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15 March 2013

To: All Members of the Full Council

Dear Member,

Full Council - Monday, 18th March, 2013

I attach a copy of the following report for the above-mentioned meeting which was not available at the time of collation of the agenda:

**16. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES (PAGES 1 - 14)**

c) Corporate Committee Report No.4 – 2012/13

Yours sincerely

Clifford Hart  
Principal Committee Co-Ordinator

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**REPORT OF THE CORPORATE COMMITTEE No. 4, 2012/13  
COUNCIL 18 March 2013**

Chair:  
Councillor George Meehan

Deputy Chair:  
Councillor Kaushika Amin

## **INTRODUCTION**

- 1.1 This report to full Council arises from consideration of the Pay Policy Statement considered by the Corporate Committee at their meeting on the 14 March 2013.

## **SUMMARY**

### 2.1 Pay Policy Statement

We considered the pay policy as part of our responsibility for staffing pay and conditions. The Localism Act 2011 requires relevant authorities to prepare and publish an annual Pay Policy Statement which outlines the local authority's approach to the pay of its workforce and in particular the pay of its senior staff.

We noted that the Council is obliged to publish a pay multiple, this is the ratio between the highest paid salary and the median average salary figure for all employees in the council. We learned that this was currently a ratio of 1 to 6.7 and asked officers to provide the committee with comparative information other local authorities.

We agreed to insert the following wording, approved last year, into the appropriate paragraph in the pay policy statement relating to 'Pay on Appointment'—

The salary banding of the Chief Executive will be determined by the recruitment panel and following this decision the Leader of the Council would determine the starting point in the salary banding.

We also agreed to insert the following wording with regard to the re-employment of staff -

Should a successful candidate be in receipt of a severance payment or pension the council will apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 regarding the recovery of redundancy payments. The rules of the Local Government Pension Scheme also have provisions to reduce pension payments in certain circumstances to those who return to work within local government service.

We noted that further work was being undertaken for a review of senior managers and chief officer pay over the next few months. Members had raised some concerns during the discussion, in particular regarding the discretion as set out in the statement for two increments with regard to performance awards; it was agreed that

these issues would be picked up as part of this work, and amendments to the pay policy statement would be considered when this has been completed. The Chief Executive reported that he intended to bring a report on this review to the September meeting of the Corporate Committee.

**WE RECOMMEND**

- i. The approval of the Pay Policy Statement, as amended, included at Appendix A of the attached covering report on the Pay Policy Statement 2013/14.



**Haringey Council**

<b>Report for:</b>	<b>Corporate Committee on 14 March 2013</b>	<b>Item Number:</b>	
<b>Title:</b>	<b>Pay Policy Statement 2013/14</b>		
<b>Report Authorised by:</b>	<b>Stuart Young, Assistant Chief Executive</b>		
<b>Lead Officer:</b>	<b>Steve Davies, Head of Human Resources, 020 8489 3172</b>		
<b>Ward(s) affected: ALL</b>		<b>Report for Key/ Non Key Decisions:  Non Key Decision</b>	

## **1 Describe the issue under consideration**

- 1.1 The council is required to produce an annual Pay Policy Statement to comply with the requirements of the Localism Act 2011. The council published its first Pay Policy Statement last March 2012. The attached Pay Policy Statement 2013/14 is a slightly amended statement from the 2012/13 Pay Policy with updates to the pay principles and makes reference to Public Health staff pay arrangements who will be transferring into the authority from 1 April 2013.

## **2 Cabinet Member introduction**

- 2.1 Not applicable

## **3 Recommendations**

- 3.1 That committee approve the Pay Policy Statement 2013/14 attached at appendix A and remit it for endorsement by Council on 18 March 2013.



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#### **4 Complying with the Localism Act in relation to Pay**

- 4.1 The Localism Act 2011 requires relevant authorities to prepare and publish an annual pay policy statement.
- 4.2 The “Act” does not apply to the staff of local authority schools and teaching staff need not be brought within the scope of the “statement”
- 4.3 The council will publish specific information on the pay and reward of staff earning more than £50,000 on its website in line with the Code of Recommended Practice for Local Authorities on Data Transparency and the Accounts and Audit (England) Regulations 2011.
- 4.4 The council will also publish information on its website as follows. The current senior manager, chief officer and chief executive management structure including employee salaries, names, job titles, staff budget and numbers of staff.
- 4.5 Authorities should also publish a specific pay multiple within their broader policy to show how pay and reward is dispersed across their workforce. The “Guidance” recommends the ‘pay multiple’ is the ratio between the highest paid salary and the median average salary of the Council’s workforce. The Council’s highest paid employee is the Chief Executive.
- 4.6 The average salary level is defined as the total of all regular payments made to an individual officer including salary, allowances if applicable, regular overtime, performance pay, recruitment or retention allowances, additional responsibility payments, together with any other additional regular payments.
- 4.7 The pay multiple is referred to in the ‘Statement’ and at Appendix B is the information that will be published on the website about the current pay multiple.
- 4.8 The statement also makes clear the council’s policy to pay the London living wage to its lowest paid employees.

