



# **BRENT COUNCIL PAY POLICY STATEMENT**

**Financial Year 2018/19**

**April 2018**

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# **BRENT COUNCIL PAY POLICY STATEMENT**

**Financial Year 2018/19**

## **Purpose**

The council's pay policy outlines Brent's policy on pay and benefits for all employees (excluding Schools) and has been developed to meet the relevant statutory provisions of the Localism Act 2011.

The pay policy will be reviewed on an annual basis and any changes will be approved in advance of each new financial year.

The pay policy statement can be amended during the course of any financial year, but only by a resolution of the Full Council. If it is amended during the year to which it relates, the revised version of the statement will be published as soon as reasonably practicable.

## **Strategic Context**

The current and future pay and benefit arrangements are embodied in the council's Workforce Strategy which reflects the Borough Plan priorities. The council's Borough Plan and Brent 2020 programme provide the strategic framework for the council's workforce and people priorities.

The overarching objective for the Workforce Strategy is to have the right people, with the right skills, attitudes and experience, in the right place at the right time to enable the organisation to deliver on its corporate objectives and priorities.

Key strategic aims of the Workforce Strategy are:

- Achieving organisational effectiveness and strong performance management
- Recruiting, retaining and rewarding a diverse, highly skilled and motivated workforce
- Valuing diversity and reducing inequalities
- Developing high performing managers and talented staff
- Building the professionalism and skills of the workforce to support Transforming Brent 2020 projects and deliver high quality services

The council is committed to being a good employer and maintaining its excellent track record in employing a workforce which reflects the community in composition. In order to recruit and retain a high quality workforce, the council will pay its staff at

appropriate salary levels to attract and retain staff, throughout the council, particularly those in hard to recruit roles. Since the move to the Civic Centre in 2013, employees have adapted to new ways of working.

## **Review of Employee Benefits**

The council's pay arrangements and terms and conditions play a key role in enabling the council to fully realise its objectives and in ensuring the workforce is 'fit for purpose'. The council is committed to fair and equitable pay and benefits arrangements to maintain a flexible, talented and performance focused workforce. The council carried out a gender pay gap audit in September 2016 which revealed that the overall gender pay gap was -0.4% for comparison of "weighted" median pay (this is now 0.2%) and 6.8% for comparison of "unweighted" median pay (this remains unchanged). The benchmark average for the public sector is 11%.

All the council's pay arrangements are contained within a single policy document.

## **Council Pay Rates and Scales**

Pay scales are reviewed annually in line with the National Joint Council agreements and are usually effective from 1<sup>st</sup> April each year.

The following pay scales have been adopted by the council:

- Greater London Provincial Council (GLPC) London Pay Scales (GLPC job evaluated and Greater London Whitley Council evaluated) (main pay scales)
- Senior Manager Pay Scales (Hay job evaluated) (senior managers)
- Soulbury Pay Scales (Education Psychologists, Advisors and Inspectors)
- Soulbury Pay Scales (Youth and Community Service, Young People and Community Service Managers)
- Teaching Pay Scales (for centrally employed local authority teachers)

## **Remuneration of Senior Management (Chief Officers)**

The council defines its senior management as the top 3 tiers in the management structure. This includes all statutory and non-statutory Chief Officers and Deputy Chief Officer roles. It comprises the Chief Executive, Strategic Directors and Operational Directors.

Currently the pay, expenses and declaration of interest are published for the Corporate Management Team which comprises the Chief Executive and the Strategic Directors, together with the Chief Finance Officer and the Director of Legal and HR Services. . The council appointed a new Chief Executive in September

2015. The rate of pay of the Chief Executive and Strategic Directors and other Senior Managers are in accordance with the council's senior management pay rates.

The council may, in exceptional circumstances, employ senior managers under contracts for services. The council generally will aim to pay such individuals at a rate consistent with the pay of directly employed staff performing a comparable role, although there may be circumstances where there is a business case to support a higher pay rate for a short term period to ensure continuity of service and meet any statutory obligations. The council's approach to dealing with HMRC changes to regulations for provision of personal services from April 2017 is to base decisions on the use of the Her Majesty's Revenue and Customs' (HMRC) online assessment tool to determine whether individuals hired on an interim basis will be on a PAYE or personal services basis. Most agency workers, consultants and interims are required to pay tax on a PAYE basis.

### **Remuneration of Lowest Paid Employees**

The council defines its lowest paid employees as those staff paid on the lowest established grade and scale point which in Brent is Scale 3 spinal point 14 of the Greater London Provincial Council (GLPC) Pay Scales currently £18,657 per annum.

