

LONDON BOROUGH OF BARKING AND DAGENHAM

PAY POLICY STATEMENT 2018/19

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 2018.
- 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 recognises that if it is to serve its communities well and deliver the agreed vision and objectives, it needs to be able to attract and retain talented people at all levels of the organisation. The Council continues to face very significant budget and demand challenges.
- 2.2 The Council continues to ensure that its Leadership Team is structured to deliver the outcomes of the Ambition 2020 programme and Growth Commission recommendations. This is reflected in this Pay Policy Statement. The number of senior posts has increased slightly, although this is subject to continual review as the Council continues with the implementation and embedding of its new service delivery blocks.

3. Pay and Reward Principles

- 3.1 The approach to pay and reward continues to be based on the following principles:
- Pay levels are affordable for the Council, at a time when it is making some very difficult decisions about spending on services to the community;
 - The Council can demonstrate fairness and equity in what it pays people at different levels and in different parts of the Council; and
 - 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.
- 3.2 Pay levels are determined through “job evaluation”. For staff at PO6 and below, the Council generally uses the Greater London Provincial Council job evaluation

system. For posts at PO7 and above, the HAY job evaluation system is used. Pay point 49 (£45,666) is at the top of PO6 and bottom of PO7. 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. A new rate of £10.20 per hour (from £9.75 per hour) was applicable with effect from 6 November 2017.

4. Defining “Chief Officers”

4.1 At the start of the 2018/19 financial year, the Council expects to have within its structure the following Chief Officer posts:

- Chief Executive (and Head of Paid Service)
- Strategic Director for Service Development and Integration (and Deputy Chief Executive) to be replaced by Director, People and Resilience in June 2018.
- Chief Operating Officer (and Section 151 Officer)
- Director, Law and Governance (and Monitoring Officer)
- Director, Policy and Participation
- Director, Inclusive Growth (out to advert)
- Transformation Director
- Finance Director
- Director of Public Health
- Operational Director, Community Solutions
- Operational Director, My Place
- Commercial Director
- Commissioning Director, Culture and Recreation
- Commissioning Director, Children’s Care and Support
- Commissioning Director, Adults’ Care and Support
- Commissioning Director, Education
- Operational Director, Enforcement
- Operational Director, Adults’ Care and Support
- Operational Director, Children’s Care and Support

5. Accountability for Chief Officers Pay

5.1 The pay arrangements for chief officers are overseen by the JNC Salaries and Conditions 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 evaluated using the HAY job evaluation system. There is a commitment to review salary levels about every three years. In undertaking reviews, account is taken of the market, particularly the market in London, to

ensure the Council can compete successfully for the talent it needs to lead and manage in the current challenging environment.

- 6.1.2 The salary benchmarking information comes from the London Councils Chief Officers Salary Survey. The latest information held is from 2016. There were 32 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:

| | |
|-------------------------------|------------|
| Chief Executive | - £199,915 |
| Executive, Strategic Director | - £139,110 |
| Director | - £104,760 |
| Assistant Director | - £92,226 |

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

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 by 1% in line with nationally negotiated pay awards in both April 2016 and April 2017.

6.3 Chief Officer Pay Range

- 6.3.1 The Chief Officer pay structure was last reviewed in 2013. The grades increased by 1% in line with nationally negotiated pay awards in April 2016 and April 2017. There are no proposals to review this pay range in 2018/19. The pay range from April 2018 is as follows:

| | |
|-----|----------|
| CO1 | £81,930 |
| CO2 | £93,399 |
| CO3 | £103,231 |
| CO4 | £110,846 |
| CO5 | £122,412 |
| CO6 | £134,406 |
| CO7 | £146,450 |

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

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

| Position | Grade of Post | Salary cost to LBBD |
|--|------------------------|----------------------------|
| Chief Executive (and Head of Paid Service) | Individual spot salary | £168,316 |
| Strategic Director for Service Development and Service Integration * | Individual spot salary | £146,450 |
| Chief Operating Officer | CO7 | |
| Director of Public Health | Individual spot salary | £88,269 |
| All other Directors & Operational and Commissioning Directors | CO2 – CO5 | £93,398 - £122,412 |

* The Strategic Director for Service Development and Service Integration (and Deputy Chief Executive) is paid a salary in recognition of the level of risk and responsibility held as statutory Director of Children’s Services and Director of Adult Services and the additional responsibility of Deputy Chief Executive. This salary was benchmarked at £145,000 in 2016 (increased by 1% in line with nationally negotiated pay awards in April 2017).

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.

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 your 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 at age 60 or over or who are retired on redundancy or efficiency grounds over age 55 are entitled to receive immediate payment of their pension benefits in accordance with the Scheme. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme with the permission of the Council in specified circumstances from age 55 onwards and on grounds of permanent ill-health 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 week’s 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, the Council may settle such claims by way of a settlement agreement where it is in the Council's interests to do so. 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.

15. Fairness and Equality

Pay Ratios

- 15.1 It was agreed that as of 1 January 2013, no permanent member of the Council's staff should be paid less than £9 per hour (excluding those on apprenticeship schemes). 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. This minimum rate increased to £10.20 per hour (equivalent to an annual salary of £18,613) with effect from 6 November 2017.
- 15.2 Based on this figure, the Council's pay multiple - the ratio between the highest paid employee (the Chief Executive) and lowest paid employee - is 1:9.4 (1:9.5 in 2017/18).
- 15.3 The ratio between the Chief Executive's salary level and the median salary figure for all employees in the Council is 1:6.86. The median annual salary for all employees at 1 April 2017 was £24,510 per annum, with the average salary being £28,497. Both median and average salaries referenced are full time equivalent and are adjusted according to individual contractual arrangements.
- 15.4 Across London the average ratio between the highest and median salaries is 1 to 7, based on a Chief Executive's average of £181,500 (taken from London Councils 2016 Senior Staff Pay Data). The variance in Barking and Dagenham is attributable to the retention of in-house services such as catering and cleaning.

16. Any Additional Reward Arrangements

- 16.1 There are none in place.