

HAVANT BOROUGH COUNCIL
PUBLIC SERVICE PLAZA
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Havant
BOROUGH COUNCIL

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HUMAN RESOURCES COMMITTEE AGENDA

Membership: Councillor Diamond (Chairman)

Councillors Crellin (Vice-Chairman), Fairhurst, Payter, Richardson and Weeks

Meeting: Human Resources Committee

Date: Thursday 9 March 2023

Time: 5.00 pm

Venue: Hollybank Room, Public Service Plaza, Civic Centre Road,
Havant, Hants PO9 2AX

The business to be transacted is set out below:

Kim Sawyer
Chief Executive

Contact Officer: Lauren Maidens
Email: lauren.maidens@havant.gov.uk

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1 Apologies	
To receive and record any apologies for absence.	
2 Declarations of Interest	
To receive and record any declarations of interest.	
3 Minutes	1 - 12
To approve the minutes of the previous Human Resources Committee and Extraordinary Human Resources Committee meetings:	
05 th October 2022	
06 th December 2022	
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GENERAL INFORMATION

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HAVANT BOROUGH COUNCIL

At a meeting of the Human Resources Committee held on 5 October 2022

Present

Diamond (Chairman), Crellin (Vice-Chairman), Fairhurst, Payter, Richardson and Weeks

15 Apologies for Absence

There were no apologies for absence.

16 Declarations of Interest

There were no declarations of interest.

17 Minutes

The minutes of the meeting held on 20th July 2022 were approved.

18 Senior Pay Policy Review

The Interim Chief Executive, Kim Sawyer, introduced the item to the committee.

Members asked questions in relation to the report provided. It was requested that a list of the jobs to be recruited for, it was agreed a list would be distributed to Members.

Members praised the report.

Proposed by Councillor Fairhurst, Seconded by Councillor Richardson and following a vote, it was RESOLVED that Members:

- a. Approve the Senior Pay Policy
- b. Note the levels of senior pay as set out in the senior pay policy

19 Hybrid Working Review

The Executive Head of Internal Service, Mr Goodwin, introduced the item to the committee. Providing an update on where the trial is at this time and how it is looking to be progressed in the future.

The leader addressed the committee.

The committee asked questions in relation to the report.

It was said that it has now been requested that teams move towards two days a week. The ideal is 2-3 days at home or in the office unless operational need dictates more.

Concerns were expressed with potential abuse of hybrid working arrangements, however members were advised that performance delivery outcomes will be monitored rather than where an individual is. It was said that staff code of conduct and whole employment contracts are based on trust and performance.

It was agreed that a list of officer numbers would be distributed to members to ensure they are able to make contact when needed.

Proposed by Councillor Fairhurst, seconded by Councillor Payter, following a vote Members noted the report.

20 Recruitment

The Interim Chief Executive, Kim Sawyer, gave a verbal update to the committee regarding recruitment.

Members noted the update.

The meeting commenced at 5.00 pm and concluded at 5.55 pm

HAVANT BOROUGH COUNCIL

At a meeting of the Human Resources Committee held on 6 December 2022

Present

Diamond (Chairman), Crellin (Vice-Chairman), Fairhurst, Payter, Richardson, Weeks, Rennie (Cabinet Lead) and Robinson (Cabinet Lead)

1 Apologies

There were none.

2 Declarations of Interest

There were none.

3 Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the item headed and numbered as below because:

it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during those minutes there would be disclosure to them of exempt information of the descriptions specified in paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 shown against the heading in question; and

in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item 4 Appointment of Chief Executive.

4 Appointment of Chief Executive

The Director of Tile Hill introduced the committee to the item.

The HR committee conducted the interview of the first candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the first candidate.

The HR committee conducted the interview of the Second candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the Second candidate.

At 19:10pm the committee adjourned for 30 minutes.
The committee resumed at 19:40pm.

The HR committee conducted the interview of the third candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the third candidate.

The HR committee conducted the interview of the fourth candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the fourth candidate.

Members held discussions and assessment of each candidate in a closed session.

Following a vote proposed by Councillor Rennie, seconded by Councillor Payter, it was RESOLVED that committee Recommend to Full Council to appoint the preferred candidate as chief executive.

The meeting commenced at 5.00 pm and concluded at 10.25 pm

HAVANT BOROUGH COUNCIL

At a meeting of the Human Resources Committee held on 12 December 2022

Present

Diamond (Chairman), Fairhurst, Richardson, Weeks, Rennie and Robinson

5 Apologies

Apologies were received from Councillor Crellin and Councillor Payter.

6 Declarations of Interest

There were none.

7 Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the item headed and numbered as below because:

it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during those minutes there would be disclosure to them of exempt information of the descriptions specified in paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 shown against the heading in question;

and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item 4 Appointment of Executive Head of Regeneration and Communities.

8 Appointment of Executive Head of Regeneration and Communities

The Director of Tile Hill introduced the committee to the item.

The HR committee conducted the interview of the first candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the first candidate.

The HR committee conducted the interview of the Second candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the Second candidate.

At 19:00pm the committee adjourned for 30 minutes.
The committee resumed at 19:30pm.

The HR committee conducted the interview of the third candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the third candidate.

Members held discussions and assessment of each candidate in a closed session.

Following a vote proposed by Councillor Robinson, seconded by Councillor Fairhurst, it was resolved that committee appoint the preferred candidate as Executive Head of Regeneration and Communities.

The meeting commenced at 4.30 pm and concluded at 9.04 pm

HAVANT BOROUGH COUNCIL

At a meeting of the Human Resources Committee held on 13 December 2022

Present

Diamond (Chairman), Fairhurst, Richardson, Weeks, Rennie and Robinson

9 Apologies

Apologies were received from Councillor Crellin and Councillor Payter.

10 Declarations of Interest

There were none.

11 Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the item headed and numbered as below because:

it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during those minutes there would be disclosure to them of exempt information of the descriptions specified in paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 shown against the heading in question;

and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item 4 Appointment of Executive Head of Place

12 Appointment of Executive Head of Place

The Director of Tile Hill introduced the committee to the item.

The HR committee conducted the interview of the first candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the first candidate.

The HR committee conducted the interview of the Second candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the Second candidate.

Members held discussions and assessment of each candidate in a closed session.

Following a vote proposed by Councillor Rennie, seconded by Councillor Richardson, it was resolved that committee appoint the preferred candidate as Executive Head of Place.

The meeting commenced at 4.30 pm and concluded at 7.54 pm

HAVANT BOROUGH COUNCIL

At a meeting of the Human Resources Committee held on 20 December 2022

Present

Diamond (Chairman), Fairhurst, Richardson, Weeks and Robinson

13 Apologies

Apologies were received from Councillor Crellin and Councillor Payter.

14 Declarations of Interest

Councillor Weeks advised the Committee that she was an elected member whilst one of the candidates was previously an employee of Havant Borough Council.

15 Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the item headed and numbered as below because:

it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during those minutes there would be disclosure to them of exempt information of the descriptions specified in paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 shown against the heading in question;

and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item 4 Appointment of Chief Legal Officer

16 Appointment of Chief Legal Officer

The Director of Tile Hill introduced the committee to the item.

