

APPENDIX A

London Borough of Barnet

Pay Policy Statement 2022/23
[incorporating information on Gender Pay Gap]

Published
April 2022

1 Background

Localism Act 2011 - Openness and accountability in local pay

- 1.1. Section 38(1) of the Localism Act 2011 requires local authorities to publish an annual pay policy statement.
- 1.2. The provisions in the Act do not seek to change the right of each local authority to have autonomy on pay decisions. However, they do emphasise the need to deliver value for money for local taxpayers.
- 1.3. This statement will be presented to Full Council for adoption and any further changes during the year will be brought back to Council for approval.
- 1.4. This statement only relates to the remuneration of staff directly employed and managed by the Council of the London Borough of Barnet. It does not cover school-based employees or those working for partner organisations.

Related Remuneration and Transparency Context

- 1.5. The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015 issued in February 2015 by the then Department for Communities and Local Government; and specific guidance relevant to the Localism Act issued by the Department in February 2012 and February 2013.
- 1.6. The Code of Recommended Practice for Local Authorities on Data Transparency includes publishing information relating to salaries over £58,200. Similarly, the Local Government Transparency Code 2015 stipulates that salaries over £50,000 should be published. In order to comply with both Codes, the Council publishes a summary of posts that are paid more than £50,000. The summary is available on the website of the Council.
- 1.7. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ordinarily require the Council to report 'pay gap' information such as the difference between the average (mean and median) pay of female employees and that of male employees.

2. Governance arrangements for pay and conditions of service within Barnet Council

- 2.1. The Constitution and General Purposes Committee (appointed by Council) has responsibility for decisions related to the pay and terms and conditions of employment for staff (other than those within the remit of the Chief Officer Appointment Panel¹) in accordance with Article 7 (Committees, Sub-Committees, Area Committees and Forums and the Local Strategic Partnership) of the Constitution.

¹ The Chief Officer Appointment Panel deals with chief officer appointments, discipline and capability matters.

2.2. Included within the responsibilities of the Committee is the duty to develop and publish the annual pay policy statement for approval by Council (being its parent body) which will comprise:

- the level and elements of remuneration for each Chief Officer
- relationship between the remuneration of Chief Officers and other employees
- a description of the relationship between decisions made on the lowest paid and top paid employees in the organisation
- remuneration of the lowest paid (with the definition of the lowest paid and the reasons for adopting that definition)
- in relation to Chief Officers - remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments
- transparency arrangements, including the publication of and access to information relating to the remuneration of chief officers
- reasons for chosen approach to remuneration levels and how this is to be implemented
- differences of approach to groups of employees and the reasons for them
- pay dispersion
- incremental progression factors
- use of honoraria and ex-gratia payments
- determination of remuneration parameters for officers who have returned to work for the local authority
- appointment and remuneration term.

2.3. In addition, the Committee has a duty to review remuneration annually and ensure that sufficient flexibility exists within the Council's pay policy to allow responses to unforeseen circumstances without having recourse to revising the policy between annual reviews.

2.4. Council is asked to consider the Constitution and General Purposes Committee's recommendation(s). The Council is ultimately responsible for approval of the annual pay policy statement.

3. Remuneration arrangements for all employees

Introduction

3.1. This section sets out the remuneration arrangements for Barnet Council employees.

Senior Management

3.2. The Senior Management Team's pay and reward arrangements include:

- A market-based pay structure which links job size to the midpoint between Median and Lower Quartile Pay data;
- Evaluation of all roles using Hay job evaluation scheme to define the scope and 'size' of each post;
- Pay Grades reflect job sizes and evaluated roles are slotted into a grading system according to the evaluated job size;
- Automatic enrolment into Local Government Pension Scheme (LGPS);
- Base pay linked to the NJC for Local Government Services;

- 30 days' annual leave; and
- Sick pay up to a maximum of six months at full pay and six months at half pay

Rest of the Council

- 3.3. Current arrangements for the remainder of the council's workforce include:
- A grading system with grade minima and maxima broadly corresponding to points within the National Joint Council (NJC) for Local Government Services (LGS) pay 'spine';
 - Grading of all posts through systematic job evaluation (Hay scheme);
 - Automatic enrolment of employees into the Local Government Pension Scheme (LGPS)²;
 - 30 days' annual leave; and
 - Other terms and conditions of employment such as entitlement to sick pay governed by the NJC LGS

Pay Scales - Senior Management Team

- 3.4. The Senior Management grade structure and salaries were agreed by General Function Committee on 3rd May 2017. The Constitution and General Purposes Committee (subject to Council approval) sets the pay rates applicable to the grade structure on an annual basis and this pay policy statement is updated. Table A below sets out the salaries associated with the pay grades for the Senior Management Team and the Statutory Officer posts. Salaries are reviewed during April of each year and an updated pay policy statement is approved and published by the Council as necessary.