#### **5 Review of Senior Pay**

- 5.1 A member working group has met a couple of times to understand the elements to factor into a review of senior pay and performance.
- 5.2 This will in time feature in the Council’s pay policy.



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## **6 Comments of Chief Finance Officer and Financial implications**

6.1 There are no specific financial implications arising from the contents of this report.

## **7 Comments of Head of Legal Services and legal implications**

6.1 *Chapter 8 of the Localism Act 2011 introduced new provisions regarding the preparation, approval, publication and content of an annual pay policy statement by principal councils. The provisions came into force on 15 January 2012. The first pay policy statement as required under the Localism Act 2011 was published in April 2012 for the financial year 2012-13.*

6.2 The Council is under a statutory duty to prepare and by resolution of Full Council, approve a pay policy statement for the end of 31 March for each financial year. . As soon as is reasonably practicable following approval the statement must be published including publication on the Council's website.

6.3 The Act provides that the statement must set out the Council's policies for the forthcoming financial year relating to the remuneration of its chief officers and its lowest-paid employees and the relationship between the remuneration of its chief officers and that of employees who are not chief officers. The statement must contain the definition of 'lowest-paid employees' adopted by the Council along with the reasons for adopting that definition.

6.4 The statement must also contain details of the level and elements of the remuneration for each chief officer; the remuneration of chief officers on recruitment; increases and additions to remuneration for each chief officer; the use of performance-related pay or bonuses for chief officers; the approach to the payment of chief officers upon ceasing to hold office under or to be employed by the Council; and the publication of and access to information relating to remuneration of chief officers. The statement may also set out any policies relating to other terms and conditions applying to the chief officers.

6.5 The Council is under a duty to have regard to any guidance issued or approved by the Secretary of State and the Code of Recommended Practice for Local Authorities on Data Transparency (September 2011) is relevant in this respect. This guidance relates to the publication of Public Data defined as the objective, factual data on which policy decisions are based and on which public services are assessed or which is collected or generated in the course of public service delivery.

6.6 Relating the guidance to the pay policy statement, it is stated that as a minimum, the public data which should be released comprises senior employee salaries (over £58,200), names (with the option for individuals to refuse to consent to their name being published), job descriptions, responsibilities, budgets and numbers of staff



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together with an organisational chart of the staff structure including salary bands and details of current vacant posts. There should also be calculated and published the 'pay multiple' being the ratio between the highest paid salary and the median average salary of the whole of the authority's workforce.

- 6.7 From 1 April 2012 any determination which relates to the remuneration or other terms and conditions of a chief officer must comply with the pay policy statement.
- 6.8 In the preparation of the pay policy statement attached at Appendix A, regard has been taken to the guidance referred to above and the pay policy statement fulfils all the requirements of the Localism Act 2011.

## **8 Equalities and Community Cohesion Comments**

- 8.1 The pay policy statement supports the council's approach to remuneration for its workforce in an accountable, fair and transparent way. This therefore supports the council's equalities policy and promotes equal pay.

## **9 Policy implications**

- 9.1 The Pay Policy Statement supports the council's People Strategy and its approach to remuneration for the workforce.

## **10 Use of Appendices**

- 10.1 Appendix A – Pay Policy Statement
- 10.2 Appendix B – Pay Multiple information

## **11 Local Government (Access to Information) Act 1985**

- 11.1 No documents that require listing were used in the preparation of this report.



## **Haringey Council Pay Policy Statement - 2013/14**

This Pay Policy Statement is published to comply with the Localism Act 2011. The policy outlines the authority's approach to the pay of its workforce, and in particular the pay of its senior staff. The policy statement excludes staff in Schools.

### **Pay Strategy**

The Council outlines its strategy for pay in the People Strategy. We wish to reward and recognise the contributions of staff in an appropriate way. We want a committed, motivated and high performing workforce that is flexible and willing to contribute more.

