

**LONDON BOROUGH OF BARKING AND DAGENHAM**

**PAY POLICY STATEMENT 2023/24**

**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 to be agreed by Members before the beginning of each financial year. 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. This Pay Policy Statement presents the expected position at 1 April 2023.
- 1.2 The provisions of the “Act” require that councils 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.

**2. Organisational Context**

- 2.1 The Council continues to recognise that if it is to serve its communities well and deliver the agreed vision and objectives, it needs to attract and retain talented people at all levels of the organisation.
- 2.2 The Council continues to ensure that its Leadership Team is structured in a manner that enables it to deliver the Borough manifesto and Corporate Plan.

**3. Pay and Reward Principles**

- 3.1 The approach to pay and reward continues to be based on the following principles:
- The Council can demonstrate fairness and equity in what it pays people at different levels and in different parts of the Council;
  - Pay is set at levels which enable the Council to recruit and retain the quality of staff needed to help achieve its objectives at a time of financial hardship; and
  - Pay levels are competitive and affordable for the Council.
- 3.2 Pay levels are determined through “job evaluation”. For staff at PO6 and below, the Council uses the Greater London Provincial Council job evaluation system. For posts at PO7 and above, the HAY job evaluation system is used. 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 undertake the role.

3.3 Pay rates are generally set against the national pay spine agreed by the National Joint Council, although there are local pay points at the top of the LBBD pay scale. The Council has committed to pay no less than the “London Living Wage” to its own staff or agency workers working with the Council and became a Living Wage Foundation accredited employer in 2022. The Council implemented the London Living Wage (LLW) increase from £11.05 to £11.95 in November 2022, backdated to 22 September 2022. The Council continues to ensure that it pays its employees and apprentices at or above the London Living Wage.

#### **4. Defining “Chief Officers”**

4.1 At the start of the 2023/24 financial year, the Council expects to have within its structure the following Chief Officer posts:

- Chief Executive (Head of Paid Service & Health Place Lead)
- Strategic Director, Finance and Investment (S 151 Officer)
- Strategic Director, Law and Governance (Monitoring Officer)
- Strategic Director, Children and Adults
- Strategic Director, My Place
- Strategic Director, Inclusive Growth
- Strategic Director, Community Solutions
- Director of Strategy
- Director of Workforce Change
- Director of Public Realm
- Director of Public Health
- Commercial Director
- Operational Director, Enforcement and Community Safety
- Operational Director, Children’s Care and Support
- Operational Director, Adults Care and Support
- Commissioning Director, Education
- Commissioning Director, Care and Support
- Director of Care, Community and Health Integration – (New Post, Fixed Term)
- Director of Community, Participation & Prevention
- Director of Support & Collections
- Director of Homes & Assets

4.2 Interim arrangements were approved in February 2022 following the resignation of the previous Acting Chief Executive. Those arrangements included the postholder: Strategic Director, Law and Governance and Deputy Chief Executive, acting up into the role of Interim Chief Executive and Head of Paid Service and remunerated as such with effect from May 2022. Due to the recent changes under the Health and Social Care Act 2022, the Acting Chief Executive has also been designated as the Place Lead for Health in Barking & Dagenham.

4.3 The number of JNC officers remains unchanged from the previous year.

#### **5. Accountability for Chief Officers Pay**

5.1 The pay arrangements for chief officers are overseen by the JNC appointments, salaries and structures panel, appointed by the Council’s Assembly.

## 6. Current Pay Policy and Base Pay Rates

### 6.1 Setting Salary Levels

6.1.1 Chief Officer roles are currently evaluated using the HAY job evaluation system. There is a commitment to review salary levels on average every three years, this had not been undertaken since the changes to the senior management structure in 2017. In undertaking benchmarked reviews, account is taken of the market, particularly London, to ensure the Council can compete successfully for the talent it needs to lead and manage in the current environment. Recruitment is challenging across the public sector with disruption post the pandemic and further challenges such as the cost-of-living crisis.

6.1.2 The current salary benchmarking information comes from the London Councils' Chief Officers Salary Survey. The latest information held is from 2021. There were 29 responses to this survey among London Boroughs. The median rates of pay for roles in London, based on the information from the survey, were as follows:

	Median
Head of Paid Service / Chief Executive	£195,072
Tier 1 Managers	£148,989
Tier 2 Managers	£105,813

(Note: This benchmark data is based upon basic pay plus additional payments such as performance related pay or bonus payments.) Further benchmark data will be used and available upon conclusion of the senior pay review as outlined at 6.1.4 below.

6.1.3 The Council is contractually obliged to apply nationally agreed pay awards for Chief Officer grades.

6.1.4 An external review of senior pay including Chief Officers pay was commissioned from PWC in 2022 and this is expected to be completed in 2023. Any changes to the pay and grading structure resulting from this review will be reflected in a revision to the 2023/24 Pay Policy should this be necessary.

### 6.2 Chief Executive

6.2.1 The salary for the Chief Executive, agreed at appointment in November 2014, was £165,000. This has increased each year only in line with nationally negotiated pay awards to £184,557.

### 6.3 Chief Officer Pay Range

6.3.1 The Chief Officer pay structure was last reviewed in 2013. The pay levels have increased in line with nationally negotiated pay awards in April each year. The pay range from April 2023 is as follows:

CO1	£90,825		CO5	£134,750
CO2	£103,269		CO6	£147,764
CO3	£113,937		CO7	£160,832
CO4	£122,200			

6.3.2 It is appropriate for there to be differentiation in pay levels at Chief Officer level because of the differing risk and responsibility being carried out.

