# Hertsmere Borough Council - Pay Policy Statement 2025/26

# Introduction

1.1 This Pay Policy Statement sets out Hertsmere Borough Council’s approach to pay for its workforce, in accordance with the requirements of the Localism Act 2011.

1.2 The purpose of the statement is to provide transparency, accountability and fairness with regard to the council’s approach to setting the pay of its employees by identifying:

* the methods by which salaries of all employees are determined.
* the detail and level of remuneration of its staff including its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation.
* the Committees responsible for ensuring the provisions set out in this statement are applied consistently throughout the council and recommending any amendments to the full council.

# Legislative Context

2.1 The Localism Act 2011 (Section 38) requires local authorities to publish an annual Pay Policy Statement.

2.2 In determining the pay and remuneration of its employees, the council will comply with all relevant employment legislation. (including Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations). With regard to the Equal Pay requirements contained within the Equality Act, the council ensures that all pay arrangements can be objectively justified through the use of defined job evaluation schemes.

# Transparency, Publication and Review

3.1 This policy statement has been approved by full council on 26 February 2025 and is effective from 1 April 2025. It will be published on the Council’s website. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

3.2 Details of salaries for employees earning £50,000 or more per annum, including bonuses, benefits, and severance payments, are published annually in the Council's financial statements and on the website.

# Accountability and decision making

4.1 In accordance with the constitution of the council, Decisions on the overall pay strategy and pay policies are taken by the Personnel Committee, subject to the financial implications being agreed by the Cabinet within the budgetary framework approved by the Full Council. The application of agreed pay policies to individual employees at Director level and below, is the responsibility of the Chief Executive as ‘Head of the Paid Service’, with specific responsibilities delegated to the Executive Director and other senior officers.

4.2 The application of agreed pay policies to the Chief Executive, will be determined by the Leader of the Council.

4.3 The application of agreed pay policies to the Executive Director will be determined by the Chief Executive. The application of agreed pay policies to Heads of Service (as Deputy Directors) is also the responsibility of the Chief Executive in conjunction with the Executive Director.

# Hertsmere Borough Council – the local context

5.1 Hertsmere Borough Council is a district council located adjacent to the outer London boroughs of Harrow, Enfield and Barnet, just 13 miles from the centre of London. There is a high incidence of commuting in the borough, which impacts on the local employment market and levels of pay, particularly for jobs that require skills that are in relatively short supply. Like many employers in both the private and public sector, recruitment and retention is a key issue, especially in planning, finance, legal, environmental health, estates, street scene and parking services. This puts pressure on the Council’s budget and the pay strategy and policies need to continue to play an important role in attracting and retaining the best people.

# The Council’s Pay Strategy

**6.1 Determining overall pay levels through the council’s Pay Progression Policy** – The Pay Policy is based on a locally determined pay scheme this allows the council to assess the right pay levels based on a number of key factors, including ability to pay and local, regional and national pay comparators. In determining its pay policy the council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently. For most local authorities in England and Wales major decisions on pay, such as annual pay awards, are determined by the National Agreement on Pay, arrived at through a system of central collective bargaining between representatives of the Local Government employers and representatives of the relevant trade unions on the National Joint Council. Hertsmere Borough Council came out of the National Agreement on Pay for its staff more than 25 years ago and has conducted local pay negotiations since that time. This also enabled Hertsmere to introduce performance related pay progression and there have been no automatic pay increments given on a ‘time served’ basis in the Council since this time.

**6.2 Determining grading structure** –see section 7.

**6.3 Defining the role using Job Descriptions –** this describes the activities, responsibilities, accountabilities and behaviours which relate to each job and helps ensure that the role and its requirements is fully understood by the individual and the manager. This allows the council to assess the performance of its staff and so improves efficiency and effectiveness.

**6.4 Determining the job size using Job Evaluation** – this process ranks all the council’s jobs using the PE Inbucon job evaluation scheme (a private sector scheme which has been adapted for Local Government) in order to ensure fairness and transparency and to allow for direct comparison between roles. The Grading Review Policy applies to all posts on Inbucon Grades.

# Pay scales & grading structure

7.1 The Council operates the following pay scales which can be seen in Appendix A:

**7.2 Chief Executive Pay-scale** - The council believes that additional or specific requirements are necessary for the employment and reward of senior manager to reflect the nature of their roles, responsibilities and accountabilities and the national employment market. This is an incremental pay-scale whereby employees are placed on an incremental salary scale point with annual reviews dependent upon performance**.** The current job evaluation for the Chief Executive is based on the Local Government Association (LGA) Senior Managers’ Job Evaluation Scheme adopted in June 2017.

**7.3 Executive Director Pay-scale** - This is an incremental pay-scale whereby employees are placed on an incremental salary scale point with annual reviews dependent upon performance**.** The current job evaluation for the Executive Director is based on the Local Government Association (LGA) Senior Managers’ Job Evaluation Scheme adopted in June 2017.

