



# HILLINGDON

LONDON

## **PAY POLICY STATEMENT - April 2016**

### **1. Purpose**

- 1.1 The Localism Act 2011 requires relevant authorities (including London Boroughs) to prepare and publish an annual pay policy statement.
- 1.2 The Local Government Transparency Code outlines the mandatory requirement for local authorities to publish an organisational chart of the top three management tiers together with details of senior employee salaries above £50,000.
- 1.3 This pay policy statement responds to the recommendations of the Hutton Review of Fair Pay in the Public Sector (March 2011) by ensuring transparency of pay policies within the Council to residents.

### **2. Approval**

- 2.1 The pay policy statement must be approved annually by a Full Council meeting of democratically accountable members.

### **3. Scope**

- 3.1 The pay policy applies to the Council's employees only and schools may have separate arrangements. An additional pay policy for teachers employed and working directly for the Council will be published on the Council's website.

### **4. Communication**

- 4.1 The approved pay policy statement will be published on the Council's website as soon as is reasonably practicable once approved or amended by Full Council.

### **5. Publication & Access to Data**

- 5.1 Details of all Chief Officer's remuneration will be published on the Council's website and updated annually. This information will also be included in the Council's annual statement of accounts which will also be published on the Council's website.

5.2 This information will be provided in an open 'machine-readable' format such as MS Excel, allowing for open re-use, including commercial and research activities, in order to maximise value to the public.

## **6 Definitions**

### *Chief Officers*

6.1 The definition of Chief Officers, as set out in section 43(2) of the Localism Act (2011) includes the Council's Chief Executive Officer and Corporate Directors, as well as their direct reports.

### *Lowest Paid Employees*

6.2 The Council operates a nationally agreed job evaluation scheme, and nationally agreed pay rates linked to this scheme. Roles falling within the nationally negotiated APT&C framework are evaluated using the Greater London Provincial Council (GLPC) Job Evaluation Scheme.

6.3 The lowest graded roles in the Council's are those evaluated at Scale 1(b), therefore our lowest paid employees are defined as those performing roles at this evaluated grade. The Council's commitment to this grading scheme, and nationally negotiated pay rates, constitutes our policy towards our lower paid workers. However, the Council is also committed to paying the London Living Wage as a minimum (see section 7 below).

### *Remuneration*

6.4 Remuneration is defined as the total of all payments made to an individual officer including salary, expenses, bonuses if applicable, performance related pay, recruitment or retention premia, additional responsibility payments, together with any other additional payments, including charges, fees, allowances and enhancements to pension entitlement made to the officer.

### *Pay Multiples*

6.5 Pay multiples refer to the ratios between 2 salaries (e.g. the pay multiple between a salary of £60,000 and £20,000 would be 3).

## **7 Job Evaluation**

7.1 All job roles within the Council (apart from those subject to national grading prescription) are graded using nationally recognised job evaluation schemes. The purpose of job evaluation is to ensure that remuneration is set at an appropriate level in line with the responsibilities of the job role.

7.2 All roles graded within the local government pay spine negotiated by the National Joint Council for Local Government Services (salaries between £16,242 and £59,331<sup>1</sup>) are evaluated using the Greater London Provincial Council (GLPC) Job Evaluation Scheme.

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<sup>1</sup> The salary ranges quoted cover the period to 31 March 2016. Salary ranges covering the period from 1 April 2016 are subject to national negotiation and may change once an agreed settlement is reached.

7.3 Roles falling within scope of the JNC framework (salaries between £59,364 and £129,785<sup>1</sup>) and those of the Chief Executive Officer and Corporate Directors are evaluated using the Local Government Employers (LGE) Senior Manager Job Evaluation Scheme.

## **8 London Living Wage**

8.1 The Council is committed to paying, as a minimum, the London Living Wage (LLW) to all directly employed staff (excluding apprenticeships). Where basic pay, together with any pay supplements, falls below the LLW an additional allowance will be paid to bring that employee's pay up to the LLW.

