

CABINET

17 February 2020

Title: Pay Policy Statement 2020/21	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
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Accountable Strategic Leadership Director: Fiona Taylor, Director of Law and Governance (and Monitoring Officer)	
Summary Under the terms of the Localism Act 2011 the council must agree, before the start of the new financial year, a pay policy statement covering chief officer posts. The Act also sets out the matters which must be covered in the policy. The Council's draft Pay Policy Statement for 2020/21, attached at Appendix A, sets out the expected position at 1 April 2020. The report also seeks Cabinet's approval to apply the uplift in the London Living Wage with effect from 4 November 2019, which increased the minimum hourly rate of pay from £10.55 to £10.75 per hour.	
Recommendation(s) The Cabinet is recommended to: (i) Agree the implementation of the London Living Wage increase from £10.55 to £10.75 per hour for employees and apprentices operating in service areas covered by Green Book terms and conditions, with effect from 4 November 2019; and (ii) Recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2020/21 as set out at Appendix A to the report, for publication on the Council's website with effect from April 2020.	
Reason(s) Under the terms of the Localism Act 2011 the Council must agree a pay policy statement in advance of the start of each financial year	

1. Introduction and Background

1.1 Section 38(1) of The Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for senior officers (Chief Officers) to be agreed by all councillors at an Assembly meeting before the beginning of each financial year. This policy is timetabled to go to the Assembly on 26 February 2020.

1.2 The Council produced its first Pay Policy Statement for the 2012/13 financial year in accordance with the Localism Act 2011. The definition of Chief Officer covers the Chief Executive, the Chief Operating Officer and other Strategic Leadership Directors, Commissioning Directors and Operational Directors. The matters that must be included in the pay policy statement are as follows:

- The level and elements of remuneration for each Chief Officer.
- The remuneration of its lowest paid employees (together with its definition of 'lowest paid employee' and the reasons for adopting that definition).
- The relationship between the remuneration of its Chief Officers and other officers.
- Other specific aspects of chief officer's remuneration: remuneration on recruitment, increase and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.
- The Localism Act defines remuneration widely to include not just pay but also charges, fees, allowances, benefits in kind.
- Enhancements of pension entitlement and termination payments.

1.3 The Pay Policy statement:

- Must be approved by the full council (Assembly).
- Must be approved by the end of March each year.
- Can be amended in-year.
- Must be published on the Council's website (and in any other way the Council chooses).
- Must be complied with when the Council sets the terms and conditions for a chief officer

2. Proposal and Issues

2.1 Attached at Appendix A is the draft Pay Policy Statement which reflects the expected position as at 1 April 2020.

2.2 It is also proposed to increase the rate of pay for Council employees and 'Green Book' apprentices to ensure that they are paid the London Living Wage as a minimum. The increase, from £10.55 to £10.75 per hour, would be backdated to 4 November 2019.

3. Options Appraisal

3.1 The Council is required to publish its pay policy and there is no alternative option to be appraised.

3.2 The council has previously given a commitment to ensure that it pays, as a minimum, the London Living Wage.

4. Consultation

- 4.1 The proposals in this report were considered and endorsed by the Workforce Board at its meeting on 15 January 2020.

5. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager, Service Finance

- 5.1 The Council's lowest pay rate for employees currently exceeds the London Living wage rate and therefore there is no financial impact from approving this recommendation. Increasing the rate of pay for apprentices to the London Living Wage introduces an average increase of circa £364 per apprentice with a total cost, based upon the existing apprentice numbers, of circa £10k per year.

6. Legal Implications

Implications completed by: Dr Paul Field, Senior Governance Lawyer

- 6.1 The Pay Policy sets out clearly and concisely the Authority's approach to Pay. There are no legal implications as the Policy and the approach which it outlines are consistent with employment law and HR best practice.

7. Other Implications

- 7.1 **Contractual Issues** – This makes no changes to employee's contractual position.
- 7.2 **Staffing Issues** - The staffing issues are fully explored within the main body of the report. There is no requirement to consult with the trade unions on this policy.
- 7.3 **Corporate Policy and Equality Impact** – The Council's approach to pay is based on the use of established job evaluation processes to determine the salary for individual roles, eliminating the potential for bias in the process

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix A – Pay Policy Statement 2020/21