The HR committee conducted the interview of the first candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the first candidate.

The HR committee conducted the interview of the Second candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the Second candidate.

The HR committee adjourned for a 40min break.

The HR Committee conducted the interview of the third candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the third candidate.

Members held discussions and assessment of each candidate in a closed session.

Following a vote proposed by Councillor Weeks, seconded by Councillor Fairhurst, it was RESOLVED that committee recommend to Full Council to appoint the preferred candidate as Chief Legal Officer.

The meeting commenced at 1.00 pm and concluded at 5.15 pm

HAVANT BOROUGH COUNCIL

At a meeting of the Human Resources Committee held on 21 December 2022

Present

Diamond (Chairman), Fairhurst, Richardson, Rennie and Robinson

17 Apologies

Apologies were received from Councillors Crellin, Payter and Weeks.

18 Declarations of Interest

There were none.

19 Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the item headed and numbered as below because:

it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during those minutes there would be disclosure to them of exempt information of the descriptions specified in paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 shown against the heading in question;

and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item 4 Appointment of Chief Finance Officer

20 Appointment of Chief Finance Officer

The Director of Tile Hill introduced the committee to the item.

The HR committee conducted the interview of the first candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the first candidate.

The HR committee conducted the interview of the Second candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the Second candidate.

The HR committee adjourned for a 1hour break.

The HR Committee conducted the interview of the third candidate. A presentation was provided followed by questions by the committee.

Members asked further questions to the third candidate.

Members held discussions and assessment of each candidate in a closed session.

Following a vote proposed by Councillor Rennie, seconded by Councillor Robinson, it was RESOLVED that committee recommend to Full Council to appoint the preferred candidate as Chief Finance Officer.

The meeting commenced at 10.00 am and concluded at 2.22 pm

NON EXEMPT

HAVANT BOROUGH COUNCIL

HR COMMITTEE

Introduction of Shared Cost AVC Scheme to LGPS members

FOR DECISION.

Portfolio Holder: Cllr Tony Denton

Key Decision: No

Report number: HBC/122/2023

1. Purpose

- 1.1. This paper is submitted to the HR Committee for decision to implement a Shared Cost Additional Voluntary Contributions (SCAVC) scheme for Havant Borough Council Local Government Pension Scheme (LGPS) members.
- 1.2. SCAVC schemes have been widely introduced across the UK with over 150 councils already delivering this key staff benefit including locally Hampshire County Council, Portsmouth and Southampton City Councils.

2. Recommendation

- 2.1. HR Committee are recommended:
 - To approve the implementation of a SCAVC pension scheme for LGPS members through a salary sacrifice arrangement.
 - To approve that earnings related payments, such as overtime, pay increases, contractual allowances, occupational maternity pay, occupational sickness pay, and redundancy are calculated on the notional salary before applying any salary sacrifice reduction. Section 3.5 below for further details.
 - To approve the inclusion of a new discretion in the Council's LGPS Discretionary Pension Policy Statement to allow staff to participate in the SCAVC scheme as set out in Section 3.6 below.

- To approve entering into a contract with AVC Wise to deliver a fully managed service covering SCAVCs for the council. See Section 3.7 below.

3. Executive Summary

- 3.1 LGPS members are permitted to contribute to Standard AVCs and receive tax relief on their contributions through their payslip. AVCs are a long-term pension savings plan that run alongside the main LGPS scheme and allows a member to build up a capital sum. On retirement, they can access the benefits through a range of options including the ability to receive the capital sum saved 100% tax free in most cases.
- 3.2. AVC contributions are paid across to a partnering responsible financial organisation who manage the plan and investments. The LGPS Administering Authority (Hampshire Pension Fund) are responsible for selecting the external provider (currently Prudential), and this arrangement will not change with the introduction of a SCAVC scheme.
- 3.3. The LGPS and HMRC regulations allow employers to introduce a SCAVC scheme. The advantages of implementing the SCAVC arrangement over the current Standard AVC scheme is that in addition to the income tax savings available, staff also save on national insurance contributions. The Council also make savings, through a reduction in the employer national insurance contributions and the apprenticeship levy. The savings are shown at appendix 1.
- 3.4. To ensure that the SCAVC is compliant with the LGPS/HMRC regulations, the SCAVC must be set up as a 'shared cost' scheme which requires both the employee and employer to contribute to the SCAVC. Although this suggests that the Council will pay a financial contribution towards the SCAVC plan, this is not the case. The employee accepts a contractual reduction in remuneration (a salary sacrifice), equivalent to the amount of SCAVC's they would like to pay, and the employer pays this amount into the SCAVC plan on their behalf. To meet the 'shared cost' arrangement the employee is then required to pay a nominal £1 each month into the SCAVC through a payslip deduction. It may be helpful to note that the members main LGPS benefits are not affected by electing to join SCAVCs.
- 3.5 The second recommendation above, covers the treatment of earnings-related payments for staff who apply for SCAVCs. It is critical that the SCAVC scheme does not affect future earnings due to the salary sacrifice reduction, as this would be counter-productive to implementing a scheme. To avoid this, all councils agree that any contractual earnings such as overtime, pay increases, contractual allowances, occupational maternity pay, occupational sickness pay, and redundancy will continue to be calculated on the notional salary **before** the salary sacrifice is applied.

- 3.6 The third recommendation above covers the requirement to amend and publish the council's LGPS Discretionary Pension Policy Statement. This is purely an administrative procedure, and the proposed new discretion is shown in the table below.

Additional Voluntary Contributions		
Whether how much and what circumstances to contribute to an AVC scheme	R17 (1)	HBC will pay shared cost AVCs where an employee has elected to pay AVCs by salary sacrifice. The amount of these employer shared cost AVCs will not exceed the amount of salary sacrificed by the employee. This discretion is subject to the employee meeting the conditions for acceptance into the salary sacrifice shared cost AVC scheme and may be withdrawn or changed at any time.

- 3.7 The fourth recommendation above, advises that the council procure the services of AVC Wise to deliver SCAVCs through a fully managed service, for the reasons set out in the table below. AVC Wise are the only provider in the UK who deliver a fully managed service SCAVCs for LGPS members.