6.3.3 The table below sets out the salaries of the chief officer posts referred to in paragraph 4.1 above:

<b>Position</b>	<b>Grade of Post</b>	<b>Salary cost to LBBD</b>
Chief Executive (and Head of Paid Service)	Individual spot salary	£184,557
All other Directors & Operational and Commissioning Directors	CO2 – CO6	£103,269 - £147,764

## **7. Contingent Pay**

7.1 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 or private health benefits.

7.2 The Strategic Director, Children and Adults receives a market supplement of £34,161 per annum. This will be reviewed as part of the Senior Pay Review outlined at 6.1.4.

7.3 No other additional payments are made.

## **8. Pensions**

8.1 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.

## **9. Other Terms and Conditions**

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

“Your terms and conditions of employment are as set out in the Joint Negotiating Committee for Chief Officers of Local Authorities handbook, as adopted by the Authority, unless otherwise indicated in this statement.

From time to time, variations in terms and conditions of employment will be negotiated and agreed at national or local level with the union or unions recognised by the Authority as representing that employment group. Where these are adopted by the Authority, they will, within a period of 28 days from the date of the change, be separately notified to you or otherwise incorporated in the documents to which you have reference.”

- 9.2 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.

## **10. Election Expenses**

- 10.1 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 and responsibilities they undertake. All election fees paid are additional to Council salary and are subject to normal deductions of tax.
- 10.2 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.

## **11. Termination / Severance Payments**

- 11.1 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.

## **12. Retirement**

- 12.1 Employees who contribute to the Local Government Pension Scheme who elect to retire or who are retired on redundancy or efficiency grounds over age of 55 are entitled to receive immediate payment of their pension benefits in accordance with the Scheme. Early retirement on the grounds of permanent ill health with immediate payment of pension benefits may be considered by the Council at any age.
- 12.2 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.

## **13. Redundancy**

- 13.1 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 all officers. The scheme has redundancy multipliers which provide for a maximum of 30 week's pay for staff whose continuous service date is after 1 January 2007 and a maximum of 45 weeks' pay for staff with a continuous service date of prior to 1 January 2007. Both multipliers are based upon length of service.

## **14. Settlement Agreements**

- 14.1 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, or where an existing employee has an employment dispute with the Council which may give rise to litigation, the Council may settle such claims by way of a settlement agreement where it is in the Council's interests to do so within the context of the best value duty. 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. Legal advice will be sought in all cases.

- 14.2 As of May 2022, new arrangements have been put in place relating to “Special Severance Payments” following the Governments published “Statutory guidance on the making and disclosure of Special Payments by local authorities in England” issued under section 26 of the Local Government Act 1999. This has had an impact on Settlement Agreements as they relate to payments outside of statutory, contractual or other requirements when people leave employment in public services. They should only be made in circumstances where there is a clear, evidenced justification for doing so.
- 14.3 Under this statutory guidance there is now a three-tier system of approval for termination payments which is set out as follows:
- (i) Payments of £100,000 and above must be approved by a vote of Full Council.
  - (ii) Payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader’s approval and that of any others who have signed off the payment; and
  - (iii) Payments below £20,000 must be approved according to the local authority’s scheme of delegation.

## **15. Fairness and Equality - Pay Ratios**

- 15.1 It was agreed as of 1 January 2013 that no permanent employee should be paid less than the London Living Wage. This supports the Council’s ambition to raise average local household incomes and reflects its commitment to pay fairness. The Council has also agreed that this should apply to all agency staff working on Council assignments.
- 15.2 Based on this figure, the Council’s pay multiple - the ratio between the highest and lowest paid employee - is 1:8:4. This means that the acting chief executive is paid 8.4 times more than the lowest salary. This is lower than the previous year.
- 15.3 The median annual salary for all employees on 1 April 2022 was £34,341 per annum, with the average salary being £37,959. Both median and average salaries referenced are full time equivalent and are adjusted according to individual contractual arrangements.
- 15.4 The ratio between the acting Chief Executive’s salary level as of the 1<sup>st</sup> of April 2022 and the median salary figure as at the same date including the increase in the LLW as detailed in Section 3.3, is currently 1 to 5. Across London, the average ratio between the highest and median salaries is 1 to 7, based on a Chief Executive’s average of £194,969 (taken from London Councils’ 2020 Senior Staff Pay Data).
- 15.5 The Council has recently been accredited as a Mayor of London’s “Good Work Standard” Employer and at “Excellence”, the highest level. The “Good Work Standard” provides employers with a set of best employment practices, organised

into four key areas “pillars” that are relevant to any organisation and employer as follows:

- Fair pay and conditions
- Workplace wellbeing
- Skills and progression
- Diversity and recruitment

15.6 To meet this standard, the Council was assessed by an external panel. The panel was impressed with the support that we provide for staff on:

- financial wellbeing during the cost-of-living crisis,
- the range of inclusive staff networks and their involvement with shaping policies, procedures and changes to the organisation and
- flexible working policies and the support available to staff.

## **16. Any Additional Reward Arrangements**

16.1 No additional reward arrangements are in place.