

## **Appendix 1**

### **Ealing Council**

#### **Pay Policy Statement for the financial year 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.**

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##### **Organisational context and principles for pay policy**

High quality public services require high calibre staff to deliver them. Maintaining and improving local public services during a period of radical public service reform and unprecedented budgetary constraint is a major challenge for the Council. To succeed it is vital to ensure that our staff are fairly rewarded for their contributions, and that the shared commitment to public services - that motivates so many Council staff – is maintained. In this context, remuneration at all levels needs to be adequate to secure and retain a talented workforce but at the same time must not be excessive.

##### **Key elements of the Council's pay policy**

- The Council participates in national pay bargaining and adopts staff terms and conditions agreed by national and regional negotiating bodies.
- For schools based employees, the Council provides advice to the school relating to the appropriate grade for the post, but ultimately the Governing Body makes the decision.
- Pay grades for all other employees are determined by the use of externally developed job evaluation schemes.
- No employee or agency worker will be paid less than the real Living Wage (rLW) formerly the London Living Wage (LLW). Where an employee's/agency worker's contractual entitlement is to a rate of pay lower than the rLW then, for 20/21, the Council will pay a discretionary supplement to bring their rate up to the rLW. The rLW will be paid for the time periods during which employees are carrying out what might be described as (for example) the normal duties of the post. However, it will not be paid for the time periods on which employees are on a standby shift, or a sleep-in shift, and not carrying out the normal duties of the post.
- All staffing appointments are made on merit.
- A published severance policy applies to all employees.

For chief officers: -

- A member body oversees employment matters, including pay, appointment and severance.
- Incremental progression is dependent upon a performance appraisal outcome of at least 'successful.'
- There will be no performance related pay for the year 20/21. Performance related pay was last paid in respect of the year 09/10.

## **Pay Policy Statement**

Policies on pay and reward are intended to support and reinforce the organisational context, principles for pay policy and objectives of the workforce strategy. This pay policy statement also satisfies the specific requirements of the Localism Act 2011 particularly in relation to chief officers.

### **Definition of “chief officer”**

The Localism Act 2011 defines “chief officer” (for the purposes of pay statements) as anyone within any of the following categories:

- (a) the head of paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- (b) the monitoring officer designated under section 5(1) of that Act;
- (c) a statutory chief officer mentioned in section 2(6) of that Act;
- (d) a non-statutory chief officer mentioned in section 2(7) of that Act;
- (e) a deputy chief officer mentioned in section 2(8) of that Act.

Thus, where the expression “chief officer” is used within this document, it refers to an officer within the above-mentioned definition unless otherwise stated.

### **Determining grades and pay levels**

#### *National and regional agreements*

The Council supports the system of collective bargaining. It applies the terms and conditions agreed by the Joint Negotiating Committee for Chief Officers of Local Authorities (“JNC”) to those within the scope of that agreement, which includes all employees who are chief officers. It applies the terms and conditions of service agreed by: the National Joint Council (“NJC”) for Local Government Services and the Greater London Provincial Council (“GLPC”); the Soulbury Committee; and the JNC for Youth and Community Workers to other employees.

National agreements are a significant determinant of staff remuneration, notably through national negotiation of annual pay awards.

#### *London Weighting Allowance.*

National and regional agreements are also a determinant of staff remuneration, notably London Weighting Allowance. This Allowance is consolidated into Chief Officer grades but shown as a separate payment for GLPC evaluated grades (grades 1 – 18), Soulbury Committee and JNC for Youth and Community Workers employees.

#### *Ealing Supplement.*

A local “Ealing” Supplement was paid to employees until 31<sup>st</sup> March 2013.

With effect from 1<sup>st</sup> April 2013 the Ealing Supplement of £141 per annum was removed from posts graded Grade 4 and above (including Chief Officers). This achieved savings of £0.5m.

Posts graded Grade 1, 2 and 3 continue to be paid the Ealing Supplement of £282 per annum.

### *Job evaluation*

The pay grades of employees within the scope of the JNC are determined by the application of the HayGroup Job Evaluation Scheme (Hay Scheme). The Hay Scheme is a market leading and widely-used systematic process for ranking jobs logically and fairly by comparing job against job or against a pre-determined scale to determine the relative importance of jobs to an organisation. The conceptual framework underpinning the Hay Scheme is that all jobs need Know-How in order to undertake Problem Solving and discharge Accountability.