Pay Grade	Grade Minimum On 1 April 2021	Grade Maximum On 1 April 2021	Chief Officer and Senior Management Posts
1	£189,870	£200,560	Chief Executive*
2	£158,710	£169,400	Deputy Chief Executive*
3	£135,765	£158,213	Executive Director for Children & Families* (incorporates statutory Director of Children's Services); Executive Director for Adults & Health* (incorporates Statutory Director for Adults and Social Services) Executive Director for Environment*
4	£121,868	£135,765	Executive Director of Resources (s.151 Officer)* Executive Director of Assurance* Director of Adult Social Care

² Note that, for a small number of designated roles where recruitment and retention issues exist, employees are offered the option of receiving a higher salary in return for sourcing their own pension provision

Pay Grade	Grade Minimum On 1 April 2021	Grade Maximum On 1 April 2021	Chief Officer and Senior Management Posts
			Director of Growth
5	£111,178	£121,868	Director of Commercial and Customer Services Director of Public Health and Prevention* Director of Children's Social Care (Early help, Children in need of help & protection) Director of Children's Social Care (Corporate Parenting, Disability and Permanence) Street-Scene Director
6	£90,866	£111,178	Senior Management – mainly Assistant Director posts
7	£78,038	£87,659	
8	£69,486	£78,038	

Table A: Barnet Council senior management grading system with details on Chief Officer (posts denoted with an asterisk) and Director remuneration.

- 3.5. Each Pay Grade comprises a minimum (entry pay point) and a maximum (fully competent) pay point. The Fully Competent pay point reflects the evaluated level of the job. The Council does not pay beyond the evaluated level of the job.
- 3.6. The appropriate pay point at recruitment will normally depend upon the applicant's assessed level of competence.
- 3.7. All Chief Officer appointments (those officers listed in Article 9 of the Council Constitution) are conducted by the Chief Officer Appointment Panel, which comprises five elected members appointed to the panel by Council. The Panel includes the Leader of the Council, the Deputy Leader of the Council, the Chairman of the Constitution and General Purposes Committee, the Leader of the Opposition and a further member of the opposition group. The post holder's remuneration will be voted on by the Constitution and General Purposes Committee and reported to Council at the earliest opportunity.
- 3.8. The Constitution and General Purposes Committee is responsible for the appointment of all chief officers with the exception of the Head of Paid Service (Chief Executive) as Council retains the responsibility to confirm the appointment or dismissal of the Head of Paid Service.
- 3.9. Pay progression within senior management grades is assessed through the annual performance review cycle. There are four performance levels, each corresponding to a defined percentage of salary increase until an employee reaches the top of the pay grade for their post, shown in Table B.

Rating	Percentage increase
Development Needs	0%
Satisfactory	0.5%
Good	2.25%
Outstanding	3%

Table B: Barnet Council performance-based pay progression for senior management.

Pay Scales - Rest of the Council

- 3.10. The Council, in accordance with its single status agreement, has a grading system in place for staff not covered by the SMT arrangements outlined above. In accordance with the Council's job evaluation scheme, each post is assigned one of 13 grades. The lowest point in the pay 'spine' is £20,658 and the highest point is £68,832. A full list of grades and corresponding salary levels at all levels of the Council can be found in Appendix A1.
- 3.11. 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. Justifiable reasons for appointments at higher levels within a grade may include a need to match the appointee's salary at a previous employer and/or challenges in relation to staff recruitment and retention for a particular post or level of skill.
- 3.12. Pay progression within grades is assessed through the annual performance review cycle. There are four performance levels, each corresponding to a defined percentage of salary increase until an employee reaches the top of the pay grade for their post.

Rating	Percentage increase
Development Needs	0%
Satisfactory	0.5%
Good	2.25%
Outstanding	3%

Table C: Barnet Council performance-based pay progression for grades A-M.