The council set pay (and reward packages generally, including pensions, etc) in accordance with a fair and equitable pay policy and with regard to national and regional pay policy. The principles for the agreed policy are

- Attract and retain the right people
- Motivate and engage staff through principles of total reward
- Be cost effective
- Be flexible enough to account for different workforce requirements, organisational working and team partnership, and the working patterns and expectations of staff
- Be fair, open, and underpin the organisations values
- Meet employment legislation tests e.g. equal pay, age discrimination
- Pay staff a minimum pay rate in line with the London Living Wage

### **Council Pay Rates / Scales**

The Council utilises the Greater London Provincial Council (GLPC) outer London pay spine for the majority of its staff.

However, it considers it important to be able to locally determine pay rates for some staff where this is necessary. This enables it to respond to regional and local labour market conditions. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees.

The following Council pay scales are locally agreed by the Council:

- Senior manager and Chief officer pay scales – established in 2003 and last reviewed and approved by Remuneration Committee in May 2007.
- Chief Executive pay scale – last reviewed and approved by Remuneration Committee in October 2009.

The council uses national Soulbury pay scales for employees who are Education Psychologists and Education Advisers/ Inspectors.

The council uses national Teaching pay scales for centrally employed (in the Children's directorate) local authority teachers.

Public health employees who transfer into the council from 1 April 2013 will continue to be paid in accordance with NHS terms and conditions of employment. The council will harmonise non contractual terms.

The council also approved with effect from May 2011 that in future the pay of council employees at the lower ends of the London pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority.

The Council supports the national (JNC/NJC<sup>1</sup>) and regional (GLPC) collective bargaining arrangements for pay and conditions of service and the pay scales for all employees, including the Chief Executive and Senior Managers/Chief Officers, are increased in line with national and regional pay agreements.

The last pay award agreement increasing pay for the Chief Executive and Chief Officers was implemented in 2008/9.

The last pay award agreement increasing pay for all other non-teaching employees was implemented in 2009/10.

### **Remuneration of Senior Managers and Chief Officers including the Chief Executive**

The Council defines its senior managers as those staff appointed on senior manager pay grades – which start at remuneration levels of approx £50k per annum. These staff are appointed on terms and conditions in accordance with the national terms and conditions of chief officers in local government and are expected to work as many hours as necessary to complete the job.

Chief Officers are statutory chief officers or non statutory chief officers who report to the Head of the Paid Service (the Chief Executive). It also includes deputy chief officers who report directly to a chief officer.

The pay grade and therefore remuneration levels for all these staff is determined by use of the Greater London Council chief officer job evaluation scheme. The council's Corporate Committee is responsible of approving the terms and conditions including pay of all these senior staff.

Where it is proposed to appoint to a post which is not in existence at the time of the publication of this pay policy statement, and the proposed starting salary is more than £100,000 per annum the appointment may not be made unless the Council has agreed to the level of remuneration attaching to the position.

The current senior manager, chief officer and chief executive management structure including employee salaries costs, names, job titles, staff budget and numbers of staff is published on the council website.

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<sup>1</sup> Joint Negotiating Committee / National Joint Council

Apart from pay awards approved at national level or awards/ progression determined through the performance related pay scheme (see below) there is no other provision to increase the pay of these staff unless approved by committee.

The Council may, in exceptional circumstances, engage senior managers under contracts for services. The Council publishes details of all payments made under contracts for services in excess of £500 on the council website.

**Pay progression and Performance related pay for senior managers and chief officers**

The pay progression of staff within a particular senior manager, chief officer or chief executive grade is subject to a performance appraisal scheme. A copy of this scheme is provided on the council website.

In summary the criteria for progression is as follows:

<b>Performance</b>	<b>Increment</b>	<b>Performance Award</b>
Below standard	0	0
Meets objectives	0	0
Exceeds objectives	1	0 (discretion for 2)
Exceptional performance	1	1 (discretion for 2 )

**Remuneration of employees who are not senior managers or chief officers**

The pay grades and therefore remuneration levels for posts below senior manager and chief officer grades are determined by use of the Greater London Provincial Council (GLPC) job evaluation scheme. This has been agreed by the council and unions as part of the collective agreement reached in 2008 on 'single status' as part of the Equal pay and conditions package.

The Council defines its lowest paid employees as those paid at the lowest pay scale 1A which is pay spine points 6 – 7 on the GLPC outer London pay spine. The reason for this definition is that this is the lowest pay grade in the council in line with the job evaluation scheme and pay scales agreed with the unions. This excludes trainees, apprentices and interns.

However, the council also approved with effect from May 2011 that in future the pay of council employees at the lower ends of the London pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority. This will be by way of an hourly pay supplements as appropriate to ensure that the London Living Wage rate is achieved.