It guarantees that the scheme will be legislatively compliant with HMRC and LGPS Regulations.
It delivers an efficient automated processing platform with workflow to administer SCAVC applications and scheme amendments including NLW/MNW compliance checks.
It provides accurate calculators to help staff understand the benefits of saving towards their retirement.
It delivers a comprehensive range of pension webinars to enable staff to be better informed and educated about their LGPS pension and SCAVCs.
It provides the launch and ongoing communication collateral to make staff aware of the scheme.
It provides a full audit trail of all transactional activity including embedding electronic contractual change documentation to eliminate internal HR resource.
It provides several help options to support staff (telephone helplines, webchat, webinars, 1 to 1 meetings).
It improves the processing of SCAVCs through a direct link to the AVC providers

It includes a continual review process to ensure that all supporting scheme documentation is up to date and relevant (FAQs, videos, knowledge hub guidance, calculators etc.).
--

It will deliver additional savings to the council through launch and ongoing communication of the SCAVCs to staff.
--

3.8 The key reasons to implement a SCAVC scheme are:

- Staff will have access to a new financial well-being benefit that provides significantly improved retirement benefit outcomes
- The introduction of this employee benefit will improve recruitment and retention
- There is no set up fee, minimal resources are required to implement the scheme and ongoing resource to approve applications is also minimal
- Staff who contribute to a SCAVC scheme will pay lower national insurance contributions (NICs). For most staff this will result in a saving of 13.25%
- Staff will continue to receive income tax relief on their SCAVC contributions
- The combined tax and NIC saving guarantees a growth of over 49% for basic rate taxpayers and over 76% for higher rate taxpayers. See the example in the table in Appendix 1 below.
- The introduction of a SCAVC will have no effect on the main LGPS benefits
- The council will make savings in employer NICs and apprenticeship levy of £1,955 in year 1, with an estimated growth to £8,439 by year 3. See Appendix 1 for details.
- Staff will have access to a wide range of pension webinars and the option of individual pension meetings.

3.9 The recommendation to deliver the SCAVC service through AVC Wise will require procurement to determine the appropriate route to contract with the service provider.

3.10 To safeguard any future compliance issues, the Shared Cost AVC scheme will require HMRC approval prior to launch. This has been successfully achieved by all councils who have gone live. The council will also be required to carry out some routine checks to ensure that any applications comply with the National Living Wage/National Minimum Wage rules and functionality exists within the AVC Wise platform for these checks to be undertaken.

4. Additional Budgetary Implications

- 4.1. The council's payroll system will need a minor amendment to build a new payroll element for the salary sacrifice deduction to be funded if necessary, by the year 1 savings of just over 2K (See Appendix 1)

5. Background and relationship to Corporate Strategy and/or Business Plans

- 5.1. The introduction of the scheme would support the Councils' strategy to be a modern and attractive local government employer offering a significant financial benefit beyond standard LGPS pension.

6. Options Considered

N/A

7. Resource Implications

- 7.1. Financial Implications

The employer NIC savings (after AVC Wise fees) based on the estimated take up of staff that transfer from the existing AVC arrangement to a SCAVC is expected to be £1,955 in year 1. This saving is expected to grow to £8,439 by year 3 as a result of widespread communication of this new employee pension benefit to staff. The procurement of AVC Wise who have delivered SCAVCs to over 200 public sector bodies provide the assurance that we are appointing an external provider, who has a proven track record of delivering SCAVC services. This includes the important assurance that the councils SCAVC scheme will be compliant with employment and tax law. It also removes the risk of the council having to fund back-office resource to deliver a skilled complex service. The council will save 14.3% on the total amount staff salary sacrifice less AVC wise fees of 4.5% resulting in a net saving of 9.8%. There are no set up fees.

S151 Officer comments

Date: 22 December 2022

The implementation of the scheme carries no financial risk to the authority and, over time, will attract low level financial savings through reduced employer NI contributions. Any associated management and/or operational costs of facilitating the scheme will be fully funded through respective savings generated.

7.2. Human Resources Implications

A preliminary or full equality impact assessment is not required as this report does not result in any equality issues.

7.3. Information Governance Implications

None identified.

Other resource implications

There will be a requirement for communications support to implement the policy across the Councils.

7.4. Climate and Environment Implications

No associated impacts

7.5. Other Resources Implications

None

8. Legal Implications

8.1. There are a number of legal or associated issues associated with the implementation of a SCAVC scheme.

8.2. The council must ensure that the AVC Wise portal includes the salary sacrifice agreement to vary the contract of employment to accept the contractual reduction in remuneration for every application or amendment of SCAVCs.

8.3. AVC Wise must provide the necessary assurances that the scheme will be compliant with the HMRC salary sacrifice regulations and seek approval as such.

8.4. The council's discretionary pensions policy will need to be amended and published to provide the authority to allow staff to enter into SCAVCs as one of our discretions.

8.5. The scheme documentation will need to state that the SCAVCs contributions are to be treated as a pensionable emolument in accordance with the LGPS regulations (Regulation 20(1)(b) of the 2013 Regulations), to ensure that a member's main scheme benefits are not reduced.

Monitoring Officer comments

The HR Committee has constitutional responsibility to adopt policy in respect of staff pay, pensions and other terms and conditions of employment (paragraph 2.4.2 of Section E6 of Part 2). The recommendations in this report will also satisfy the requirement in the LGPS Regulations and Discretionary Compensation Regulations to formulate, review and publish the Council's Discretionary Policy Statement.

23rd December 2022

9. Risks and Mitigation

10. Consultation

10.1. Unison have been consulted in line with the usual consultation processes.

11. Communication

11.1. The introduction will be communicated to all members of staff via internal channels.

12. Appendices

Appendix 1 – Shared Cost AVC Employer and Employee Savings table

13. Background papers

13.1. None

Agreed and signed off by:

Portfolio Holder: Cllr. Tony Denton, 1 November 2022

Executive Head: Matt Goodwin, 7 December 2022

Monitoring Officer: Mark Watkins, 23 December 2022

Section 151 Officer: Malcolm Coe, 22 December 2022

Contact Officer:

Name: Annessa Salmon
Job Title: Interim HR Lead
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E-Mail: annessa.salmon@havant.gov.uk

Appendix 1 – Employer and Employee Savings Tables

Shared Cost AVC Employer Estimated NIC Savings table

The estimated savings are calculated using the following data

	Year 1	Year 2	Year 3			
Number of LGPS members	243	243	243			
Number of current standard AVC members (less 10%*)	6	12	24			
Total AVC paid pm	£1,668	£3,600	£7,200			
Total AVC per year	£20,020	£43,200	£86,400			
Average AVC per month	£278pm	£300	£300			
% take up	2.53%	5.19%	10%			
* It is estimated that 10% of staff will stay in the current standard AVC						
	Standard AVC			Shared Cost AVC Scheme		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Estimated gross employer NIC and apprenticeship levy savings (14.30%)	Nil	Nil	Nil	£2,853	£6,157	£12,314
Less FMS fees (4.5%)	Nil	Nil	Nil	£898	£1,938	£3,875
Estimated net savings	Nil	Nil	Nil	£1,955	£4,219	£8,439

Shared Cost AVC Employee Savings Tables

Table 1.

Employee pays £250 per month into a SCAVC and pays basic rate (20%) income tax and national insurance

	<u>Per month</u>	<u>Per year</u>
AVC amount	£250.00	£3,000.00
Cost to employee	£170.12	£2,041.44
Tax/NIC saving	£79.88	£958.56
% growth on every £1 saved	46.96%	46.96%

In this example after only 12 months the employee has saved nearly £960 through the tax system (it has cost the employee £2,041 to grow their AVC into £3,000).

Table 2.

