

LONDON BOROUGH OF BARKING & DAGENHAM

PAY POLICY STATEMENT 2012/13

1. Introduction – Requirement for Council Pay Policy Statement

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after that. The Act does not apply to local authority schools. This document meets the requirements of the Act for the London Borough of Barking and Dagenham.
- 1.2 The provisions of the “Act” require that authorities are more open about their own local policies and how their local decisions are made. The Code of Recommended Practice for Local Authorities on Data Transparency enshrines the principles of transparency and asks councils to follow three principles when publishing data they hold: responding to public demand; releasing data in open formats available for re-use, and, releasing data in a timely way. This includes data on senior salaries and the structure of the workforce.
- 1.3 All decisions on pay and reward for all senior officers must comply with this “statement”. The statement will be produced annually and must be agreed by Assembly.

2. Pay & Reward Principles

- 2.1 The Council recognises that to achieve its objectives for the communities it serves, it needs to be able to attract and retain talented people at all levels of the organisation. The Council’s People Strategy sets out a range of actions the Council will take to ensure that we have

“the right people, with the right skills in the right places, with the right kinds of management and leadership, motivated to perform well”

- 2.2 Whatever their role, the Council seeks to ensure that every member of staff is valued and remunerated on a fair and just basis. Our approach to pay is designed to ensure:
 - we can demonstrate fairness and equity in what we pay people at different levels and in different parts of the Council;
 - pay is set at levels which enable us to recruit and retain quality staff; and
 - pay levels are affordable for the Council.
- 2.3 The Council remains committed to being part of the national pay negotiation structure. The Council has also committed to pay all its employees in substantive posts at least the London Living Wage.

- 2.4 Pay levels are determined through a job evaluation system. For staff at PO6 and below (£42,939) we use the Greater London Provincial Council job evaluation system. For posts at PO7 and above (£43,834) we use the HAY job evaluation systems. Each system assesses the relative “size” of the role against a range of criteria, relating to its complexity, the number of resources managed and the knowledge required to under the role.
- 2.5 Pay rates are generally set against the national pay spine agreed by the National Joint Council.
- 2.6 There are currently discussions taking place within the Council about whether there should be changes in pay arrangements for senior staff. This statement describes the current position and policy.

3. Defining “Chief Officers”

- 3.1 Following the implementation of savings plans for the 2012/13 financial year, the Council will employ the following number of chief officers:

Chief Executive	-	1
Corporate Directors	-	4
Divisional Directors	-	13.5

One of the Divisional Director posts is shared with another local authority and this Council makes a regular payment to that local authority for the services provided.

4. Accountability for Chief Officers Pay

- 4.1 The pay arrangements for chief officers are overseen by a Panel (called the JNC Salaries and Conditions Panel) appointed by the Council’s Assembly.
- 4.2 The Council’s constitution sets out the responsibilities and composition of the Panel and states:

JNC Salaries and Conditions Panel - consisting of the Leader and Deputy Leader of the Council (as Chair and Deputy Chair respectively), the relevant Portfolio Holder(s), the Cabinet Member for Finance, Revenues and Benefits, plus at least two other councillors to consider and make final decisions in relation to salaries and conditions for JNC officers (including the Chief Executive) and the grading of any new JNC posts in line with Council policy.

5. Current Pay Policy and Base Pay Rates

Setting Salary Levels

- 5.1 All chief officer roles are evaluated using the HAY job evaluation system. Spot salary levels were set for chief officer roles in 2008. There is a commitment to review salary levels every three years. In undertaking reviews, account is taken of the market, particularly the market in London.

- 5.2 In 2008 salaries were set at the top of the third quartile in comparison with equivalent roles in London at that time. This reflected the fact that whilst the London Borough of Barking and Dagenham is one of the smaller boroughs in terms of population, it is a community that faces significant challenges and therefore the view was taken that we needed to attract a good choice of senior staff with the appropriate skills and experience.
- 5.3 The Chief Executive's salary was reviewed downwards when a new appointment was made in 2011 due to changes in the market. All Divisional Director salaries were reviewed in December 2010, following structural changes made in preparation for the 2011/12 financial year. Corporate Director salaries have not been reviewed since 2008.

Chief Executive

- 5.4 The current Chief Executive was appointed in 2011 at a salary level of £150,000. The previous Chief Executive was on a salary of £186,000.

Corporate Directors

- 5.5 The four Corporate Directors are on the following salary points:

Finance and Resources	Chief Officers.CHIEFO.0	14	141,888.00
Adult and Community Services	Chief Officers.CHIEFO.0	7	131,757.00
Children's Services	Chief Officers.CHIEFO.0	7	131,757.00
Customer Services	Chief Officers.CHIEFO.0	7	131,757.00

The salary of the Corporate Director Finance and Resources was set at a higher level for market related reasons at the time.