8.2 Any annual increases related to the LLW will be applied on the 1 April.

## **9 Appointments to Chief Officer posts and remuneration levels**

9.1 All Chief Officer appointments are subject to the approval of an appointment panel consisting of cross party Council members.

9.2 Appointment to the post of Chief Executive Officer is also subject to the approval of full Council, in accordance with the Council's constitution.

9.3 Remuneration levels are set within the relevant pay scale as follows:

### *Internal Appointments*

- i) Chief Officers promoted to a new role at a higher grade will be appointed at the lowest point of the new salary band that demonstrates a substantive increase on their current salary reflecting the new and additional responsibilities.
- ii) Chief Officers moving laterally to a new role at a similar grade level will be appointed on the same salary as their current role.
- iii) Chief Officers moving to a new role evaluated at a minimum of one grade lower than their current grade will be appointed on a salary at the maximum of the new, lower salary band.

### *External Appointments*

9.4 External appointees to Chief Officer roles will normally be appointed at the lowest point of the salary range for the post. However the Appointments Committee may be required to consider the applicants current salary and other market factors to determine an appropriate salary offer. Where it is necessary to offer a salary higher than the lowest point on the salary scale the Appointments Committee will evidence an objective rationale for this decision.

9.5 The terms of reference for the Appointments Committee includes all remuneration decisions on new Chief Officer appointments.

## 10 Salary Benchmarking

10.1 The Council completes an annual benchmarking review of Chief Officer pay using available information across all London Boroughs and national pay rates across all sectors. This exercise is used to ensure that the Council's approach to reward of Chief Officers fairly reflects the conditions within the local recruitment market.

10.2 The Council's objective is to position its remuneration of Chief Officers to ensure that the Council can remain competitive within the local recruitment market whilst ensuring that high calibre leaders can be recruited and retained.

## 11 Remuneration Levels

11.1 This pay policy statement sets out the Council's current approach to Chief Officer Pay, and any in year changes to the policy will require full Council approval.

11.2 Through approval of this pay policy statement full Council approves new appointments to existing Senior Chief Officers to posts which attract salary packages (including salary, any bonuses, fees, allowances or benefits in kind routinely payable to the appointee) of over £100,000.

11.3 All Tier 1 and some Tier 2 officers have the potential to be paid at this remuneration level. These posts are -

11.4 Tier 1/2 (where pay ranges of over £100k are paid)

- § Chief Executive & Corporate Director, Administration
- § DCEO & Corporate Director, Residents Services
- § Corporate Director, Finance
- § Corporate Director, Social Care

11.5 Tier 3 (where pay ranges of over £100k can potentially be paid<sup>2</sup>)

- § Deputy Director, Residents Services
- § Deputy Director, Development, Assets & Procurement
- § Deputy Director, Digital Strategy & Communication
- § Deputy Director, Planning, Transportation & Community Projects
- § Director, Public Health
- § Head of Business Performance, Policy & Standards
- § Head of Business Improvement & Human Resources
- § Head of Legal Services (Borough Solicitor)
- § Assistant Director, Children's Social Care
- § Deputy Director, Corporate Finance & Head of Operational Finance
- § Deputy Director, Strategic Finance
- § Head of Green Spaces, Sport & Culture

<sup>2</sup> Not all of these officers are currently paid at this level but the posts are evaluated in a pay range which spans £100k. Actual pay rates can be found at <http://www.hillingdon.gov.uk/article/24490/Chief-officers-pay-policy-and-responsibilities>

## 12 Additional Payments

### *Recruitment & Retention premia*

- 12.1 The Council's nationally agreed pay structures normally allow for the competitive recruitment and retention of high calibre Chief Officers.
- 12.2 Exceptionally the Council may need to respond to external market conditions when recruiting or retaining employees with specific skills, knowledge or capabilities. In order to respond to short to mid term shortages within the employment market the Council can apply a recruitment and retention premia payment to Chief Officer roles through the application of the Council's Market Factor Supplements policy.
- 12.3 All such premia payments must be supported by benchmarking data to determine genuine scarcity within the market and to determine the level of any agreed additional payments. The Chief Executive Officer must approve all recruitment and retention premia. These payments should be reviewed at least an annual basis to ensure the prevalent market conditions that form the basis of payment remain in force.
- 12.4 Any such payments to Chief Officers will be published annually on the Council's website together with the annual pay policy statement.