Barnet Living Wage

- 3.13. The Council has developed a fair pay policy to ensure that it applies a wage 'floor' for Council employees, the essence of which is set out in the following statement:

"London Borough of Barnet is a fair pay employer and will apply the principles of a living wage (including taking into account the National Minimum Wage, National Living Wage, London Living Wage and national pay awards in the public sector), subject to affordability."

- 3.14. As outlined above, the lowest point in the Barnet Council pay 'spine' is £20,658. All posts within the Council's grading system are remunerated at levels that exceed the 2020/21 London Living Wage [expressed as an hourly rate of £10.85, which would correspond to an annual salary of £20,367 for a full-time employee].

- 3.15. The reader may wish to note that the 2021/22 London Living Wage has risen to £11.05 per hour. While this would correspond to an annual salary of £20,742, which is marginally higher than the lowest point in the Barnet Council pay 'spine', the Council intends to increase the pay of its employees in line with the outcome of ongoing national negotiations between local government employers and trade unions. The increase will be backdated to 1 April 2021 and will almost certainly result in the lowest salary exceeding £20,742.
- 3.16. It is important to note that the Council's grading system and Living Wage provisions do not include remuneration rates in respect of apprenticeships, where the national apprenticeship rates will apply at a minimum.

Other Elements of Remuneration

Pay Protection

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

Recruitment and Retention Premia

- 3.18. The Council has a recruitment and retention payments policy applicable to all employees which describes when and how the Council may pay beyond the evaluated level of a job. Any such payments will need to be supported by clear labour market evidence before they can be made, and to be reviewed periodically.

Other

- 3.19. The Council does not operate a bonus scheme for senior managers or any other employees, however it does award salary progression within grades on the basis of employee performance as outlined above.
- 3.20. The Council does not offer any benefits in kind.
- 3.21. With effect from December 2021, the Council has introduced a Policy for Payments for Additional Responsibilities and Outstanding Contributions which allows discretionary payments to be made to staff who are required to undertake duties outside the scope of their post or/and have made extraordinary contributions to the work of the Council. Payments under the Policy are subject to an approval process which includes senior management as well as the Assistant Director of Human Resources and Organisational Development.

Payment for election duties

- 3.22. 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.

- 3.23. 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.

Pension Arrangements

- 3.24. Employees of the London Borough of Barnet are automatically enrolled into the Local Government Pension Scheme (LGPS). However, employees are entitled to opt out of the Scheme if they so wish.
- 3.25. The rate of employee pension contributions is determined by national LGPS regulations.
- 3.26. Pension matters are dealt with by LGPS Scheme Rules. LGPS members are also entitled to receive benefits related to ill-health retirement and death in service.

Redundancy Terms

- 3.27. The Council's Managing Organisational Change Policy is applicable to all employees, including Chief Officers, and the Head of Paid Service, and sets out redundancy compensation.
- 3.28. Redundancy compensation is calculated based on an employee's actual weekly gross pay using the statutory matrix of Age and Years of Completed Service. The minimum is 1 week's actual gross pay and the maximum is 30 weeks' pay.
- 3.29. The Council's redundancy terms do not enhance pension entitlements.
- 3.30. As part of its duty to mitigate the consequences of redundancy, the Council puts in place appropriate employee support, which includes career advice, workshops and redeployment trial periods for employees.

Appointment and Remuneration Terms

- 3.31. The Council appoints to roles on a variety of terms [within the parameters of its Unified Reward framework and other relevant policies], and the final decision about appointment and remuneration terms will generally 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. Severance arrangements

- 4.1. The Council does not enhance severance packages beyond statutory and contractual entitlements. In practice this means severance packages consist of redundancy pay (see 3.27) and any holiday pay to which the employee is contractually entitled. Employees who are members of the LGPS may also be entitled to redundancy-related payments in accordance with the Regulations of

the Scheme. From the Council's perspective, this will mean that mandatory and discretionary payments towards premature retirement compensation will be included in the assessment of the severance payments which are made to an individual.

- 4.2. Where an employee who is a member of the LGPS is aged 55 or above and is made redundant, then, by virtue of the LGPS scheme rules, the employee's pension will automatically come into payment. It should be noted that an employer cost, known as 'Pension Strain' will be crystallised and is a cost to be paid by the employer to the LGPS.
- 4.3. For the purposes of calculating the component parts of a severance package this will include:
 - redundancy pay
 - holiday entitlement earned but not taken
 - 'pension strain' cost payable by the Council to the Pension Scheme.
- 4.4. The Council had been given the opportunity to vote on severance packages at or above £95,000 per annum and have delegated this function to the Constitution and General Purposes Committee³.