Employee pays £250 per month into a SCAVC and pays higher rate (40%) income tax and national insurance

	<u>Per month</u>	<u>Per year</u>
AVC amount	£250.00	£3,000.00
Cost to employee	£141.91	£1,702.92
Tax/NIC saving	£108.09	£1,297.08
% growth on every £1 saved	76.17%	76.17%

In this example after only 12 months the employee has saved nearly £1,300 through the tax system (it has cost the employee £1,702 to grow their AVC into £3,000).

NON EXEMPT

HAVANT BOROUGH COUNCIL

HUMAN RESOURCES COMMITTEE – 9th March 2023

Pay Policy Statement and Pensions Policy

FOR DECISION

Portfolio Holder: Councillor Tony Denton

Key Decision: No

Report number: HBC/120/2023

1. Purpose

- 1.1 This paper is submitted to the Human Resources Committee, in order for the Authority to:
- Meet a statutory responsibility to prepare and publish a Pay Policy Statement annually.
 - Publish and keep under review a Statement of Policy on certain discretions contained in Pension Regulations.
- 1.2 The recommendations of the Committee will be laid before Full Council, for their approval.

2. Recommendation

- 2.1 HR Committee are requested to recommend to Full Council to approve:
- The Proposed 2023/24 Pay Policy Statement, as tabled in Appendix A
 - The Statement of Policy on Pensions, as tabled in Appendix B.

3. Executive Summary

- 3.1 The Localism Act 2011 places specific obligations on local authorities to be transparent and accountable for the way in which pay and awards are applied. The Act therefore requires each authority to produce a pay policy statement annually, to ensure pay information is available to members of the public for all levels of staff from chief officer level to the lowest paid employee.
- 3.2 A recommended Pay Policy Statement for 2023/24 has been prepared for consideration by the HR Committee, and then for onward approval by Full Council. This accounts for elements related to the ending of the Joint Management Team Agreement with East Hampshire District Council, and the implementation of new management and governance structures subsequent to that.
- 3.3 A full copy of the Pay Policy is provided in Appendix A.
- 3.4 In addition, under Pension Regulations, which came into force on 1 April 2014, each employer must publish and keep under review a Statement of Policy on certain discretions contained in the Regulations. An updated Policy has therefore been prepared, the main change in which concerns a Shared Additional Voluntary Contribution Scheme the Authority intends to introduce from April 2023.
- 3.5 A copy of the Pensions Policy Statement is provided in Appendix B.

4. Additional Budgetary Implications

- 4.1 No additional budget is being requested specifically pursuant to this policy. Committee will be aware, however, that the policy does require the Authority to consider National Joint Council deliberations on Local Government and Chief Officer Pay, and Joint National Council determinations on Chief Executive Pay. This is as per previous years. The pay policy may need to be reviewed in light of any agreements reached on pay and conditions this year, if there are material impacts.

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

5.1 The publication of these statements are statutory and regulatory requirements, therefore not optional. In addition, transparency in these areas is vital, in regards to the recruitment and retention of staff, and for the purposes of local accountability.

6. Options considered

6.1 Not drafting, agreeing and publishing these policies will put the Authority in breach of relevant statutes and regulations.

6.2 Whilst there can be no option to “Do Nothing”, elements of each policy can be considered. At this time, the main factors accounted for relate to the ending of the Joint Management Team Agreement with East Hampshire District Council, changes to the management team and governance, and a proposed decision to administer a Shared AVC scheme.

6.3 Longer term, the Authority will, in light of continuing economic and financial challenges nationally, fully review its pay policy, and individual elements of the pension discretions. This will be done by December 2023, and outcomes laid before the Committee for consideration.

7. Resource implications

7.1 Financial implications

7.1.1 The proposed policy does not, of itself, create any new or additional financial implications, beyond those already in place in regards to existing and previous iterations of this document. However, as the pay policy sets out the basis upon which staff are remunerated, and what additional benefits they receive, application of this policy will accrue financial consequences, for example, linked to the national pay negotiations. As a consequence, the outcomes of any national negotiations may trigger a review of the Policy, or consideration of financial impacts, under budget setting or review of the Medium Term Financial Strategy.

Section 151 Officer comments

As stated in the main body of the report the approval of the recommendations within this report do not in themselves have a direct financial implication.

7.2 Human resources implications

7.2.1 The policy itself does not create any new and material HR implications. The document has been revised to account for changes already made in structures and governance.

7.3 Information governance implications

7.3.1 No material impacts.

7.4 Climate and environment implications

7.4.1 No material impacts.

8. Legal implications

8.1 The publication of the pay policy statement is a legal requirement, under the Localism Act 2011.

8.2 In addition, under Pension Regulations, which came into force on 1 April 2014, each employer must publish and keep under review a Statement of Policy on certain discretions contained in the Regulations.

8.3 The Act sets out specific information that must be included in any Pay policy statement, which is as follows:

- the pay framework, level and elements of remuneration for Chief Officers;
- the pay framework and remuneration of the 'lowest paid' employees;
- the relationship between the remuneration of the Chief Officer and other officers;
- other policies relating to specific aspects and elements of remuneration such as pay increases, other allowances/payments, pension and termination payments.

Monitoring Officer comments

There is a statutory requirement for the council to consider and approve a pay policy statement each financial year.

The legislation referenced in the body of the Report sets out a clear expression of Parliament's desire that taxpayers can access information about how public money is spent on it's behalf. It translates this into a requirement for improved transparency over both senior officers' pay and that of the lowest paid employees within the organisation; manifesting itself in the policy statement which is the subject of this report.

9. Risks and mitigations

- 9.1 No specific risks associated with agreeing and publishing the tabled policies. The need to review both, in light of the emerging developments regarding pay negotiations, will allow consideration of mitigations should material impacts arise.

10. Consultation

- 10.1 Prior to tabling at the Human Resources committee, these policy statements have been subject to consultation with:

- The Management Team
- Cabinet
- Unison

11. Communications

- 11.1 Once approved by Full Council, both of these policies will be published on the Havant Borough Council internet and intranet.

12. Appendices

Appendix A – The 2023/24 Pay Policy Statement

Appendix B – Pensions Policy Statement

13. Background papers

None

Agreed and signed off by:

Portfolio Holder: Councillor Tony Denton

Executive Head: Matt Goodwin, 17 Feb 2023

Monitoring Officer: Mark Watkins, 17 February 2023

Section 151 Officer: Wayne Layton, 28 Feb 2023

Contact officer:

Name: Matt Goodwin

Job title: Executive Head, Internal Services

Email: matt.goodwin@havant.gov.uk

Havant Borough Council Pay Policy Statement Financial Year 2023/24

1. Purpose

This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and is updated annually from April each year.

This pay policy statement sets out Havant Borough Council's policies relating to the pay of its workforce for the financial year 2023/24, in particular:

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

This Policy Statement is an annual revision. It is available on the Council's website. The Council's website also includes separately published data on salary information relating to Chief Officers.

2. Scope

This statement applies to all employees of the council employed under the conditions of service of the following bodies:

- National Joint Council for Local Government Services;
- Joint Negotiating Committee for Chief Officers of Local Authorities;
- Joint Negotiating Committee for Local Authority Chief Executives

3. Definitions

For the purpose of this Pay Policy the following definitions will apply: -

"Pay" in addition to salary includes charges, fees, allowances, increases in/enhancements to pension entitlements, and termination payments.

