

# **PAY POLICY STATEMENT 2024/25**

## **HOUNSLOW COUNCIL**

**(Amended by the Monitoring Officer with effect from  
26 November 2024 pursuant to the Resolution of  
Borough Council on 26 November 2024.)**

# 1 Introduction

- 1.1 In accordance with the requirements of the Localism Act 2011, this Pay Policy Statement sets out the Council's policy on the payment of its Chief Officers and lowest paid employees. All decisions on pay and reward will comply with this statement. It is agreed by Borough Council every year and can be amended during the financial year, providing any changes are approved by Borough Council.
- 1.2 Our aim is to establish a flourishing workforce where our people connect, feel they belong and can grow so that we can deliver outstanding services to our residents. We wish to be an employer of choice, continuing our recognition as a Council of the Year. We want our community to be served by people who live our values and we will always be prudent with our employment costs ensuring they reflect budgetary and efficiency needs.
- 1.3 We are committed to ensuring fair and appropriate levels of pay and remuneration for all of our employees. The Council's ratio of pay at the lowest to highest paid is 9:1. Our median pay multiple (the ratio of the median salary compared to the highest earner) remains 5:1. We believe this to be appropriate for the size and complexity of the authority and it compares favourably with the pay multiple in the private and public sectors. We are also in line with our neighbouring boroughs (Hillingdon, Ealing, Richmond, Hammersmith & Fulham and Spelthorne) across which the average currently published pay multiple is 9:1.
- 1.4 We are committed to reducing inequality and to leading by example through the way we operate as an organisation. We include an update on our Gender Pay Gap, where our median is 1.79%, as well as our Ethnicity Pay Gap, where our median is 4% and our Disability Pay Gap where our median is -2.3%. The Pay Gap Report (Appendix D) sets out the detail of our statutory submission along with an update on our equality action plan.
- 1.5 The Pay Policy Statement is an evolving document that will continue to be developed and be responsive to the emerging position regarding senior remuneration. We adopt a strategic approach to pay and reward to ensure we can recruit and retain appropriate staff and drive service improvement. We acknowledge the role that the Trade Unions play in working with us to build a strong employee relations climate and we are committed to working in partnership with them.

- 1.6 Future pay policy recommendations will continue to be underpinned by the principles of public sector delivery and a commitment to equality and fairness.

### Scope

- 1.7 Staff employed in schools, under the control of governing bodies, are not covered by this Pay Policy Statement.

## **2 Leading Hounslow – Leadership Pay and Grading Structure**

- 2.1 On 14 November 2023, Cabinet considered a report on Leading Hounslow, which specifically set out proposals for a new organisation design across our leadership community. Our new leadership structure and supporting governance arrangements have now been implemented, and we see a model for leadership that is more sustainable in the longer term, that has been designed to meet the financial challenges of the future and be leaner at the top. We have introduced tighter leadership accountability, with all leaders having corporate responsibilities, so that we are greater than the sum of our parts. We have moved away from roles that are structured exclusively around the delivery of specific services to leadership roles that have clear accountability, measured by the impact for our residents and our borough, as well as corporate responsibility across the whole organisation, recognising the impact of what each of us does across the whole.
- 2.2 We will continue to evolve this new model through changes to the way that roles are shaped, and how accountabilities are shared. Clearly, this marks the start of significant change to our operating model and therefore our future structures, and we have started with the creation of roles with clearer mandates, a more significant corporate contribution, and tighter governance at leadership level.
- 2.3 In addition to changes to structure, we are developing leadership competencies and performance management approaches (in line with practice across the whole organisation) which will include personal, professional, and organisational development. Leadership competency development has started through individual engagement with all Chief Officers. This work will be further iterated following what we learn from our people through the Values Refresher and from this we will be creating a refreshed behaviours' framework. Additionally, we continue to work with the Institute of Leadership and Management on core competencies for leadership across the whole organisation.
- 2.4 We also committed to developing a new pay and grading structure for leadership roles. This work has been undertaken to deliver against a number of strategic intentions. These are detailed below:

|                                | <b>Strategic Intention:</b>   |
|--------------------------------|---|
| Pay Equality                   | Ensure fairness and equal pay for leaders at Hounslow, with greater transparency, enabling the Council to achieve its statutory and moral obligations in this regard. |
| Competitive Public Sector Pay: | Following London benchmarking, align Hounslow's leadership pay structures with public sector expectations, maintaining public trust                                   |

