

<p>Council Meeting 6 March 2012</p>

REPORT OF THE HEAD OF PAID SERVICE
AGENDA ITEM 4.4

LONDON BOROUGH OF BARNET – PAY POLICY STATEMENT 2012/13

1. BACKGROUND

1.1 Localism Act 2011 - Openness and accountability in local pay

Section 38(1) of the Localism Act requires Local Authorities to produce an annual pay policy statement.

The provisions in the Act do not seek to change the right of each Local Authority to have autonomy on pay decisions, however it emphasises the need to deliver value for money for local taxpayers.

This statement does not cover schools.

1.2 Related Remuneration and Transparency Context

The Council will continue to meet all of its other obligations with regard to the publication of pay information.

The Council has recently adopted and now follows the transparency requirements on remuneration as set out in the Code of Recommended Practice for Local Authorities on Data Transparency issued by the Department for Communities and Local Government in September 2011.

2. GOVERNANCE ARRANGEMENTS FOR PAY AND CONDITIONS OF SERVICE WITHIN LONDON BOROUGH OF BARNET

General Functions Committee - as set out in the Council's constitution Part 3, section 2 – has responsibility for staff matters and conditions of service. General Functions Committee is a sub committee of Council and all of its decisions will either be called in or are approved by full Council.

As part of the transparency and accountability agenda the Council intends during 2012/13 to set up a Remuneration Committee which will have accountability for remuneration of chief officers and pay in general.

The Remuneration Committee would also have responsibility for ensuring that remuneration is set within the wider pay context, including giving due consideration to the relationship between the highest and lowest paid in the organisation. The

Remuneration Committee will produce pay recommendations and pay policy for approval by Council.

Practically this means that General Functions Committee with its remit covering conditions of service and the Remuneration Committee with its remit of Pay and pay Policy will work closely together to produce co-ordinated statements for approval by Full Council.

3. REMUNERATION ARRANGEMENTS FOR ALL EMPLOYEES

3.1 Introduction

This section sets out the remuneration arrangements for all London Borough of Barnet (LBB) employees.

LBB operates a single set of pay arrangements which covers all employees including Chief Officers. These arrangements include:

- Base pay negotiated through collective bargaining arrangements administered by the Local Government Association
- Adoption of the NJC pay spine extended to include Chief Officers.
- A comprehensive pay banding structure for all employees - put in place following LBB's review of pay in 2000 under the Council's Single Status Agreement.
- Evaluation of all roles using systematic Job Evaluation.
- Roles placed on the pay spine using job evaluation
- Automatic enrolment into Local Government Pension Scheme (LGPS)

3.2 Pay Scales

The council in accordance with its single status agreement currently has five pay bands in operation as follows:

Pay Band	Relevant employees	Lowest Pay Point as at 1 Jan 2012	Highest Pay Point as at 1 Jan 2012
Chief Executive	Chief Executive	£200,976	£217,861
Directors	Directors	£120,000	£175,000
Barnet Band 5	Assistant Directors	£63,681	£117,879
Hayband 4	Senior Managers and some professional staff	£47,550	£62,514
Barnet Broadband	All other employees	£14,697	£64,827

The evaluated grade for a role is normally 4 spinal column points. However the Single Status Agreement allows for some discretion in the number of spinal column points within a grade ranging from single spot grade through to a career grade; this discretion must be in line with the single status agreement.

The pay point on recruitment is normally at the bottom point of the grade for each post unless there is a justifiable reason for doing otherwise. An example might be that for particular roles there is difficulty in recruitment and retention and to ensure that the successful candidate accepts the job offer a salary above the bottom of the grade is required.

Progression through the grade is through annual increments until the top of the pay grade is reached.

LBB may pay beyond the evaluated level of the job where there is a clear market reason to do so. Any market payment will need to be supported by clear evidence before it can be brought into payment. New Market Supplements are approved by General Functions Committee.

3.3 Other Elements of Remuneration

LBB does not pay bonuses or performance related pay.

LBB does not offer any benefits in kind

LBB does not use ex-gratia payments.

The Council has an Honoraria Policy which sets out: when Honoraria may be paid; the payment calculation and the period of payment. Any Honoraria payments must be approved at Assistant Director level or above.

3.4 Payment for election duties

Any employee who undertakes election duties is paid for this through the Returning Officer. The level of Fees & Charges payable for election duties are set by the Cabinet Office & London Councils.

3.5 Pension Arrangements

The percentage rate of contributions is set through national negotiations.

Employees of the London Borough of Barnet are automatically enrolled into the LGPS but can opt out if they so wish.

Awarding additional pension, payment of pension without reduction on compassionate grounds and immediate payment of pension are matters dealt with by LGPS Scheme Rules.

3.6 Redundancy Terms

The Council's Managing Organisational Change Policy is applicable to all employees and sets out redundancy compensation.

3.7 Appointment and Remuneration Terms

The Council appoints to roles on a variety of terms and the final decision about the appointment and remuneration terms will be a reflection of the requirements of the role; the evaluated level of the role; the longevity of the role; budgetary constraints and broader value for money considerations.

4. RELATIONSHIP BETWEEN THE REMUNERATION OF ITS CHIEF OFFICERS, AND THE REMUNERATION OF ITS EMPLOYEES WHO ARE NOT CHIEF OFFICERS

4.1 Remuneration of the Lowest Paid

The definition of the lowest paid is based on the spinal point 4 which is the lowest pay point on the NJC scale and is above the National Minimum Wage.

4.2 Pay Dispersion

The highest paid role in the Council is the Chief Executive with earnings of £200,796 the median average paid role is £28,800 and this covers a wide range of roles. The ratio between the highest paid in the authority (Chief Executive Officer) and the median average paid role is 1:6.98. The lowest paid role in the Council is scp 4 earning £14,697 per annum the ratio between the highest and lowest paid roles is 1:13.66.

4.3 Elements of Chief Officer Remuneration

All Chief Officers receive only base pay. In common with all other roles in the Council if there was clear market evidence that the evaluated level of the job did not reflect the market then a market supplement would be considered. Any market supplement would need to be agreed by the Remuneration Committee and ratified by GFC.

5. APPROACH TO STAFF MOVING POSTS WITHIN THE PUBLIC SECTOR

LBB operates a recruitment policy based on merit - in line with discrimination legislation.

Should a successful candidate be in receipt of a severance payment or pension the London Borough of Barnet applies the Rules of the Local Government Pension Scheme and Modification Order to manage the following scenarios, should they occur:

- Where previously employed by the same authority, left with a severance or redundancy payment, and have come back as a Chief Officer
- Are in receipt of a Local Government Pension Scheme or Firefighter pension (whether their previous service was with the same authority or not)

Where the successful candidate was previously employed by LBB then there would normally be a six month break before LBB would re-employ either as an employee or under a contract for services

6. PUBLICATION OF AND ACCESS TO INFORMATION REGARDING REMUNERATION OF CHIEF OFFICERS

Remuneration information about Chief Officers is published on the London Borough of Barnet's website which is accessible to all members of the public.

The Council's Annual Accounts set out actual remuneration including all elements of pay for roles paid above £58,200. These accounts are published on the Council's website.

7. AMENDMENTS TO THIS PAY POLICY STATEMENT

It is recognised that the Council is undergoing fundamental change during the period covered by this pay policy statement. Amendments to this pay policy statement in-year will be carried out via the governance framework set out at section 2 with approval as appropriate by Full Council.

RECOMMEND – That Council approve London Borough of Barnet's Pay Policy Statement 2012/13.

**Nick Walkley
Chief Executive**