5. Relationship between the remuneration of the Council's chief officers, and the remuneration of its employees who are not chief officers

Remuneration of the Lowest Paid

- 5.1. The definition of the lowest paid is outlined in Section 5.4 (below). The Council has adopted that definition based on the lowest point of the Council's pay 'spine' - see section 3.10. The reader should note that salaries are quoted in this Statement on a full-time basis; salaries for employees who work part-time are calculated on a pro-rata basis in line with the grade for their role.

Pay Dispersion

- 5.2. The highest paid role in the Council is that of the Chief Executive with earnings of £198,511. Earnings for the median average paid role stand at £32,215, falling within Grades G and H which cover multiple roles across a wide range of Council services. The ratio between the highest paid in the authority (Chief Executive Officer) and the median average paid role is approximately 6.2:1. The lowest-paid role in the Council is in the Streetscene

³ The reader may wish to note that a statutory instrument entitled 'Restriction of Public Sector Exit Payment Regulations 2020' was enacted in November 2020. The aforementioned Regulations would have obliged the Council to cap exit payments [including those made in respect of pension 'strain'] to £95,000. However, the Regulations were revoked in March 2021; as a result, the Committee has retained its decision-making responsibility on any proposed exit payments which are likely to exceed £95,000.

Service, with full-time earnings of £20,658 per annum. The ratio between the highest and lowest paid roles is 9.6:1.

- 5.3. A pay dispersion comparison between the current year and previous year is shown in Table D below:

Description	2020/21	2021/22
Highest Paid	£194,142	£198,511
Median	£32,415	£32,215
Lowest paid	£20,658	£20,658
Highest to median ratio	6:1	6.2:1
Highest to lowest ratio	9.4:1	9.6:1

Table D: Pay dispersion at Barnet Council in 2020/21 and 2021/22⁴.

Elements of Chief Officer Remuneration

- 5.4. As described previously, Chief Officers do not ordinarily receive any bonuses or benefits in kind. In common with all Council posts, where there is evidence that the evaluated level of the job does not reflect current labour market conditions, a market supplement may be considered. Any market supplement would need to be agreed and reviewed by the Constitution and General Purposes Committee.

6. Gender Pay Gap

- 6.1 The Council is committed to reporting accurately on its gender pay gap. As at 31.03.2020, the average hourly rate of pay for female employees was higher than that for male employees both in terms of the mean (14.15%) and median (25.54%) averages. More details can be found in Appendix A2.

7. Staff moving posts within the public sector

- 7.1. The Council operates a recruitment policy based on merit, in line with the provisions of Section 7 the Local Government and Housing Act 1989.
- 7.2. Should a successful candidate for a Barnet Council vacancy be in receipt of a severance payment or pension, the Council would follow the Rules of the Local Government Pension Scheme and Modification Order to manage the following scenarios, should they occur:

⁴ The reader may wish to note that the median pay amount for 2020/21 has been revised from the figure reported in the April 2021 Pay Policy Statement. This has been the result of improved access to management information which has facilitated a more robust quality assurance process for pay metrics. The highest to median pay ratio for 2020/21 has also been adjusted as a result.

- Where someone previously employed by the same authority, left with a severance or redundancy payment returns to the Council's employment as a Chief Officer
- Officers in receipt of a Local Government Pension Scheme or Firefighter pension (whether their previous service was with the same authority or not).

7.3. Where an employee leaves the Council on the grounds of redundancy, there would normally need to be a 12-month break before the Council would consider engaging them again either as an employee or under a contract for services

8. Publication of and access to information regarding remuneration of Chief Officers

8.1. Remuneration information about Chief Officers is published on the Council website.

8.2. The Council's Annual Accounts set out remuneration information for roles paid above £50,000. These accounts are published on the Council's website.

9. Amendments to this Pay Policy Statement

9.1. Data within this statement are correct as at December 2021. The reader should note that they do not incorporate any pay offer for the 2021/22 or 2022/23 financial years, and that the median pay may be subject to minor variations as a result of posts being created, deleted, or re-evaluated.