Divisional Directors

- 5.6 There are four spot salary levels for these posts:

CO1 - £70,332	1 posts
CO2 - £78,740	0 posts
CO3 - £89,763	11 posts
CO4 - £108,661	1 posts

It is appropriate for there to be some differentiation in pay levels at Divisional Director level because of the differing amounts of risk and responsibility being carried at that level. The additional 0.5 post is shared with another Local Authority and the Council reimburses that Authority for 50% of the postholder's cost.

6. Contingent Pay

- 6.1 The Council pays its Chief Officers a spot salary. There is no element of performance pay, nor are any bonuses paid. No overtime is paid to Chief Officers. There are no lease car arrangements.

7. Pensions

- 7.1 All Council employees are eligible to join the Local Government Pension Scheme. The Council does not enhance pensionable service for its employees either at the recruitment stage or on leaving the service, except in certain cases of retirement on grounds of permanent ill-health where the strict guidelines specified within the pension regulations are followed.

8. Other Terms and Conditions

- 8.1 Employment conditions and any subsequent amendments are incorporated into employees' contracts of employment. Chief Officer contracts state:

"Where adopted by the Council for your employment group and unless otherwise indicated in this statement, your terms and conditions of employment are as set out in the NJC (National Joint Council) for Local Government Services otherwise called the "Green Book". These terms and conditions may be supplemented by agreements reached collectively at the Greater London Provincial Council and at the Council's Employee Joint Consultative Committee."

- 8.2 Chief Officers are reimbursed for travel costs incurred, as stated within contracts:

"The Council will reimburse you your reasonable out-of-pocket expenses that you incur in the course of your official business for the Council. If you use your private motor car for official Council business, the Council will pay you 'essential user' mileage rates as set out in Part 3 Paragraph 6 of the National Agreement on Pay and Conditions of Services as set out by the National Joint Council for Local Government Services."

- 8.3 The Council's employment policies and procedures and terms and conditions are reviewed on a regular basis in the light of service delivery needs and any changes in legislation.

9. Election Expenses

- 9.1 The fees paid to Council employees for undertaking election duties vary according to the type of election they participate in and the nature of the duties they undertake. All election fees paid are additional to Council salary and are subject to normal deductions for tax.

- 9.2 Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements but fees paid to them for national elections/referendums are paid in accordance with the appropriate Statutory Fees and Charges Order.

10. Termination/Severance Payments

- 10.1 Employees who leave the Council, including the Chief Executive and Chief Officers, are not entitled to receive any payments from the Council, except in the case of redundancy or retirement as indicated below.

Retirement

- 10.2 Employees who contribute to the Local Government Pension Scheme who elect to retire at age 60 or over are entitled to receive immediate payment of their pension benefits in accordance with the Scheme. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme with the permission of the Council in specified circumstances from age 55 onwards and on grounds of permanent ill-health at any age.
- 10.3 The Council will consider applications for flexible retirement from employees aged 55 or over on their individual merits and in the light of service delivery needs.

Redundancy

- 10.4 Employees who are made redundant are entitled to receive statutory redundancy pay as set out in legislation calculated on their actual salary. The standard London Borough of Barking and Dagenham redundancy scheme applies to Chief Officers. The scheme was amended in November 2011 and a maximum of 45 weeks of actual pay is payable depending on length of service. This scheme may be amended from time to time in accordance with the Council's Constitution

Compromise Agreements

- 10.5 Where an employee leaves the Council's service in circumstances which are, or would be likely to, give rise to an action seeking redress through the courts from the Council about the nature of the employee's departure from the Council's employment, the Council may settle such claims by way of compromise agreement where it is in the Council's interests to do so. The amount to be paid in any such instance may include an amount of compensation, which is appropriate in all the circumstances of the individual case. Should such a matter involve the departure of a Director or the Chief Executive it will only be agreed following external legal advice that it would be lawful and reasonable to pay it.

11. Fairness

- 11.1 In November 2011, the Council's Cabinet agreed that no member of staff in a substantive post should be paid less than the London Living Wage. In May of that year the Mayor of London announced that the London Living Wage would increase from £7.85 to £8.30 per hour. The first pay point in the Council's pay structure which is above the equivalent of the London Living Wage is scale point 7, £15,216 (within Scale 1a). Since 1 January 2012 all permanent staff (excluding some apprentices) have been paid at least at scale point 7. For the purposes of this pay policy statement, employees on scale point 7 are defined as our lowest-paid employees.

- 11.2 The Council's pay multiple - the ratio between the highest paid employee and lowest paid employee - is 1:10. The council's highest paid employee is the Chief Executive on a salary of £150,000 per annum.
- 11.3 The ratio between the taxable earnings for the highest paid employee and the median earnings figure for all employees in the Council is 1:7.42. The Council's highest paid employee is the Chief Executive on a salary of £150,000 per annum. The median earnings figure is for all employees as at December 2011 is £20,205.

12. Any Additional Reward Arrangements

- 12.1 There are none in place.

If there are any enquiries about these arrangements please apply to Martin Rayson, Divisional Director, Human Resources and Organisational Development (martin.rayson@lbbd.gov.uk)