

## CABINET

15 February 2021

<b>Title:</b> Pay Policy Statement 2021/22	
<b>Report of the Cabinet Member for Finance, Performance and Core Services</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
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<b>Accountable Strategic Leadership Director:</b> Fiona Taylor, Director of Law and Governance (and Monitoring Officer)	
<b>Summary</b>  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 statement.  The Council's draft Pay Policy Statement for 2021/22, attached at Appendix A, sets out the expected position at 1 April 2021.  The report also seeks Cabinet's approval to apply the uplift in the London Living Wage with effect from 9 November 2020, which increased the minimum hourly rate of pay from £10.75 to £10.85 per hour.	
<b>Recommendation(s)</b>  The Cabinet is recommended to:  (i) Agree the implementation of the London Living Wage increase from £10.75 to £10.85 per hour for employees and apprentices operating in service areas covered by Green Book terms and conditions, with effect from 9 November 2020; and  (ii) Recommend the Assembly to approve the Pay Policy Statement for the London Borough of Barking and Dagenham for 2021/22 as set out at Appendix A to the Report, for publication on the Council's website with effect from April 2021.	
<b>Reason(s)</b>  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 3 March 2021.
- 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, with changes published on the Council's website.
  - 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 2021.
- 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 £10.75 to £10.85 per hour, would be backdated to 9 November 2020.

## **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 by the Workforce Board at its meeting on 17 December 2020 and final approval was granted on 20 January 2021.

#### **5. Financial Implications**

Implications completed by: Philip Gregory, Finance Director

5.1 The Pay Policy Statement at Appendix A updates the existing policy. The Medium Term Financial Strategy includes a provision to part-fund any pay award that may be agreed during 2021-22.

#### **6. Legal Implications**

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

6.1 There is a requirement under the Localism Act 2011 to publish a statement of the Council's Pay Policy. It sets out clearly and concisely the Authority's approach to Pay. However, there are no direct legal implications in publishing this Policy and the approach which it outlines are consistent with employment law and 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 2021/22