9.2. There is a requirement to keep this Pay Policy Statement as up to date as possible. Therefore, mid-year amendments to the statement will be approved and published by the Council as appropriate.

APPENDIX A1



PAY AND GRADING STRUCTURE FROM 1 APRIL 2021⁵

GRADE	Minimum	Maximum
Grade A	£20,658	£22,185
Grade B	£21,795	£22,995
Grade C	£22,587	£23,826
Grade D	£23,406	£24,693
Grade E	£24,258	£26,052
Grade F	£26,052	£28,992
Grade G	£28,992	£32,418
Grade H	£31,557	£34,884
Grade I	£34,884	£38,883
Grade J	£39,867	£44,790
Grade K	£47,841	£52,886
Grade L	£53,928	£60,396
Grade M	£61,949	£68,832
Grade 8	£69,486	£78,038
Grade 7	£78,038	£87,659
Grade 6	£90,866	£111,178
Grade 5	£111,178	£121,868
Grade 4	£121,868	£135,765
Grade 3	£135,765	£158,213
Grade 2	£158,710	£169,400
Grade 1	£189,870	£200,560

⁵ The figures are subject to change due to a pending cost of living award which will be backdated to 01.04.2021.

APPENDIX A2

Gender Pay Gap information

(Note: Data as at 31.03.2020)

1. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ordinarily require the Council to report 'pay gap' information, including the difference between the average (mean and median) pay of female employees and that of male employees as well as an analysis of the workforce by pay quartile.
2. The 2020/21 gender pay gap figures for Barnet Council have already been published through the central Government's Gender Pay Gap Reporting Service. However, the Council is keen to continue its work on transparency and the overall equality, diversity, and inclusion agenda and has decided to include the relevant information⁶ in this report.
3. The mean average hourly pay for female Council employees is £19.23, and the median average hourly pay for female Council employee stands at £17.70. The figures for male employees are £16.85 and £14.10 respectively. Consequently, the mean average gender pay gap is 14.15%, and the median average gender pay gap is 25.54% (Table 1).

<i>Type of figure</i>	2019/20	2020/21
Mean pay per hour for male employees	£17.22	£16.85
Mean pay per hour for female employees	£19.58	£19.23
Gender pay gap – mean average	13.7%	14.15%
Median pay per hour for male employees	£14.03	£14.10
Median pay per hour for female employees	£17.72	£17.70
Gender pay gap – median average	26.28%	25.54%

Table 1:
Barnet

Council gender pay gap figures⁷.

4. The Barnet pay gap figures appear to be significantly different from gender pay gap data across London Borough Councils⁸, where a very small gap exists in the other direction, with male employees' median hourly pay being 0.5% higher

⁶ The reader may wish to note that the statutory definition of gender pay gap calculations is based on the earnings of male employees. Consequently, using that definition, the Council technically has 'negative' pay gaps. The Council reports its pay gap figures to the central government's Gender Pay Gap Service using the relevant template [devised by that Service] in order to facilitate comparisons with other organisations.

⁷ The slight decrease in mean pay for both male and female employees, as well as median pay for female employees, is mostly due to the delay of the 2020/21 cost of living award (as new starters are typically paid at the bottom point of the grade for their post while leavers have usually benefitted from pay progression within the grade for their post).

⁸ LGA report: 'The gender pay gap in local government 2019'

than that of female employees, as well as local authorities across England and Wales, where the median pay of male employees is 4.3% higher than that of female employees⁹. The difference can largely be attributed to the fact that Barnet Council has outsourced the work of certain specialist/professional functions (such as Information Technology) which traditionally attract a higher proportion of men and which other authorities continue to deliver internally. This means that women make up the majority of employees in the top 3 pay quartiles within the Council (Table 2).

Quartiles	Male 2020	Female 2020	Male 2021	Female 2021
Lower Quartile	55.8%	44.2%	60.5%	39.5%
Lower Middle Quartile	48.4%	51.6%	45.5%	54.5%
Upper Middle Quartile	28.2%	71.8%	29.7%	70.3%
Upper Quartile	30.5%	69.5%	32.1%	67.9%

Table 2: Gender 'split' of Barnet Council employees by pay quartile.

- The Council remains fully committed to the EDI (Equality, Diversity, and Inclusion) agenda and continues its work to improve its engagement with all sections of the community as well as its employer 'brand' within and beyond the Borough.

⁹ LGA data pack: 'Local Government Workforce Summary Data', March 2021