, on a team-by-team basis.

In addition to the physical and logistical arrangements, attendance has been supported by a range of other measures:

- Provision of free tea, coffee, and milk.
- Introduction of flexibilities in Zone usage, to support, for example, cross team working.
- Active consultation with the Diversity & Wellbeing Group (DaWG), to seek suggestions for improvement.
- Commencement of staff engagement sessions, where steps which would encourage attendance at site are being actively considered.
- All staff briefings, where the entire staffing complement are encouraged to attend and play an active part in building the new Havant Borough Council. The first such event was 6th July 2022 and a further one is scheduled for 29th September 2022.
- Engagement of design specialists to consider cost effective solutions which would create a working environment which better suits modern working styles. This follows an insightful visit to Breckland Council by the Leader and CEO. Breckland have employed innovative office configurations to support more flexible working.

These are only just the beginning.

Next Steps

Over the next few weeks the following will be delivered:

- Delivery, development, and implementation of office re-design proposals.
- Further steps to commercially let areas of Block A.
- Conclusion of ongoing staff engagement sessions. Findings will be considered and used to develop and deploy further initiatives which support new working styles.
- Opening of the canteen. This is currently subject to commercial procurement requirements.

These, we are confident, will be the final elements needed to deliver both an offer of flexible working, and a thriving, collaborative, office environment.

Recommendation

The Committee are asked to note this report.