**7.4 Heads of Service Plus Pay-scale** - This is an incremental pay-scale whereby employees are placed on an incremental salary scale point with annual reviews dependent upon performance**.** The current job evaluation for the Heads of Service (Plus) is based on the Local Government Association (LGA) Senior Managers’ Job Evaluation Scheme adopted in June 2017.

## 7.5 Heads of Service Pay-scale - This is an incremental pay-scale whereby employees are placed on an incremental salary scale point with annual reviews dependent upon performance. The current job evaluation for the Heads of Service is based on the Local Government Association (LGA) Senior Managers’ Job Evaluation Scheme adopted in June 2017.

**7.6 General staff Pay-scale** – The general pay-scale is arranged into 12 grades each with a minimum, market related and maximum point. The standard pay policy enables employees to be appointed between the minimum and market related point of the grade. After 3 years’ of service employees can move to the market related point of the grade based on being fully competent in the role. The Pay Progression Policy does include provision for progression above the MRP for professionally qualified Planning Officers and Environmental Health Officers to address current recruitment and retention in these area.The pay structure for the majority of staff is underpinned by the Inbucon job evaluation scheme (a private sector scheme which has been adapted for local government)

**7.7 Waste site based staff Pay-scale** – This pay-scale includes spot salaries for grades 12D, 12C, 12C+, 11B and a spot starting salary and a spot salary after one years’ service for HGV drivers (Grade 10A), progression is assessed on performance.The pay structure for waste site based staff is underpinned by the Inbucon job evaluation scheme.

# Other Pay Policies

**8.1 Market Supplements**

 Where necessary the council may apply market supplements for specific roles in order to ensure that it can recruit and retain the best staff. This approach will only be adopted where there is clear evidence of recruitment difficulty and any such payments will be time limited and in accordance with the council Retention Payment Policy. As at 1 April 2024, the Council has retention payments in place to support recruitment and retention of the following roles:

* HGV Drivers: £2,000 per annum.
* Refuse Recycling Staff (Grades 11B, 12C+, 12C, and 12D): £1,400 per annum.

**8.2 Individual Salary Review Scheme**

 Managers have the discretion to recommend an employee for progression beyond the MRP of the grade when they have demonstrated exceptional performance or are permanently undertaking additional responsibilities which do not warrant a re-grade.

**8.3 Acting-Up Policy**

 Acting Up payments are paid when an employee has taken on additional duties and responsibilities for a defined period of time, for example covering a vacancy or taking on a special project.

**8.4 Career Grade Scheme**

 The career grade scheme introduces new recruits to a post on a dual grade, they will not initially fulfill all the responsibilities of the higher grade in the range. These employees will have an opportunity to receive academic training for a professional qualification and/or a comprehensive on the job training programme to enable them to gain the skills, experience and qualifications needed to undertake the full role. Employees on a career grade will progress more rapidly than other recruits and this scheme rewards their professional development and academic success.

**8.5 Allowances**

 From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract where specific circumstances require this and where it can be justified in accordance with council policies. Such allowances are agreed locally and are determined by council policy and or specified in employment contracts. For example:

* Car Allowance
* First Aid Allowance
* Mileage Rates (Information in Contracts of Employment)
* Overtime Policy
* Standby Policy
* Expenses Claims/Subsistence Policy

# Senior Posts

9.1 The organisational structure for senior posts is available via Link.

9.2 Pay packages for these roles are reviewed to ensure they remain competitive and proportionate in comparison with other staff.

9.3 The council’s policy and procedures with regard to recruitment of chief officers is set out within the Constitution.

9.4 The posts falling within the statutory definition of ‘chief officer’ have been defined by Hertsmere to include the Chief Executive, the Executive Director, the Heads of Service Plus and the Heads of Service:

**9.5 Remuneration Package for the Chief Executive** – As at 1 April 2024 there is one permanent full time employee who is also the Head of Paid Service.

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| --- | --- |
| **Pay Element**  | **Amount** |
| Annual Salary | See Appendix A for pay-scale |
| Health Care Insurance Allowance | £2,726 (in 2024/25) |
| Transport Allowance | £5792.80 (in 2024/25) |
| Interest Free Car Loan facility | Facility utilised. As the car loan is over £10,000 it is a taxable benefit and is subject to taxation by the HMRC. The P11D cash equivalent figure reported to HMRC for 2023/24 was £214.58 |
| Returning Officer’s Fees  | £7,346 (in 2024/25) |

**9.6 Remuneration Package for the Executive Director** – As at 1 April 2024 there is one permanent full time employee.

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| **Pay Element**  | **Amount** |
| Annual Salary | See Appendix A for pay-scale |
| Health Care Insurance Allowance | £2,726 (in 2024/25) |
| Interest Free Car Loan facility | Not utilised |

**9.7 Remuneration Package for the Heads of Service Plus** – As at 1 April 2024 there are 3 permanent full time employees on this grade.