"Day's Pay"

The definition of a day's pay is the hours worked on the day multiplied by the employee's hourly rate of pay.

"Chief Officer" refers to roles within Havant Borough Council within the corporate leadership team, which comprises Statutory and Non-Statutory Chief Officer posts;

- Chief Executive and Head of Paid Service
- All Executive Heads of Service
- Chief Legal Officer
- Chief Finance Officer

Officers within this Chief Officer group will normally hold Statutory functions (Head of Paid Service, S151 Officer, Monitoring Officer) unless delegated by exception.

“Deputy Chief Officer” i.e. all other Heads of Service and all senior managers if reporting directly to, or directly accountable to, a statutory or non-statutory Chief Officer in respect of all or most of their duties (excluding roles which are clerical or secretarial).

“Lowest paid employees” refers to those staff employed within grade A of the council’s pay framework. The above definition for the “lowest paid employees” has been adopted because grade A is the lowest grade on the Council’s pay framework.

“Employee who is not a Chief Officer” refers to all staff who are not covered under the “Chief Officer and Deputy Chief Officer” group above. This includes the “lowest paid employees” i.e. staff on grades A.

4. Pay and grading structure

4.1 General approach

Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the council’s business objectives and delivering services to the public. This must be balanced by ensuring remuneration is not, nor is seen to be, unnecessarily excessive. Across the country, any given council faces its own unique challenges and opportunities in doing so and retains flexibility to cope with various circumstances that may arise, including the use of market supplements or other such mechanisms for individual categories of posts where appropriate.

4.2 Responsibility for decisions on remuneration

It is essential for good governance that decisions on pay and reward packages for Chief Executives and Chief/Deputy Chief Officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.

Proposals for Chief and Deputy Chief Officer pay and pay progression are tabled in discussion between the Head of Paid Service and the Management Team. The outcomes are enshrined in Senior Pay Policy, which is subject to agreement by the Human Resources Committee.

Pay for senior staff is determined by the NJC Chief Officer pay negotiations. Any award given is effective from April of the relevant year and is formally noted by Human Resources Committee in line with HR standing orders.

Havant Borough Council's pay framework was implemented in April 2007 in line with national guidance, with the grade for each role being determined by a consistent job evaluation process. This followed a national requirement for all Local Authorities, and a number of other public sector employers, to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer. As part of this Havant Borough Council determined a local pay framework reducing the overall number of grades to 11.

Pay awards are considered annually for staff. For those staff up to and including grade K and senior Manager level posts, the outcome of the national consultations by the Local Government Employers in negotiation with the Trades Unions is applied.

The pay award for all staff is also formally noted at the Human Resources Committee. The committee comprises elected Councillors and has responsibility for local terms and conditions of employment for staff within the council's pay framework that falls outside the delegated powers of the Head of Paid Service and Executive Head of Internal Services.

4.3 Salary grades and grading framework

Salary grades for staff who are not Chief Officers or Deputy Chief Officers are determined in line with the NJC job evaluation scheme (using GAUGE), with the grade for each role being determined by a consistent job evaluation process.

There are 11 grades (A-K) in the pay framework, grade A being the lowest and grade K the highest. Each employee will be on one of the 11 grades. Based on the job evaluation of their role, the following grading structure with incremental points will apply as follows:

Grade *Number of Spinal Points*

<i>A</i>	<i>2</i>
<i>B</i>	<i>2</i>
<i>C</i>	<i>4</i>
<i>D</i>	<i>5</i>
<i>E</i>	<i>7</i>
<i>F</i>	<i>6</i>
<i>G</i>	<i>5</i>
<i>H</i>	<i>9</i>
<i>I</i>	<i>5</i>
<i>J</i>	<i>5</i>
<i>K</i>	<i>5</i>

Employees can progress to the salary range maximum of their grade, subject to assessment of their performance in the appraisal performance process.

The rise in the National Living Wage rates continue to be monitored and outcomes determined nationally will be considered in the context of increments and bands, as and when relevant. Currently, the Authorities lowest pay band exceeds the National Living Wage.

Details of senior management remuneration are published annually on the Council's website as part of this Pay Policy Statement and in the Council's Statement of Accounts.

4.4 Reward Principles

In order to fulfil the strategic priorities, set out within the Corporate Strategy, the Council recognises that the approach to pay and reward needs to reflect modern employment practices and continuously keep abreast of the employment market.

The Council has a reward strategy in place which has three core aims:

- 1) to drive a culture which motivates reward,
 - 2) to reduce and ultimately remove all barriers to a fair and attractive reward package and
 - 3) to align reward with the Councils' resources and financial requirements.
- To achieve these aims we ensure that we review and continually develop reward practices to reflect modern and innovative trends in reward within the context of local and national collective agreements.

The outcomes of this reward strategy mean we have a reward package in place which is attractive to job seekers, helps the Council to retain talented employees, ensures managers reward staff and teams fairly and there is an ethical, open and transparent decision making relevant to reward.

5. Remuneration – level and element

5.1 Salaries

5.1.1 “Chief Officers”

Chief/Deputy Chief Officers are paid outside of the council's pay framework. There is a specific senior pay policy in place which deals with Chief and Deputy Chief Officer pay. Broadly, the following principles are applied:

- Chief Officer pay is based on a broad band approach and is set at market rate plus. This means that the entry point of the pay scale is 15% below market rate plus and the top of the scale is 15% above

market rate plus. The mid-point of the scale is set at market rate plus. Market rate plus means the council is committed to paying 5% above the market rate based on relevant market data

- There are different bands for senior roles based on hierarchy and each Chief/Deputy Chief Officer are paid a spot salary within the pay band described above,
- the Chief/Deputy Chief Officer pay band is benchmarked to ensure pay remains competitive in the market place. In determining Chief/Deputy Chief Officer pay, relevant available information, including the salaries of Chief/Deputy Chief Officers in other similar sized organisations is considered
- National and local pay awards which are applied across the Councils to all grades of staff below senior management do not apply to senior level roles. Pay for senior staff is determined by the JNC Chief Officer pay negotiations. Any award given is effective from April of the relevant year and is formally noted by the Human Resources Committee in line with HR standing orders.

5.1.2 Chief Executive

The Chief Executive is the council's Head of Paid Service. The remuneration for the Chief Executive is paid under the auspices of the Senior Pay Policy. The annual pay review takes place annually each year from 1 April. Awards will be applied as per agreements reached and notified by the Joint Negotiating Committee for Local Authority Chief Executives

5.1.3 "Lowest paid employees"

Each "lowest paid employee" is paid within the salary range for grade A.

5.2 Other pay elements

"Chief/Deputy Chief Officers" are subject to the same performance management process as the "lowest paid employees" and "employees who are not Chief Officers".

Targets are set and performance against those targets is assessed. Chief/Deputy Chief Officers do not receive any incremental or step progression as they are on a spot salary.

An incremental pay award for any staff member may be withheld in exceptional circumstances due to poor performance. Separate capability processes are applied in such cases.