|                                    |   |
|------------------------------------|---|
|                                    | and confidence by demonstrating responsible use of public funds while attracting and retaining top talent in leadership positions.  |
| Fairness:                          | Establish a transparent and fair pay structure that reflects the responsibilities and challenges associated with leadership roles, enhancing employee engagement, commitment, and overall organisational culture by demonstrating a commitment to fair reward and recognition practice.     |
| Accountabilities:                  | Recognising that, with a leaner structure, we will need to reward leaders for taking on additional service and corporate accountabilities, encouraging a proactive and engaged leadership community that is willing to go above and beyond in the service of our residents and communities. |
| Enhanced Progression Opportunity:  | Within tightly defined parameters and with clear criteria, provide clear pathways for career progression through leadership contribution, motivating leaders to invest in their personal development, contribute to the organisation's success, and aspire to become even better.           |
| Corporate Leadership Contribution: | Recognise and reward leaders for their contributions to the delivery of <b>Ambitious for Hounslow</b> , the Council's Corporate Plan, fostering an outcomes- and purpose-driven leadership culture.   |
| Values-Based:                      | Emphasise the importance of ethical behaviour and conduct for ethical reward, building a pay structure that rewards leaders who live our values and who promote public trust and confidence in Hounslow and across the broader public sector.   |

- 2.5 In order to achieve these strategic intentions, we have implemented the new pay and grading structure for Assistant Directors and Directors as set out in Appendix B.

### 3 Remuneration of Chief Officers

#### Level and elements of remuneration for Chief Officers

- 3.1 Chief Officer posts are evaluated using the 'Hay Scheme'. This is a systematic process for ranking jobs logically and fairly by comparing job against job or against a pre-determined scale to determine the relative importance of jobs to an organisation.
- 3.2 All Chief Officer posts are paid in accordance with the [Chief Officer Salary Scale](#).
- 3.3 Any changes to Chief Officer pay are delegated to the Chief Executive, as Head of Paid Service, in consultation with the Leader of the Council.

#### Remuneration on recruitment

- 3.4 On recruitment, a Chief Officer will be paid in accordance with the Council's approved [Chief Officer Salary Scale](#). Because all appointments to Chief Officer posts, including those at a salary of over £100,000, will be appointments within

a pay band and structure where the principles of reward and remuneration have previously been agreed by full Council, remuneration for new appointments will not be subject to full Council consideration.

- 3.5 The authority's most senior posts are on the Council's payroll unless there are exceptional, temporary circumstances which mean that a different approach is required. Where this arises, approval will be in line with the Council's established mechanisms for the authorisation of 'off-payroll' workers.

#### Increases and additions to remuneration

- 3.6 Chief Officers' terms and conditions of employment are in accordance with the Scheme of Conditions of Service for the Joint Negotiating Committee (JNC) for Local Authorities' Chief Officers. Any pay awards agreed under this collective agreement will be applied to Chief Officers' pay.

#### Use of performance related pay and bonuses,

- 3.7 Chief Officer pay progression is dependent on performance.
- 3.8 We do not pay bonuses.

#### The approach to the payment of Chief Officers on their ceasing to hold office or be employed by the authority

- 3.9 A Chief Officer who ceases employment with the Council may be entitled to a severance payment if they are being dismissed either on grounds of redundancy or on grounds of efficiency of the service. The procedure and payments applicable in these circumstances are governed by the Council's [Severance Policy](#) and also the [Redundancy and Redeployment Policy](#).
- 3.10 Borough Council will be given the opportunity to vote / register an objection to any severance package over £100,000 (save where the contents of the package are strictly limited to amounts to which the employee has a contractual entitlement and/or any or all payments are in line with agreed Council policies) prior to any final, written offer being made to staff.
- 3.11 Severance packages include, and must provide a breakdown of, salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid as part of the package.
- 3.12 This ensures there is proper accountability where large severance packages are offered and also that the termination process can continue in as efficient a manner as possible.
- 3.13 The Council's [Pensions Discretion Policy](#) sets out the discretions which can be exercised in the case of Chief Officers (and all other employees). The procedure for approving the application of any pension discretion is contained within this policy.
- 3.14 In the unlikely event that a previous Chief Officer, who had left the authority with a severance or redundancy package, were considered suitable to be re-employed or to provide a contract for services, the following safeguards are in

place:

- (i) The full and proper recruitment and selection processes, as laid out in the Council's [Recruitment and Selection Policy](#), will always be applied where the proposal is to re-employ;
- (ii) Any arrangements and decisions made will be in full compliance with the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 and any associated amendments.
- (iii) An employee who wished to claim their pension whilst working would need to make an application under the Council's [Flexible Retirement Policy](#).