For other employees, pay grades are determined by the application of the National Soulbury Committee arrangements, the Joint Negotiating Committee for Youth and Community Workers and the Greater London Provincial Council Job Evaluation Scheme (GLPCJES) designed specifically for use by London boroughs. The objective of the GLPCJES is to operate grading arrangements based on principles of fairness, transparency, and consistency and to operate free of gender bias and discrimination.

Employees who have joined the Council as a result of a Transfer of Undertakings Protection of Employment (TUPE) transfer may have different arrangements. In accordance with TUPE, the Council will comply with any such contractual arrangements in relation to the pay for such employees.

### *Progression through pay grades*

Chief officer employees move through the pay scale via annual increments and this is dependent upon a performance appraisal outcome of at least 'successful.'

Employees on grades 1 to 18 have incremental progression.

### *Performance related pay, allowances and benefits in kind*

The Council does not pay performance related pay or bonuses to chief officers.

A number of chief officers are paid a travel allowance but other than this no chief officer receives any allowances or benefits-in-kind.

### *Payment of election fees*

In some years, when general, local or European elections occur, the Chief Executive is entitled to receive election fees for organising and overseeing the election in the role of Returning Officer/Acting Returning Officer. The fee level for each election is determined by national or local scales for each type of election.

### *Market supplements and scarcity payments*

The Council has a scheme that provides for market scarcity supplement payments to be paid for recruitment and retention purposes. Reports/business cases with internal and external evidence from the market are prepared for approval by the Director of Human Resources and Organisational Development who has delegated authority to approve such payments. Market scarcity supplements are kept to a minimum and periodically reviewed. For chief officers, remuneration must be approved by Chief Officers Panel, including a recommended Market Supplement.

### **Transparency**

#### *Senior officer pay grades*

For chief officers the following pay grades with minimum and maximum salary levels are derived from the application of the Hay Group Job Evaluation Scheme. The rates are effective from 1<sup>st</sup> April 2019 are shown below:

Pay Grade	Minimum Salary £	Maximum Salary £
Chief Executive	177,660	189,129
Executive Director	127,689	141,021
Director - CB1	96,210	116,550
Director - CB2	89,916	95,100
CB3	84,522	89,148
CB4	73,251	77,244
CB5	67,554	71,781
CB6	61,941	66,168

Information on “Organisation and pay” is published on the “Open and accountable” pages of the Council’s public website at the following location:

[http://www.ealing.gov.uk/info/200687/council\\_budgets\\_and\\_spending/1256/open\\_and\\_accountable](http://www.ealing.gov.uk/info/200687/council_budgets_and_spending/1256/open_and_accountable)

Home/Council services/Council & democracy/Council budgets and spending/Open and accountable

This “Organisation and pay information” includes:

- Political and management structures;
- Senior staff pay information;
- Senior salary count;
- Pay multiples;
- Organisational structure;
- Trade Union facility time; and
- Councillors allowances.

The Accounts and Audit (England) Regulations 2015 and the Local Government Transparency Code 2015 (England) categorise senior employees as including those whose remuneration exceeds £50,000. The Transparency Code introduces the requirement for a brief list of duties to be published alongside the salary details that had to be published anyway due to the Audit regulations. Information regarding staff earning more than £50,000 can be found in the “Organisation and pay information” above and have been updated. The obligation to publish the person’s name only applies if the salary is £150K.

#### *Efficiencies in management costs.*

Since 2010 senior management costs (Director level or equivalent posts) have been reduced by 34%, from £3.7M to £2.5M (reported to Full Council on 26<sup>th</sup> February 2013). This includes savings arising from ending the performance related pay scheme and from the deletion of ex-ALMO (Arm’s Length Management Organisation {for Ealing Homes}) posts after transfer to the Council.

Since then, proposals announced are projected to make further financial savings in management costs.

During 2020/21 it is planned that there will be further efficiencies in senior management costs.

#### *Comparison with other London Boroughs*

The Council participates in benchmarking exercise of senior management costs and structures (defined as the Chief Executive and the next two layers) coordinated by London Councils.

### **Accountability**

#### *Chief Officer and Chief Officers Appointments Panel*

The Council has established member bodies, the Chief Officer and Chief Officers Appointment Panels, to oversee employment matters, including pay, relating to its chief officers. The responsibilities of these Panels include: -

- Reviewing current salaries and contractual arrangements and considering and agreeing the changes necessary to ensure Ealing is able to recruit and retain chief officers it needs now and in the future.
- Agreeing recruitment arrangements, shortlisting & interviewing candidates and making appointments, if appropriate, to chief officer posts.
- Re-appointment of existing Chief Officers into new posts and selection for redundancy.
- Disciplinary, grievance, capability and termination arrangements in respect of chief officer posts.