**Pay Progression of staff who are not senior managers or chief officers**

All employees are able to incrementally progress through the pay spine column points for their job evaluated grade. Progression will normally be one increment (pay spine column point) on the 1<sup>st</sup> of April each year until they reach the top of their grade.

### **Pay Multiple**

The 'pay multiple' is the ratio between the highest paid salary and the median average salary of the Council's workforce. The Council's highest paid employee is the Chief Executive and the current pay multiple is published on the council's website.

The average salary level is defined as the total of all regular payments made to an individual officer including salary, allowances if applicable, regular overtime, performance pay, recruitment or retention allowances, additional responsibility payments, together with any other additional regular payments.

### **Pay on Appointment**

All employees, including chief officers are normally appointed on the lower spinal points (below mid point) of the grade.

The Council delegates authority to chief officers/ chief executive as appropriate to appoint staff above the permissible pay point.

~~The starting salary of the Chief Executive will be determined by the Leader of the Council.~~

***The salary banding of the Chief Executive will be determined by the recruitment panel and following this decision the Leader of the Council would determine the starting point in the salary banding.***

### **Recruitment & Retention payments**

Haringey acknowledges that our employees are our best asset and that due to external factors recruitment and retention allowances will be required for some posts in order to attract and retain good employees.

Recruitment and retention allowances are linked to the post, not the person. They cannot be paid to someone because of their level of skill or experience.

A recruitment / retention allowance is deemed suitable where there is evidence of one or more of the following:

- The post has been advertised on more than one occasion and a suitable applicant could not be recruited.
- Pay benchmarking exercises show that similar local authorities offer recruitment and retention allowance or a higher salary for the same work.
- A national /local skills shortage where the council is competing with a number of other employers for applicants.
- The post is highly specialised with a limited number of potential applicants.

If the post does not meet the suitability criteria the attraction of a recruitment and retention allowance is unjustified and may be in breach of the Equal Pay Act.

### **Fees for Election Duties**

Council staff may be engaged on election duties of varying types. The fees paid to Council employees for undertaking these election duties vary according to the type of election they participate in, and the nature of the duties they undertake.

Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements, and fees paid to them for national elections/referendums are paid in accordance with the appropriate Statutory Fees and Charges Order and are paid by the body responsible for the conduct of the election.

### **Pension**

All employees are able to join the Local Government Pension Scheme and receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published on the council's website.

### **Other Terms and Conditions of Employment**

The Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.

The council and unions agreement on 'single status' reached in 2008 as part of the collective agreement on Equal pay and conditions outlines the working arrangements and the payments to be made to employees below senior manager grades for working outside normal working hours including overtime, and call out payments.

Employees on senior manager or chief officer grades are not entitled to additional payments or allowances for travel or meals within the London region. For trips outside of the London region reasonable travel and subsistence expenses will be reimbursed for staff on these grades.

### **Payments on Termination of Employment**

In the event that the Council terminates the employment of an employee (including senior managers and chief officers) on the grounds of redundancy or efficiency of the service they will be entitled to receive compensation and benefits in accordance with the Council's Redundancy and Early Retirement schemes, which are published on the council's website.

Details of redundancy compensation payments paid to senior management are published on the council's website.

The Council's Redundancy and Early Retirement schemes may be subject to change as part of the modernising pay review.

### **Re-employment of Employees**

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

***Should a successful candidate be in receipt of a severance payment or pension the council will apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 regarding the recovery of redundancy payments. The rules of the Local Government Pension Scheme also have provisions to reduce pension payments in certain circumstances to those who return to work within local government service.***

### **Further Information**

For further information on the Council's pay policy please contact the Council's Human Resources Service email [HR.adviceteam@haringey.gov.uk](mailto:HR.adviceteam@haringey.gov.uk) DD 0208 489 3177.

## Appendix B – Pay Multiple information

The 'pay multiple' is the ratio between the highest paid salary and the median average salary of the Council's workforce. The Council's highest paid employee is the Chief Executive and the current pay multiple is published on the council's website.

The average salary level is defined as the total of all regular payments made to an individual officer including salary, allowances if applicable, regular overtime, performance pay, recruitment or retention allowances, additional responsibility payments, together with any other additional regular payments

The council's pay multiple - the ratio between the highest paid employee and the median average salary figure for all employees in the council – is 1 to 6.7. The council's highest paid employee is the Chief Executive on a salary of £189,440 per annum. The median average earnings figure for all employees is £28,371, which is approximately equivalent to SO1 grade spinal point 31 salary level.

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