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| **Pay Element** | **Amount** |
| Annual Salary | See Appendix A for pay-scale |
| Interest Free Car Loan facility | A loan of up to £10,000 has been utilised by 1 employee in 2023/24. |

**9.8 Remuneration Package for the Heads of Service** – As at 1 April 2024 there were 4 permanent full time employees on this grade. One Head of Service left the Council in June 2024.

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| **Pay Element** | **Amount** |
| Annual Salary | See Appendix A for pay-scale |
| Interest Free Car Loan facility | Not utilised |

# Lowest paid employees

10.1 In defining the ‘lowest paid employees’, this statement has taken cognisance of the Pay Policy Statements Guidance from the JNC for Local Authority Chief Executives dated 25 November 2011, which recommends using the lowest pay point routinely used by the Council for a competent employee in a substantive role, calculated at full time equivalent. The lowest rate of pay for an employee assessed as being fully competent is the Market Related Point (MRP) of grade 12. With effect from 1 April 2024 the lowest possible rate of pay was £12.45 per hour which compares favourably with the new National Living Wage (the Government’s legal minimum wage rate) of £12.21 per hour from 1 April 2025. From 1 April 2025 the UK Real Living Wage will be £12.60 and the London Living Wage will be £13.85 (The Real Living Wage and the London Living Wage are voluntary hourly pay rates, calculated annually by the Living Wage Foundation to reflect the actual cost of living). While Hertsmere adheres to the principles of the Real Living Wage (no employee (excluding apprentices) is paid less that the UK Real Living Wage with effect from 1 April 2024), it is not formally accredited with the Living Wage Foundation.

10.2 The council employs apprentices who are not included within the definition of ‘lowest paid employees’ and are paid at least in line with the statutory minimum wage for apprenticeships. However it should be noted that some apprentices due to the nature of their apprenticeship are paid more than the minimum statutory rate.

# Pay multiples

11.1 The Council monitors pay ratios to ensure fairness and proportionality. This looks at the relationship between the basic rate of pay for both the lowest paid and the average paid employee compared with basic pay of senior management posts.

11.2 The multiples below are in place having due regard for the disparity of responsibilities and personal accountability between the roles, and are in line with the recommendations of the Hutton Review of Fair Pay in the Public Sector (2010). Hutton recommended that Public Sector Executives should not earn more than 20 times the salary of the lowest paid employee in their organisation. It can be seen from the table below that Hertsmere clearly complies with this expectation and with Hertsmere’s own policy regarding pay multiples:

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| **Position** | **Salary Package should not exceed** | **Current pay multiple**  |
| Chief Executive | 20x the basic FTE salary of the lowest paid employee\* | 1 : 7.5 |
| Chief Executive | 6.5x the basic average (median) FTE salary of employees\*\* | 1 : 5.3 |
|  |  |  |
| Executive Director | 4.5x the basic average (median) FTE salary of employees\* | 1 : 4 |
| Head of Service Plus | 3.5x the basic average (median) FTE salary of employees\* | 1 : 3 |
| Head of Service | 3x the basic average (median) FTE salary of employees\* | 1 : 2.8 |

 \*The basic FTE salary of the lowest paid employee used for comparison is £23,299 as at 1 April 2024.

 \*\*The median average FTE salary is used for comparison. The median average salary as at 1 April 2024 is £32,870.

# Payments on termination of employment

12.1 Entitlement to redundancy pay is fully set out in the Council’s Management of Change Policy. Any redundancy pay is calculated on the basis of an individual’s actual pay, age and length of service (up to a maximum of 20 years’ service). Senior staff in the Council are treated in the same way as all other staff with regard to the calculation of severance payments in situations of redundancy.

12.2 With regard to severances under settlement agreements, which may be for reasons other than redundancy, e.g. voluntary severance or dispute resolution, the Chief Executive, as Head of the Paid Service, has delegated authority to conclude such agreements with staff below Head of Service level, following consultation with the Leader of the Council, the Chair of the Personnel Committee and the Portfolio Holder with responsibility for Human Resources. In agreeing the terms for such cases of severance, consideration is given to ensuring that the Wednesbury Principles are upheld (i.e. that the costs are justifiable in light of the circumstances and that the proposed outcome is in the best interests of the authority and represents a proper use of public funds). Where appropriate, the Head of the Paid Service will consult the Council’s Section 151 Officer and External Auditors on individual cases.

12.3 The above delegation of authority does not extend to cases involving staff at Head of Service level or above. Any such cases are reported to the Personnel Committee for agreement, subject to the Cabinet agreeing the financial implications.

