

## **Report of the Remuneration Committee**

29 January 2013

Members Present:-

Councillor Richard Cornelius (Chairman)  
Councillor Daniel Thomas (Vice-Chairman)

Councillor Jack Cohen

Councillor Alison Moore

Councillor Joan Scannell

### **PAY POLICY STATEMENT – 2013/14**

The Committee approved the attached Pay Policy Statement.

**RESOLVED TO RECOMMEND** - The Council's Pay Policy Statement for the financial year 2013/14 for endorsement by Council on 5 March 2013.

# London Borough of Barnet – Pay Policy Statement 2013/14

## 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 has been approved by full Council and any further changes during the year will be brought back to Council for adoption.

This statement does not cover schools.

### 1.2 *Related Remuneration and Transparency Context*

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

## 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.

Remuneration Committee – as set out in Part 3 of the Council's Constitution – Responsibility for Functions has in its Terms of Reference accountability for remuneration of chief officers and pay in general. Remuneration Committee is a sub committee of Council and all of its decisions will either be called in or are approved by full Council.

The Remuneration Committee also has 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 will remit the pay policy for approval by Council.

### 3. Remuneration arrangements for all employees

#### 3.1 Introduction

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

##### *Senior Management*

A new set of Pay and Reward arrangements have been implemented for the Senior Management Team. These arrangements include:

- Market based pay structure which links job size to the mid point between Median and Lower Quartile Pay data
- Evaluation of all roles using Hay Job Evaluation scheme to size the role.
- Pay Grade reflect job sizes and evaluated roles are slotted according to the evaluated job size
- Automatic enrolment into Local Government Pension Scheme (LGPS)
- Base pay reviewed by Remuneration Committee - these roles are outside national pay bargaining
- 30 days annual leave
- Sick pay is a maximum of six months at full pay and three months at half pay

##### *Rest of the Council*

LBB is reviewing its Pay and Reward arrangements for all other employees. Current arrangements are:

- Base pay negotiated through collective bargaining arrangements administered by the Local Government Association
- Adoption of the NJC pay spine
- 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

##### *Senior Management Team*

Set out below are the pay grades for the Senior Management Team and the Statutory Officer posts.

<b>Pay Grade</b>	<b>As at 1 Jan 2013 Pay point for Entry</b>	<b>As at 1 Jan 2013 Pay point for Developing</b>	<b>As at 1 Jan 2013 Pay point for Fully Competent</b>	<b>Chief Officer Post(s)* included in each Pay Grade</b>
1	£177,613	182,613	£187,613	Chief Executive
2	£148,464	£153,464	£158,464	Chief Operating Officer; Director for People and

				Director of Children's Services
3	£124,870	£129,870	£134,870	Director for Place; Adults and Communities Director
4	£103,846	£108,846	£113,846	Assurance Director
5	£85,139	£89,869	£94,599	
6	£71,511	£75,484	£79,457	
7	£57,950	£61,170	£64,389	

\* These Chief Officer posts are subject to changes in the Council's constitution to reflect the new senior management structure

Each Pay Grade comprises 3 pay points Entry, Developing and Fully Competent. The Fully Competent pay point reflects the evaluated level of the job. LBB does not pay beyond the evaluated level of the job and there is no automatic progression between each level within the Grade.

The appropriate pay point at recruitment will normally depend upon the applicant's assessed level of competence.

#### *Rest of the Council*

The council in accordance with its single status agreement currently has two pay bands in operation for the remainder of the Council as follows:

<b>Pay Band</b>	<b>Relevant employees</b>	<b>Lowest Pay Point as at 1 Jan 2012</b>	<b>Highest Pay Point as at 1 Jan 2012</b>
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.

### **3.3 Other Elements of Remuneration**

#### *Pay Protection*

The Council's Managing Organisational Change Policy is applicable to all employees and sets out the Council's pay protection policy.

#### *Honoraria*

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

#### *Market Factor Supplements*

The Council has a Market Factor Supplement Policy applicable to all employees which describes when and how LBB may pay beyond the evaluated level of the job. Any market payment will need to be supported by clear market evidence before it can be brought into payment.

#### *Other*

LBB does not pay bonuses or performance related pay.

LBB does not offer any benefits in kind

LBB does not use ex-gratia payments.

### **3.4 Payment for election duties**

The role of Returning Officer is considered to be secondary employment and any Senior Officer undertaking this role will be expected to either take annual leave or special unpaid leave when fulfilling this function.

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 £187,613 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 1:6.5. 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 1:12.76.

### **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.

## **5. 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.