5.3 Charges, fees or 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 council's collective agreement and subsequent amendments.

Any honorarium that is paid will be paid in accordance with Havant Borough Council's arrangements for such additional payments. Further details can be provided on request.

Any travel expenses reasonably incurred by an employee in the course of their duties will be reimbursed upon production of appropriate receipts and must be authorised by their line manager before payment will be made. Further detail can be provided on request.

Any subsistence allowance that is paid will be in accordance with the council's policy.

Further details on allowances and payments are available on request.

5.4 Electoral Duties

No fees for election duties are included in the salaries of Chief/Deputy Chief Officers. Any additional fees payable for such responsibilities 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 elections. Special fees are paid for Returning Officer duties which are not part of the post holder's substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role.

The Returning Officer is an officer of the District Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the District Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from their duties as an employee of the District Council. As Returning Officer, they are paid a separate allowance for each election for which he/she is responsible in accordance with accepted national and regional scales and criteria which is approved annually by the Home Office and Electoral Claims Unit.

5.5 Performance Management

High levels of performance are expected of all of our employees. Performance and contribution during the course of the year is reviewed within the annual appraisal process.

This process provides for the setting of targets on an annual basis and review of the employee's achievement against those targets.

Where a member of staff is employed within the salary and grading framework set out in 4.3, following assessment of the employee's achievement against targets the reviewing manager will recommend a rating for each employee. This will normally result in the progression of one incremental step but will not take the salary above the salary range maximum. If an employee is at the top of their grade there will be no further increase. Except in rare cases of poor performance, incremental progression will be applied where relevant.

Any salary changes following assessment under the Appraisal process will normally be effective from 1 April each year.

5.6 Other:

- a) Staff members are entitled to access corporate rates for dental and health cash plans through a third-party supplier.
- b) A single financial benefit is payable upon death of any member of staff. The benefit is paid to either widows, widowers, civil partners, cohabiting partners without a legal status or dependent children under the age of 19 who are still in full time education. The benefit is equivalent to the greater of; one twelfth of one year's salary, or £1500 after five years' service, or £2,000 after ten years' service or £2,500 after twenty years' service.
- c) Staff are entitled to discounts for local leisure facilities. The extent of the discount varies according to the facility.

5.8 Car, Motorcycle and Bicycle Loans

The current scheme offers car, motorcycle and bicycle loans up to a maximum of £20,000 and the total loan must be no more than 50% of the employee's gross salary.

These are only available to those staff who are deemed to be 'essential users' who have successfully completed their probationary period. The loan rate is in line with the HMRC official interest rate at the date the loan is taken out and is fixed for the period of the loan. The term of the loan is up to a maximum of five years.

5.9 Pension

All employees as a result of their employment are eligible to join the Local Government Pension Scheme. There are no increases or enhancement to pension entitlements.

5.10 Severance Payments

On ceasing to be employed by Havant Borough Council, individuals will only receive compensation:

- a) in circumstances that are relevant (e.g. redundancy)

- b) that is in accordance with our published policy statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
- c) that complies with the specific term(s) of a settlement agreement

We are already required to publish our policy on discretionary payments on early termination of employment as well as publishing our policy on increasing an employee's total pension scheme membership and on awarding additional pension.

It is important that the council has flexibility to respond to unforeseen circumstances as regards re-employing former employees as a Chief Officer.

If we re-employ a previous employee who received a redundancy or severance package on leaving, or if that person returns on a 'contract for services', or if they are in receipt of a Local Government Pension Scheme (with same or another local authority), then the decision to re-employ will be made on merit, taking into account the use of public money and the exigencies of the council. Decisions taken in respect of re-employment of former employees in receipt of a redundancy/severance package will be taken in line with legislation in force at that time.

5.11 New starters joining the Council

Employees new to the council and who are not Chief Officers or Deputy Chief Officers will normally be appointed to the first point of the salary range for their grade. Where the candidate's current employment package would make the first point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a higher salary may be considered by the recruiting manager. This will be within the salary range for the grade. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.

Employees new to the council who are appointed to Chief Officer or posts outside of the salary and grading structure (see 4.3) will be paid a fixed salary for the post (see 5.1.1) within the appropriate band.

5.12 Apprenticeship Posts

The council employs apprentices through an approved Apprentice Framework. Apprentices are appointed onto the grade appropriate for the post.

6. Relationship between remuneration of “Chief Officers” and “employees who are not Chief Officers”

The Local Government Association has offered advice on the Government’s requirement in reporting remuneration relationships. The advice is that the measure of the relationship between Chief Officers and employees who are not Chief Officers be considered on the ratio between the highest paid employee and the median average earnings across the organisation as a multiple. This has been calculated as at 1st April 2021 as follows:

Mean Calculation

Remuneration for the Chief Executive (excluding pension contributions)	£126,035
Mean average earnings for all employees at the Council (excluding pension contributions)	£38,123.01
Ratio	1:3.3

Ratio between the highest paid employee and the lowest paid employee

Remuneration for the Chief Executive (excluding pension contributions)	£126,035
Pay for the lowest paid employee at the Council (excluding pension contributions)	£21,189
Ratio	1:5.9

7. Review

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Havant Borough Council’s annual statement is normally scheduled for approval by Full Council in advance of 1 April each year, unless there are exceptional circumstances.

If it should be necessary to amend this statement during this financial year, an appropriate resolution will be made by Full Council.

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HAVANT BOROUGH COUNCIL

Pensions Policy Statement

The Local Government Pension Scheme Regulations 2013

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014

Introduction

Under the above regulations which came into force on 1 April 2014, each employer must publish and keep under review a Statement of Policy on certain discretions contained in the Regulations.

This Statement of Policy is applicable to all employees of Havant Borough Council who are eligible to be members of the Local Government Pension Scheme. This policy will be reviewed periodically and if the council decides to change its policy, it will publish a statement of the amended policy within one month of the date of its decision.

The Council will exercise its discretionary powers as set out below:

1. For members who continue in the LGPS at 1 April 2014, or join it from 1 April 2014

Regulation 16 (2e) (4d) Shared cost additional pension contributions

The Council will only contribute to the cost of a member's additional pension contributions where required to do so under the LGPS Regulations. Where a member is voluntarily making additional pension contributions, the Council will not consider meeting any part of that cost.

Regulation 30 (6) Power to allow flexible retirement

The Council will consider all written requests for flexible retirement and will only approve a request when it is in the Council's interests to do so. Consent to pension benefits being paid, in line with age eligibility, may be approved provided the employee's remuneration is permanently reducing by at least 40 per cent through a reduction in hours or grade. Consideration will be given to the requirements of the service and any early retirement charge which is payable to the Pension Fund being considered affordable in each case.

In exceptional circumstances the Council may consider waiving the member's early payment reduction and this must be agreed by an Executive Head or the Chief Executive.

Regulation 30 (8) Waiving of actuarial reductions

As a rule, the Council will not waive actuarial reductions applicable to an employee who retires voluntarily between 55 and Normal Pension Age. Any exceptional cases supported by a business case to be determined by Management Team. HBC will not consent to ex-employees taking deferred benefits unless there is no cost to the council.