12.4 There have been no severance payments over £100,000 to report in 2024/25.

# Gender Pay Gap

13.1 The gender pay gap shows the difference in the average hourly pay between all males and females in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with. The gender pay gap is different to equal pay. Equal pay deals with the pay differences between males and females who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a male or a female.

13.2 Hertsmere Borough Council’s gender pay gap report as at the snapshot date of **31 March 2024** is below:

**13.3 Median and Mean Gender Pay Gap of** **Hourly Pay Rate**

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| --- | --- | --- | --- | --- | --- |
| Mean for male | £20.82 | Mean for female | £20.25 | Mean gender pay gap | 2.73% |
| Median for Male | £17.27 | Median for female | £17.87 | Median gender pay gap | -3.47% |

13.4 The UK gender pay gap for 2024 reported by the Office for National Statistics, is 13.1% for all employees and 7% for full time staff (in favour of males).  Hertsmere’s mean gender pay gap is 2.73% in favour of males and median pay gap is 3.47% in favour of females.  The gap has changed since 2023 when the respective rates were 4.45% and 2.60% both in favour of males.

13.5 Hertsmere’s gender pay gap is considered to be within a reasonable range and is far below the UK gender pay gap reported by the Office for National Statistics and is therefore not a concern. The full Gender Pay Gap Report can be found on our website at:link

## Appendix A – Pay-scales

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| --- | --- | --- |
| **Chief Executive Pay-scale** | **With effect from 1/4/2024** | **(3% increase) with effect from 1/4/2025** |
| SCP 1 | £152,910 | £157,498 |
| SCP 2 | £156,384 | £161,076 |
| SCP 3 | £159,860 | £164,656 |
| SCP 4 | £163,335 | £168,236 |
| SCP 5 | £166,810 | £171,815 |

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| **Executive Director** **Pay-scale** | **With effect from 1/4/2024** | **(3% increase) with effect from 1/4/2025** |
| SCP 1 | £118,859 | £122,425 |
| SCP 2 | £121,521 | £125,167 |
| SCP 3 | £124,181 | £127,907 |
| SCP 4 | £126,842 | £130,648 |
| SCP 5 | £131,061 | £134,993 |
| SCP 6 | £135,280 | £139,339 |

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| **Heads of Service Plus Pay-scale** | **With effect from 1/4/2024** | **(3% increase) with effect from 1/4/2025** |
| SCP 1 | £94,246 | £97,074 |
| SCP 2 | £97,259 | £100,177 |
| SCP 3 | £100,272 | £103,281 |

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| **Heads of Service** **Pay-scale** | **With effect from 1/4/2024** | **(3% increase) with effect from 1/4/2025** |
| SCP 1 | £81,052 | £83,484 |
| SCP 2 | £83,088 | £85,581 |
| SCP 3 | £85,126 | £87,680 |
| SCP 4 | £87,160 | £89,775 |
| SCP 5 | £89,197 | £91,873 |
| SCP 6 | £91,233 | £93,970 |

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| **General Staff Pay Scale** | **With effect from 1/4/2024** |  | **(3% increase) with effect from 1/4/2025** |
| **Grade** | **MIN** | **MRP** | **MAX** | **Grade** | **MIN** | **MRP** | **MAX** |
| **3** | £60,713 | £68,991 | £79,957 | **3** | £62,535 | £71,061 | £82,356 |
| **4** | £54,311 | £61,717 | £71,341 | **4** | £55,941 | £63,569 | £73,482 |
| **5** | £47,294 | £53,739 | £61,961 | **5** | £48,713 | £55,352 | £63,820 |
| **6** | £41,694 | £47,266 | £54,354 | **6** | £42,945 | £48,684 | £55,985 |
| **7** | £36,845 | £41,577 | £47,444 | **7** | £37,951 | £42,825 | £48,868 |
| **8** | £32,800 | £36,986 | £42,010 | **8** | £33,784 | £38,096 | £43,271 |
| **9** | £29,099 | £32,782 | £37,110 | **9** | £29,972 | £33,766 | £38,224 |
| **10** | £26,162 | £29,138 | £32,870 | **10** | £26,947 | £30,013 | £33,857 |
| **11** | £23,299 | £26,153 | £29,096 | **11** | £23,998 | £26,938 | £29,969 |
| **12** | **Removed** | £23,299 | £26,061 | **12** | **Removed** | £23,998 | £26,843 |

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| **Waste site based staff Pay-scale** | **With effect from 1/4/2024** | **(3% increase) with effect from 1/4/2025** |
| Grade 10 A (After 1 year) | £32,870 | £33,857 |
| Grade 10 A (Starting) | £30,405 | £31,318 |
| Grade 11 B | £27,143 | £27,958 |
| Grade 12 C+ | £25,636 | £26,406 |
| Grade 12 C | £24,376 | £25,108 |
| Grade 12 D | £23,924 | £24,642 |