### **London Living Wage**

The council has implemented the London living wage. This rate has been applied to all staff (other than the apprentices identified below) who receive less than £10.20 per hour. Those whose substantive salary is below the London Living Wage are placed on the nearest spinal column point to ensure an equivalent rate to the London Living Wage. Level 2 Apprentices are paid at the highest National Living Wage for apprentices rate and Level 3 Apprentices are paid a higher hourly rate of £8.01 per hour. The Council is an accredited London Living Wage Employer and asks its contractors supplying services to the Council to pay their staff the London Living Wage. As contractors are employers in their own right, the council cannot force contractors to pay the London Living Wage but has built into its procurement procedures a requirement to do so in relation to council contracts where possible. The Council also encourages schools to pay the London Living Wage.

### **Pay Multiple**

The 'pay multiple' is the ratio between the highest paid salary and the lowest/median average salary of the council's workforce. The council's highest paid employee is the Chief Executive. The current median salary is SCP 34 £33,444.

The current multiples are  
Lowest salary multiple is 1:10.6

Median salary multiple is: 1:5.8

This is within what is regarded as good practice for the median salary multiple as described by Will Hutton in his 2011 Fair Pay Review in the Public Sector which identified multiples at or around 8.00. The council has not set a target for a maximum multiple. The pay multiple has remained relatively unchanged from 2016/2017. As the Chief Executive is at the top of the pay scale, the lowest and median pay multiples are unlikely to increase.

## **Pay Grading**

Single Status was introduced in 2009 for staff on the main pay scales. Single Status introduced common job evaluation schemes and pay scales for the council's former manual workers, administrative, professional, technical and clerical employees with the exception of education psychologists, nursery nurses, youth and community workers, chief officers and the chief executive.

Staff who recently transferred to the council from Brent Housing Partnership have not yet moved over to Single Status.

Senior managers including chief officers have locally determined rates of pay which are linked to national negotiations for the determination of pay awards. A revised pay and grading structure for senior managers was introduced on 1<sup>st</sup> April 2013. The aim of the review was to reduce costs whilst ensuring the council's pay arrangements remained competitive.

Also in 2013, the council rationalised the terms and conditions for senior managers. Those senior management posts which fall within the Joint National Committee (JNC) Chief Officer definition are employed on JNC terms and conditions and all other senior managers are employed on National Joint Committee (NJC) for Local Government Services terms and conditions with some local variations. The senior management posts which fall within the JNC definition are predominately the strategic directors and other directors with statutory responsibilities e.g. Section 151 officer. This means that the majority of senior managers have terms and conditions which are largely consistent with those for other staff. A number of changes were also made to the JNC for Chief Officer terms and conditions to align them more with the terms and conditions for all other staff.

## **Local Conventions for the GLPC Job Evaluation Scheme**

Virtually all local authorities and organisations that use the GLPC Scheme have local conventions in place. Virtually all local authorities and organisations that use the GLPC Scheme have a set of local conventions in place. Without local conventions,

evaluators may interpret the scheme's factor level definitions differently. This exposes the authority to the potential risk of inconsistency and can lead to inaccurate gradings.

The council in March 2013 introduced local conventions to ensure that the scheme is applied consistently and fairly to all employees. These have been reviewed and amended in accordance with refreshed guidance notes on the job evaluation scheme issued by the GLPC in 2016.

## **Public Health Transfer**

Following major changes to the public health system, responsibility for public health transferred to local authorities on 1<sup>st</sup> April 2013. Fifteen staff transferred into the council under NHS terms and conditions including pay. A Director of Public Health has been recruited on Brent terms and conditions.

## **Pay on Appointment**

All employees are normally appointed on the lowest pay spinal column point for their job evaluated grade. Employees may be appointed at a higher point, where they are currently earning more than the lowest pay spine for the role and where it is considered that they already possess the skills and experience needed to justify a higher salary within the grade. Appointment at a higher point on the salary scale has to be authorised by the service Operational Director and the Director of Legal and HR Services.

The council delegates authority to the Senior Staff Appointments Sub-Committee to make appointments to the council of all officers at Operational Director level and above, with the exception of the Chief Executive, in which case a recommendation to appoint is made to Full Council for its final decision to confirm the appointment or not. The starting salary for new appointments to these posts is agreed by the body making the appointment. The starting salary for any other post where the overall remuneration package on new appointment (excluding pension contributions in accordance with the Local Government Pension Scheme regulations) is to exceed £100,000 will normally be agreed by full council or a committee of the council unless the Chief Executive agrees otherwise.