### The publication of and access to information relating to remuneration of Chief Officers

3.15 Information relating to the remuneration of Chief Officers is published on the [Open Data](#) website.

3.16 More specifically, the following information can be accessed here:

- [Pay multiple](#)
- [Senior posts](#)
- [Senior salaries count](#)
- [Trade union facility time](#)
- [Organisation chart](#)

### Terms and conditions applying to the authority's Chief Officers

3.18 Chief Officers' terms and conditions of employment are in accordance with the Scheme of Conditions of Service for the Joint Negotiating Committee (JNC) for Local Authorities' Chief Officers as supplemented by the Council's employment policies. The Chief Executive's terms and conditions are in accordance with the JNC for Local Authority Chief Executives' National Salary Framework and Conditions of Service Handbook as supplemented by the Council's employment policies. These may be amended from time to time by the Council and agreements made with the Chief Officers' or chief executives' representative body.

3.19 The Chief Executive is the Council's Returning Officer. The Returning Officer's fee is paid separately from and in addition to the Chief Executive's salary. The Returning Officer's fee is not set by the Council. Instead, the Council adopts the Scale of Returning Officers' Fees and Expenses recommended by London Councils for the financial year.

3.20 Additional fees for Chief Officers, in respect of any local election duties they may perform, are paid separately from salary at levels that comply with the Scale of Counting Officers' Fees and Expenses recommended by London Councils for the financial year.

- 3.21 Chief Officers, who have elected to be members of the Local Government Pension Scheme, make contributions from their salary into the pension fund. The council makes an employer contribution to the pension fund of 19.1%.

## **4 Remuneration of the lowest paid employees**

- 4.1 The posts of our lowest paid employees are evaluated using the Greater London Provincial Council Job Evaluation Scheme ('GLPC Scheme'). This is a systematic process, developed for use by London Boroughs, to determine grading arrangements based on fairness, transparency, and consistency.
- 4.2 The Council's lowest paid employees are paid in line with the national terms and conditions for Local Government Staff ('the Green Book'), subject to receiving at least the London Living Wage (LLW). At present the Council's lowest paid employees earn £13.15 per hour.
- 4.3 The Council is an accredited LLW employer and all staff have been paid at least the LLW since 1 November 2011. We are committed to ensuring that our lowest paid staff receive a fair day's pay for a hard day's work. Should the LLW rate exceed our minimum rate of pay, we will pay the LLW. We expect any suppliers contracting with us to budget for this level of payment to their own employees.
- 4.4 To ensure that we Lead with Heart and can Be a Rock for our lowest paid employees, we will implement the London Living Wage from the 1<sup>st</sup> of the month following its announcement (usually this will be in December each year following the GLA announcement in November). This enables our people to receive the increase at the earliest opportunity that is practicable for the council, allowing sufficient time for the necessary payroll administrative arrangements to be made.

## **5 Relationship between the remuneration of the Council's Chief Officers and other officers**

- 1.1 The Council's pay policies, in relation to Chief Officers and other staff, differ in respect of incremental pay and allowances.

### Incremental Pay

- 5.2 Pay progression for our Chief Officers, and employees on Hounslow Management Grades (HMG) is dependent on performance.
- 5.3 For all other employees, pay progression is service-based, in line with national joint council agreements. An increment can be withheld if the employee is underperforming and being considered under the Council's Performance Improvement Policy.
- 5.4 The rationale for this different approach is a recognition that our residents are entitled to expect that higher earning employees are delivering the Council's objectives and are accountable to the community for the work they perform.

## Allowances

- 5.5 Under the Council's [Allowances Policy](#), Chief Officers and employees on HMG grades are, ordinarily, not entitled to claim these allowances.
- 5.6 The rationale for this is that the salary at these levels is sufficient to compensate senior staff for any additional work which they may be required to undertake. However, the coronavirus pandemic has demonstrated that unprecedented circumstances may necessitate a variation to this approach, to ensure that services can operate effectively for the benefit of our residents. The Head of Paid Service will determine when such policy variances need to be applied.
- 5.7 Any change to the scheme of allowances is delegated to the Chief Executive, as head of Paid Service, to approve in consultation with the Leader of the Council.

