



**Haringey Council**

<b>Report for:</b>	<b>Council 21<sup>st</sup> July 2014</b>	<b>Item Number:</b>	
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<b>Title:</b>	<b>Pay Policy Statement 2014/15</b>
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<b>Report Authorised by:</b>	<b>Jacque McGeachie – Interim Assistant Director of HR</b>
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<b>Lead Officer:</b>	<b>Paul Smith –Human Resources</b>
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<b>Ward(s) affected: ALL</b>	<b>Report for Key/ Non Key Decisions: Non Key Decision</b>
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## **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 most recent Pay Policy Statement in March 2014.
- 1.2 As a result of the proposals to establish a Staffing & Remuneration Committee (reported to this meeting by the Informal Member Group convened under Article 15.03 of the Constitution at Agenda Item 6) it is necessary to make a minor amendment to the Pay Policy Statement to take into account the Staffing & Remuneration Committee's responsibilities.

## **2 Cabinet Member introduction**

- 2.1 Not applicable

## **3 Recommendations**

- 3.1 That the Council approve the revised Pay Policy Statement 2014/15, attached at Appendix A



## **4 Background**

- 4.1 The Localism Act 2011 requires relevant authorities to prepare and publish an annual Pay Policy Statement.
- 4.2 Under this legislation the Council is obliged to state how the pay of senior managers is determined. In addition, the supplementary guidance issued under section 40 of the Localism Act requires Councils to “debate” any proposed payment upon appointment or termination of employment of £100,000 or more.
- 4.3 Under the proposed changes to the Constitution as detailed at Agenda Item 6 and recommended to this meeting, the new Staffing & Remuneration Committee will be responsible for the appointment and dismissal of Chief and Deputy Chief Officers, in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001.
- 4.4 Accordingly, where it is proposed to appoint to a Chief or Deputy Chief Officer and the proposed pay scale progresses to a salary of more than £100,000 per annum the appointment may not be made unless the Staffing and Remuneration Committee has agreed to the level of remuneration attaching to the position. In addition, on termination of employment no severance payment of £100,000 or more may be paid to the Head of Paid Service or a Chief or Deputy Chief Officer until the proposed payment has been considered and approved by the Staffing & Remuneration Committee.
- 4.5 The Pay Policy Statement has been updated to reflect the responsibilities of the Staffing and Remuneration Committee.
- 4.6 It is not proposed that the approval of payment upon appointment or termination of employment of £100,000 should be reserved to Full Council. To do so would create unnecessary delay in either appointing or dismissing an officer. The risks of this are that the Council may lose a potential appointee whilst they wait for a salary approval. In the case of a dismissal the officer could not be dismissed until the severance payments were agreed. This would create an unnecessary cost as the officer would need to remain on full pay until this decision was taken.

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

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

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

- 6.1 In accordance with sections 38 and 39 of the Localism Act 2011 the Council is required to prepare and by resolution of Full Council, approve a Pay Policy



Statement for the end of 31 March for each financial year. In addition the Council may resolve to amend its Pay Policy Statement at any time during the financial year. As soon as is reasonably practicable following approval the statement must be published including publication on the Council's website.

- 6.2 The Council is under a duty to have regard to any guidance issued or approved by the Secretary of State. Guidance issued under section 40 of the Localism Act 2011 has been taken into account in the preparation and amendment of this Pay Policy Statement.

## **7. Equalities and Community Cohesion Comments**

- 7.1 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.

## **8. Policy implications**

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

## **9. Use of Appendices**

- 9.1 Appendix A – Pay Policy Statement

## **10. Local Government (Access to Information) Act 1985**

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

## **Haringey Council Pay Policy 2014/15 As Amended July 2014**

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
- Chief Executive pay scale

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 transferred into the Council from 1 April 2013 continue to be paid in accordance with NHS terms and conditions of employment. The Council is harmonising 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 2013/14.

### **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 Paid Service (the Chief Executive) including the Strategic Leadership Team. It also includes Deputy Chief Officers who report directly to a Chief Officer.

The Council's Staffing and Remuneration Committee is responsible of approving the terms and conditions including pay of all these senior staff.

Where it is proposed to appoint to a Chief Officer or Deputy Chief Officer and the proposed pay scale progresses to a salary of more than £100,000 per annum the appointment may not be made unless the Staffing and Remuneration Committee 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.

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

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

increase the pay of these staff unless approved by the Staffing and Remuneration 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.

### **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 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.

No severance payment of £100,000 or more may be paid to the Head of Paid Service, a Chief Officer or a Deputy Chief Officer until the proposed payment has been considered and approved by the Staffing & Remuneration Committee.

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.