## **Annual Pay Progression**

Brent's pay policy is primarily based on evaluated pay grades, each having a salary range comprising a number of incremental points. Other pay grades are nationally prescribed and also have incremental progression arrangements. Most employees incrementally progress through the pay grade for their job. Progression will normally be one increment (pay spine column point) on the 1st of April each year until the top

of the grade is reached for those on the main pay scales. Separate arrangements apply during the first year of service where the start date is between 1<sup>st</sup> October and 31<sup>st</sup> March and on the anniversary of joining for those on senior manager pay scales.

Pay progression is subject to satisfactory performance assessed during the annual appraisal process and can be withheld if there is a current disciplinary sanction in place or where poor performance is currently being addressed through Council procedures.

### **Performance Related Pay and Bonuses**

Council employees including the Chief Executive and directors do not receive performance related payments or bonuses.

### **National / Regional Pay Agreements**

The council operates the national (JNC/NJC) and regional Greater London Provisional Council (GLPC) collective bargaining arrangements for pay and conditions of service for all employees, including senior managers. Pay is increased in line with national and regional pay agreements.

Details of the 2016/18 pay award agreement are:

From 1<sup>st</sup> April 2016:

- Salary increases ranging from 1% to 6.6% on the higher and lower spine points, with low earners receiving higher proportional increases in salary. Most grades will receive a 1% increase with higher percentage increases applying only to the lowest paid staff.

and...

From 1<sup>st</sup> April 2017:

- Salary increases ranging from 1% to 3.4%. Most grades will receive a 1% increase with higher percentage increases applying only to the lowest paid staff.
- The total increase to the national pay bill resulting from this offer is 2.4% over two years (covering the period 1 April 2016 to 31 March 2018).
- The individual basic salaries and salary scales of all officers within scope of the JNC for Chief Officers of Local Authorities increased by 1.0% with effect from 1<sup>st</sup> April 2016 and will increase by a further 1.0% with effect from 1<sup>st</sup> April 2017.

No agreement is yet in place from April 2018.

## **Market Supplements**

The council has recently re-introduced market supplement payments to children's social workers to address the ongoing recruitment difficulties and to ensure the council remains competitive in the recruitment market. Apart from children's social workers, there are only a small number of supplements in existence and these have planned end dates. Individual service areas do not have discretion to apply market supplements and there is a governance structure in place to agree any new supplements based on a sound business case.

## **Fees for Election Duties**

Election fees paid to employees (including chief officers) who assist in elections are in line with the rates agreed by the Government whenever general, regional or European elections occur. In light of the referendum vote on 23<sup>rd</sup> June 2016 for the UK to leave the European Union, there are unlikely to be further European elections to assist with. Where local elections occur fees will be determined using the cross-London agreed rates.

## **Pensions**

All non-teaching employees are able to join the Local Government Pension Scheme (LGPS). Teachers are able to join the Teachers' Pension Scheme. Benefits for both schemes are paid in accordance with government regulations. National Health Service employees who transferred to the council under TUPE have access to the NHS Pension Scheme under special provisions agreed as part of the transfer into local government. Employees joining Public Health after the transfer are employed on Council terms and conditions and do have access to the LGPS.

## **Payments on Termination of Employment**

In the event that the council terminates the employment of an employee on the grounds of redundancy the terms of the council's redundancy and early retirement arrangements will apply. Termination payments will be subject to any caps introduced by government legislation as will repayment of severance payments set by legislation. It is anticipated that regulations on capping payments and repayment of severance will be introduced although the timescale is unclear. Where practicable, and unless the Chief Executive agrees otherwise, termination payments which exceed £100k will normally be agreed by full council or a committee of the council.

## **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.

The re-engagement of employees including chief officers who are made redundant is subject to the council's re-engagement arrangements (contained within the council's Managing Change Policy). The policy sets out the minimum period a former employee must wait before being eligible to work for the council again, as well as outlining other restrictions.

Employees who are made redundant may not be re-engaged within twelve months of their termination of employment for reasons of redundancy. After twelve months the employee may be re-engaged via the normal recruitment procedures either to carry out similar work or a different job. Re-engagement is subject to the approval of the relevant Operational Director and Director of Legal and HR Services.

### **Tax avoidance**

All permanent Brent staff including senior managers are paid through payroll which means that all taxes are deducted at source. A review of temporary staff is regularly conducted and it is Brent's policy to cover vacancies through the use of approved agency workers or by appointing staff on fixed term contracts. Temporary workers providing services through their own companies will be carrying out projects and generally not covering permanent roles other than in exceptional circumstances e.g. where interim cover is essential whilst a permanent appointment is recruited. Where these situations do occur they will be limited in duration, usually to less than 6 months.

### **Publication and access to information**

Brent's annual Pay Policy Statement will be published on the website where it can be easily accessed. Information about chief officers' remuneration is published on the council's website [www.brent.gov.uk](http://www.brent.gov.uk) in the section Senior Staff Salaries.