Regulation 31 Power to award additional pension

As a rule, the Council will not award additional pension or membership. Any exceptional cases supported by a business case are to be determined by Management Team. However, if employees are retired in the interests of efficiency, the Chief Executive or an Executive Head will consider buying additional pension in the LGPS using an amount no greater than the payment that would have been received had an employee been made redundant. There may be tax implications associated with this.

Other – Augmentation of redundancy payments

The part of an employee's redundancy payment that relates to earnings in excess of the statutory maximum can be used to buy additional service in the Local Government Pension Scheme. This option is only open to employees if they request it before employment ceases. Employees should note that there may be tax implications.²

2. For those who stopped contributing to the LGPS between 1 April 2008 and 31 March 2014:**LGPS Regulations 2014 (Transitional provisions, savings and amendments - paragraph 2 (2) of schedule 2) - Switching on the 85-year rule**

As a rule, the Council will not switch on the 85-year rule. Any exceptional cases supported by a business case to be determined by Management Team.

Regulation B30 (2) (5), B30A (3)(5) Post - 31 March 2008 / pre - 1 April 2014 leavers early payment of pension

As a rule, the Council will not switch on the 85-year rule. Any exceptional cases supported by a business case to be determined by Management Team.

Set out below are details of Havant Borough Council current Optional policies**17 (1). To operate a shared cost Additional Voluntary Contribution (AVC) Scheme.**

The Council will be offering a Shared Cost AVC scheme, subject to agreement by the Human Resources Committee and will pay shared cost AVCs where an employee has elected to pay AVCs by salary sacrifice. The amount of these employer shared cost AVCs will not exceed the amount of salary sacrificed by the employee. This discretion is subject to the employee meeting the conditions for acceptance into the salary sacrifice shared cost AVC scheme and may be withdrawn or changed at any time.

32. The 12-month time limit for transferring pension rights (deferred benefits) from a previous LGPS fund or employer may be extended (but only where there has not been an option to transfer with a previous LGPS employer).

With the exception of any current employee who took a preserved benefit when they received an enforced reduction in pensionable remuneration, the Council will only accept elections to combine pension rights from previous local government employment with a current period of membership, which are made within 12 months of re-joining the scheme.

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NON-EXEMPT

HAVANT BOROUGH COUNCIL

HUMAN RESOURCES COMMITTEE – 9th March 2023

Updates on Pay Awards and the Senior Pay Policy

For Noting Only

Portfolio Holder: Councillor Tony Denton

Key Decision: No

Report number: HBC/121/2023

1. Purpose

1.1 This paper is submitted to the Human Resources Committee, for the purposes of noting:

- Revised payscales, post application of the National Joint Council (NJC) Local Government Pay Agreement for 2022/23.
- The updated Senior Management Pay Policy to account for a) NJC agreement on Chief Officer pay and b) a textual clarification on leave.

2. Recommendation

2.1 HR Committee are asked to note these items.

3. Executive Summary

3.1 In November 2022, the Authority were notified of the:

- National Joint Council for local government services pay agreement for 2022/23.
- Joint Negotiating Committee for Chief Officers of Local Authorities pay agreement for 2022/23
- Joint Negotiating Committee for Chief Executives of Local Authorities

From these agreements, the key points to note are:

- All pay points on the NJC spine, and salaries for Chief Officers and Chief Executives, were subject to an uplift of £1925, backdated to April 2022.
- An additional day's leave will apply from April 2023. This has been applied to all staff.

These are noted in revisions to the Havant Borough Council Terms and Conditions, as tabled in Appendix A, and the Senior Management Pay Policy, as noted in Appendix B.

4. Additional Budgetary Implications

- 4.1 Further to the commitment to pay nationally agreed uplifts, an additional £511K of pay costs have been incurred in 22/23 and will be recurrent. Pay uplifts are accounted for during budget setting and associated governance.

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

- 5.1 This report is for noting only and is pursuant to national agreements for pay and conditions, as applied under the Council's Pay Policy Statement.

6. Options considered

- 6.1 Not applicable. This report is for noting only.

7. Resource implications

7.1 Financial implications

- 7.1.1 Application of pay uplifts has budgetary implications, which are covered during budget setting and associated governance.

7.2 Human resources implications

- 7.2.1 Agreed pay uplifts are applied within the shortest time frame practical after agreement, and in accordance with our Pay Policy Statement. For Havant Borough Council employees this was 31 December 2022.

7.3 Information governance implications

- 7.3.1 No material impacts.

7.4 *Climate and environment implications*

7.4.1 No material impacts.

8. Legal implications

8.1 None noted or considered. This report is for noting only.

9. Risks and mitigations

9.1 None noted.

10. Consultation

10.1 These matters are subject to consultation with all relevant unions, and, via them, their membership. No other consultation is covered.

11. Communications

11.1 The national agreements and local application of them was communicated via the Fountain Live and the intranet, in November 2022.

12. Appendices

Appendix A1 – Updated Havant Borough Council Terms and Conditions, 22/23
(applicable December 2022 to March 23)

Appendix A2 - – Updated Havant Borough Council Terms and Conditions, 22/23
(applicable April 23 to March 24)

Appendix B – Updated Senior Management Pay Policy

13. Background papers

None

Agreed and signed off by:

Portfolio Holder: Councillor Tony Denton, 27 February 2023

Executive Head: Matt Goodwin, 27 Feb 2023

Monitoring Officer: Mark Watkins, 1 March 2023

Section 151 Officer: Wayne Layton, 28 Feb 2023

Contact officer:

Name: Matt Goodwin, Executive Head, Internal Services

Email: matt.goodwin@havant.gov.uk

HBC Terms and Conditions April 2022 to Mar 2023

Grade	SCP	Salary*	Salary with 22/23 Rise*	New Hourly Rate (£/hr)	Holiday* Pre 01.04.17 (Full Time)		Holiday* Post 01.04.17 (Full Time)		Notice Period	Sickness Payments											
					Basic	After 5 Years	Basic	After 5 Years													
A	3	18,887	20,812	10.79	24 days	29 days	25 days 185 hrs	30 days 222 hrs	1 Month	During 1st year of service		1 months full pay and after completing 4 months service, 1 month's full pay and 2 months half									
	4	19,264	21,189	10.98	177.6 hrs	214.6 hrs				During 2nd year of service		2 months full pay and 2 months half pay									
B	4a	19,264	21,189	10.98						During 3rd year of service		4 months full pay and 4 months half pay									
	5	19,650	21,575	11.18						During 4th and 5th years of service		5 months full pay and 5 months half pay									
C	5a	19,650	21,575	11.18						During 5 years of service		6 months full pay and 6 months half pay									
	6	20,044	21,969	11.39																	
	7	20,443	22,368	11.59																	
	8	20,853	22,778	11.81																	
D	9	21,270	23,195	12.02																	
	10	21,695	23,620	12.24																	
	11	22,130	24,055	12.47																	
	12	22,571	24,496	12.70																	
E	13	23,023	24,948	12.93																	
	14	23,484	25,409	13.17																	
	15	23,954	25,879	13.41																	
	16	24,432	26,357	13.66																	
	17	24,921	26,846	13.91																	
	18	25,419	27,344	14.17																	
	19	25,927	27,852	14.44																	
	20	26,445	28,370	14.71																	
F	21	26,974	28,899	14.98	27 days	30 days	27 days 199.8 hrs	30 days 222 hrs	2 Months	Actual Pensionable Pay											
	22	27,514	29,439	15.26						Up to £15,000	5.50%	2.75%									
	23	28,227	30,152	15.63						£15,001 to £23,600	5.80%	2.90%									
	24	29,175	31,100	16.12						£23,601 to £38,300	6.50%	3.25%									
	25	30,094	32,019	16.60						£38,301 to £48,500	6.80%	3.40%									
G	26	30,984	32,909	17.06					£48,501 to £67,900	8.50%	4.25%										
	27	31,894	33,819	17.53					£67,901 to £96,200	9.90%	4.95%										
	28	32,798	34,723	18.00					£96,201 to £113,400	10.50%	5.25%										
	29	33,486	35,411	18.35					£113,401 to £170,001	11.40%	5.70%										
	30	34,374	36,299	18.81					£170,001 or more	12.50%	6.25%										
	31	35,337	37,262	19.31																	
H	32	36,370	38,295	19.85	28 days	31 days	28 days 207.2 hrs	31 days 229.4 hrs	3 Months	HBC Business Mileage Scheme											
	33	37,569	39,494	20.47						Essential rate: 49.4p per mile											
	34	38,554	40,479	20.98						Casual rate 19.3p per mile											
	35	39,570	41,495	21.51						Passenger: 10p per mile regardless of number of passengers											
	36	40,579	42,504	22.03																	
	37	41,592	43,517	22.56																	
	38	42,614	44,539	23.09																	
	39	43,571	45,496	23.58																	
I	40	44,624	46,549	24.13																	
	41	45,648	47,573	24.66																	
	42	46,663	48,588	25.18																	
	43	47,665	49,590	25.70																	
	44	48,645	50,570	26.21																	
	45	49,725	51,650	26.77																	
J	46	50,773	52,698	27.31																	
	47	51,812	53,737	27.85																	
	48	52,839	54,764	28.39																	
	49	53,968	55,893	28.97																	
K	50	55,131	57,056	29.57																	
	51	56,337	58,262	30.20																	
	52	57,586	59,511	30.85																	
	53	58,874	60,799	31.51																	
	54	60,185	62,110	32.19																	
	55	61,531	63,456	32.89																	
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HBC Terms and Conditions from April 2023

Grade	SCP	Salary with 22/23 Rise*	New Hourly Rate (£/hr)	Holiday* Pre 01.04.17 (Full Time)		Holiday* Post 01.04.17 (Full Time)		Notice Period	Sickness Payments											
				Basic	After 5 Years	Basic	After 5 Years													
A	3	20,812	10.79	25 days	30 days	26 days 192.4 hrs	31 days 229.4 hrs	1 Month	During 1st year of service		1 months full pay and after completing 4 months service, 1 month's full pay and 2 months half									
	4	21,189	10.98	185 hrs	222 hrs				During 2nd year of service		2 months full pay and 2 months half pay									
B	4a	21,189	10.98	26 days 192.4 hrs	30 days 222 hrs				During 3rd year of service		4 months full pay and 4 months half pay									
	5	21,575	11.18						During 4th and 5th years of service		5 months full pay and 5 month's half pay									
	C	5a	21,575						11.18	During 5 years of service		6 months full pay and 6 months half pay								
6		21,969	11.39																	
7		22,368	11.59																	
D	8	22,778	11.81																	
	9	23,195	12.02																	
	10	23,620	12.24																	
E	11	24,055	12.47																	
	12	24,496	12.70																	
	13	24,948	12.93																	
	14	25,409	13.17																	
	15	25,879	13.41																	
	16	26,357	13.66																	
	17	26,846	13.91																	
	18	27,344	14.17																	
	19	27,852	14.44																	
	20	28,370	14.71																	
F	21	28,899	14.98	28 days	31 days	28 days 207.2 hrs	31 days 229.4 hrs	2 Months	Local Government Pension Scheme Contribution Rates											
	22	29,439	15.26	Employee pension contribution bands for 22/23																
	23	30,152	15.63	Actual Pensionable Pay																
	24	31,100	16.12	Up to £15,000																
	25	32,019	16.60	£15,001 to £23,600																
	26	32,909	17.06	£23,601 to £38,300																
G	27	33,819	17.53	£38,301 to £48,500																
	28	34,723	18.00	£48,501 to £67,900																
	29	35,411	18.35	£67,901 to £96,200																
	30	36,299	18.81	£96,201 to £113,400																
	31	37,262	19.31	£113,401 to £170,001																
H	32	38,295	19.85	29 days	32 days	29 days 214.6 hrs	32 days 236.8 hrs	3 Months	£170,001 or more											
	33	39,494	20.47	HBC Business Mileage Scheme																
	34	40,479	20.98	Essential rate: 49.4p per mile																
	35	41,495	21.51	Casual rate 19.3p per mile																
	36	42,504	22.03	Passenger: 10p per mile regardless of number of passengers																
	37	43,517	22.56																	
	38	44,539	23.09																	
	39	45,496	23.58																	
I	40	46,549	24.13																	
	41	47,573	24.66																	
	42	48,588	25.18																	
	43	49,590	25.71																	
	44	50,570	26.21																	
J	45	51,650	26.77																	
	46	52,698	27.31																	
	47	53,737	27.85																	
	48	54,764	28.39																	
K	49	55,893	28.97																	
	50	57,056	29.57																	
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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	3.1 March 2023; Applies 1 st April 2023
Related Procedures	n/a

Contents

Section	Title	Page
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2	Scope	3
3	Outline of the Scheme	3-4
4	Additional Terms	5
5	Review	5

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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. This updates the policy agreed September 2022, in regards to national pay awards notified November 2022, and for a textual clarification on leave awards.

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	£107,419	£126,035	£144,652
Chief Officers (Executive Heads of Service and statutory officers)	£75,925	£89,425	£102,925
Senior Technical Officers (subject to Management team approval)	£69,925	£75,925	£81,925

- 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 a 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. This does not apply to the Chief Executive whose pay is determined by the Leader of the Council (paragraph 3.8)

- 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).
- 4.2. 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. Senior officers are expected to attend the office at least 3 days per week.
- 4.3. Annual leave entitlement will be as follows:
 - 4.3.1. 26 days on appointment and 31 days after five years' local government service;
or
 - 4.3.2. 30 days increasing to 35 days after five years' service for those employed in a chief officer or deputy chief officer post at HBC before April 2017 and who benefit from a previously acquired contractual right to this privilege.

For the avoidance of doubt, employees employed before April 2017 and to whom this senior pay policy applies but who do not have the right set out in 4.3.2 above shall only receive the leave entitlement set out in 4.3.1

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.