### *Additional Responsibility payments*

- 12.5 Where a chief officer assumes substantive additional responsibilities, for example covering the duties of another vacant role, then an additional responsibility payment (an honorarium) can be made. These payments must be approved by the relevant Corporate Director. These payments will be published annually on the Council's website together with the annual pay policy statement.

### *Car Allowances*

- 12.6 No essential user allowances are paid to Chief Officers for travel or using a car.

### *Expenses incurred*

- 12.7 The Council provides all staff required to travel with access to Oyster Cards and Payment Cards to ensure expenses claims are only made in exceptional circumstances. Any claims for expenses and mileage are receipted and limited to the levels set out in the NJC for Local Government Services agreement.

## 13 Salary Progression & Performance Related Pay

- 13.1 Chief Officer salary progression is subject to performance and is assessed annually as part of the Council's performance appraisal process. There is no pay progression for Chief Officers who do not demonstrate the required standards within their role.
- 13.2 Chief Officers who fully meet the expected performance standards of their role can progress along their pay scale annually.
- 13.3 Chief Officers who demonstrate exceptional performance which exceeds the standards required, can progress by an additional amount determined annually.

13.4 The Council does not operate an “earn back” pay system for its officers, but Chief Officer incremental salary progression is subject to performance assessment.

## **14 Payments for local election duties**

14.1 Council staff can be employed 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.

14.2 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.

## **15 Bonus Payments**

15.1 No bonus payments are made to employees of the Council, including Chief Officers.

## **16 Redundancy and Severance Payments**

16.1 The Council’s policy on levels of redundancy payments are set out in Early Termination of Employment Compensation Payments Policy.

16.2 In instances where a candidate for a vacant position within the Council has received a severance payment from the London Borough of Hillingdon (including any redundancy payment) within the last year, the Chief Executive Officer must approve any proposed appointment.

16.3 Section 18 outlines the impact of re-employment and effect upon LGPS pensions.

## **17 Chief Officer Pay Multiples**

17.1 The pay multiple between the salary of the Council’s lowest paid employees and the Chief Executive officer, together with that between the chief executive’s salary and the Council’s median salary, will be published annually. An explanation will be provided to account for any changes in the pay multiples from those previously reported.

17.2 The pay multiple between the salary of the lowest paid employees and the Chief Executive officer is 11.55<sup>3</sup> (reduced from 11.6 in 2015).

17.3 The current pay multiple between the Council’s median salary and that of the Chief Executive officer is 7.3<sup>4</sup> (the same as in 2015).

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<sup>3</sup> This pay multiple is based on salaries as at 31 March 2016 with the lowest salary of £17,645 inclusive of London Living Wage supplement.

<sup>4</sup> This pay multiple is based on median salary as at 31 March 2016.

## 18 Pensions

18.1 The Council's policy covering re-employment to a position with eligibility to join the Local Government Pension Scheme (LGPS), states that the total of the pension and salary from the re-employment, should not exceed the index linked value of the salary on leaving employment. Should earnings exceed this level, then the pension will be subject to a temporary reduction of the excess, for the duration of re-employment.

18.2 Further information regarding the impact on previous employees with a LGPS pension and re-employment is available on the Council's website at the following web address - <http://www.hillingdon.gov.uk/index.jsp?articleid=6487>

## 19 Management of Workforce Costs

19.1 A summary of workforce costs is presented monthly by the Council's Chief Finance Officer to the Cabinet as part of the financial budget report.

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