## **6 Special Severance Payments**

- 6.1 In line with the [statutory guidance on the making and disclosing of Special Severance Payments by local authorities in England](#), any special severance payments between £20,000 and £100,000 will be approved by the Chief Executive, with a record of the Leader's approval. Amounts above that level shall require the authorisation of the Chief Officer Employment Panel. Any Special Severance Payments under £20,000 will be approved by the Chief Executive. In the case of any proposal to make a Special Severance Payment to the Chief Executive, consideration shall be given to involving an independent panel of at least two people. Where it is decided not to involve such a panel, the reasons for this decision shall be recorded in writing. Appropriate advice will be sought on the establishment of this panel, should the situation arise.

End of Appendix A



**Leadership Pay and Grading**

Previously we had three narrow grades for this cohort of leaders (one for Assistant Directors and two for Directors), with no facility for contribution or competency-based progression beyond the top of those grade bands. Now, we have introduced two broader bands which each have two ‘progression bars’. Any movement through these progression bars (for example to move from spinal column point 3 to 4) will be based on a comprehensive assessment using the Clear Review tool.

Further, given the breadth of the bands, we are able to identify salaries for roles more precisely within the pay structure (see below), thereby enabling us to achieve better pay equality, ensuring that we are paying people equally for work of equal value.

**Chief Officers - C02 / C03 – Revised Pay and Grading Scheme 29<sup>th</sup> January 2024**

**(Pro 1 and 2 = progression bars)**

| Grade     |           |  | Spinal point | Salary (rounded up) | Increase (4.4% incremental value) |
|-----------|-----------|--|--------------|---------------------|-----------------------------------|
|           | AD<br>CO3 |  | 1            | <b>£82,315</b>      | 3621.86                           |
|           |           |  | 2            | <b>£85,937</b>      | 3781.22                           |
| CO3 Pro 1 |           |  | 3            | <b>£89,719</b>      | 3947.60                           |
|           |           |  | 4            | <b>£93,666</b>      | 4121.29                           |
|           |           |  | 5            | <b>£97,787</b>      | 4302.63                           |
| CO3 Pro 2 |           |  | 6            | <b>£102,090</b>     | 4491.94                           |
|           | D<br>C02  |  | 7            | <b>£106,582</b>     | 4689.59                           |
|           |           |  | 8            | <b>£111,272</b>     | 4895.93                           |
| CO2 Pro 1 |           |  | 9            | <b>£116,168</b>     | 5111.35                           |
|           |           |  | 10           | <b>£121,279</b>     | 5336.25                           |
|           |           |  | 11           | <b>£126,615</b>     | 5571.04                           |
| CO2 Pro 2 |           |  | 12           | <b>£132,186</b>     | 5816.17                           |
|           |           |  | 13           | <b>£138,002</b>     | 6072.08                           |
|           |           |  | 14           | <b>£144,074</b>     | 6339.25                           |

**Previous Chief Officer pay and grading structure**  
**Appendix C**

**Chief Officer Salary Scales**

**Effective from 1 April 2023 – 31 December 2023**

| <b>Grade</b> |            | <b>Spinal point</b> | <b>Salary</b> |
|--------------|------------|---------------------|---------------|
| <b>CO3</b>   | <b>CO4</b> | 1                   | <b>82315</b>  |
|              |            | 2                   | <b>86544</b>  |
|              |            | 3                   | <b>90771</b>  |
|              |            | 4                   | <b>94041</b>  |
|              |            | 5                   | <b>97312</b>  |
|              | <b>CO2</b> | 6                   | <b>99152</b>  |
|              |            | 7                   | <b>104550</b> |
|              |            | 8                   | <b>109949</b> |
|              |            | 9                   | <b>115347</b> |
|              |            | 10                  | <b>119407</b> |
|              |            | 11                  | <b>123468</b> |
|              |            | 12                  | <b>129783</b> |
|              |            | 13                  | <b>138503</b> |

|            |    |               |
|------------|----|---------------|
| <b>CO1</b> | 14 | <b>147221</b> |
|            | 15 | <b>155941</b> |
|            | 16 | <b>164661</b> |
|            | 17 | <b>172117</b> |
|            | 18 | <b>181738</b> |

|                        |    |               |
|------------------------|----|---------------|
| <b>Chief Executive</b> | 19 | <b>190820</b> |
|                        | 20 | <b>196547</b> |

|  |    |               |
|--|----|---------------|
|  | 21 | <b>202275</b> |
|  | 22 | <b>209148</b> |