## *Council Role.*

Full Council are asked to note that decisions on proposed remuneration packages for new appointments, including market supplements and scarcity payments and fees, in excess of £100,000 and above will be determined by Chief Officer Panel, in accordance with their existing terms of reference. Government guidance is that full council takes decisions about remuneration packages of £100,000 per year or more (as well as severance packages of £100,000 or more).

## **Fairness**

### *Pay multiples*

As at 31<sup>st</sup> December 2019 the median earnings figure for all employees is £33,252 per annum, equivalent to a grade Scale 8 (spinal column point {scp} 34). As at 31<sup>st</sup> December 2019 the ratio between the taxable earnings for the highest paid employee – the Chief Executive - and the median earnings figure for all employees in the Council is 5.55. This is well within what is regarded as good practice as described by Will Hutton\* in his 2011 Fair Pay Review in the Public Sector which identified acceptable multiples at or around 8.00.”

\*"William Nicolas Hutton is a British political economist, academic administrator, and journalist. He is currently Principal of Hertford College, University of Oxford, and Chair of the Big Innovation Centre, an initiative from the Work Foundation, having been chief executive of the Work Foundation from 2000 to 2008. In May 2010 Will Hutton was appointed to lead an inquiry into cutting top public pay by Prime Minister, David Cameron”.

The Council does not have a policy towards maintaining or reaching specific pay multiples. It will, however, explain the reasons for changes from year to year, and undertake comparisons within the local government sector and with other sectors.

### *Remuneration of “lowest paid employees”.*

Lowest paid employees" refers to those employees employed on grades 1, 2 and 3 of the Council's current pay grading structure, other than apprenticeships and traineeships. This includes SCP's 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 - see attached appendix "2" - "Ealing Council - Pay Policy Statement for the financial year 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020- Appendix "2" – Corporate Rates from 1<sup>st</sup> January 2019”.

The definition for the expression "lowest paid employees" has been adopted because the Council has traditionally treated grades 1, 2 and 3 differently for the purposes of the Ealing Supplement. Employees on those grades receive the additional Ealing Supplement at the financial value of £282 per annum. Prior to 1<sup>st</sup> April 2013 employees on grades 4 to 18 received the additional Ealing Supplement at a financial value of £141 per annum instead. The Ealing Supplement was

consolidated into Chief Officer grades but shown as a separate payment for grades 1 to 18.

From 1<sup>st</sup> April 2013 the Ealing Supplement of £141 per annum was removed from those posts graded 4 and above (including chief officers). Posts currently graded 1, 2 and 3 continue to receive the Ealing Supplement of £282 per annum.

### *Low pay*

For 20/21, the Council's policy is that no employee is paid less than the rLW. Where an employee's contractual entitlement is to a rate of pay lower than the London Living Wage then, for 20/21, the Council will pay a discretionary supplement to bring their rate up to the rLW. If, as a result of an increase to rLW during 20/21, an employee's contractual entitlement falls below the rLW then the temporary discretionary supplement will be paid for the remainder of 20/21 to that employee to ensure they receive an amount equivalent to the rLW. The rLW will be paid for the time periods during which employees are carrying out what might be described as (for example) the normal duties of the post. However, it will not be paid for the time periods on which employees are on a standby shift, or a sleep-in shift, and not carrying out the normal duties of the post.

For schools based employees it will be up to each school to decide whether to adopt the rLW. For 20/21, Full Council is recommended to commend to Governing Bodies of Schools that they pay the rLW rate to schools based employees (whether permanent or fixed term) and to agency workers working in Schools.

At the meeting on Tuesday 23<sup>rd</sup> January 2007 Full Council agreed the following motion:

*"This Council notes that all employees subject to the pay and conditions of Ealing Council are paid at or above the level of the London Living Wage. This Council believes that all members of our community have the right to earn a living wage. As community leaders this Council will work with partners in seeking to deliver a living wage across Ealing"*

At the meeting on Tuesday 23<sup>rd</sup> October 2012 Cabinet resolved that Cabinet:

- i. "agrees to begin the process of Living Wage accreditation, noting the financial and legal issues set out in sections 3 and 4.*
- ii. commits to paying the London Living Wage rate or above to all direct employees and agency and temporary staff as defined in Section 2.6, of the report and notes that this has already been achieved.*
- iii. agrees that the affordability of moving to London Living Wage rates on new contracts as discussed in Section 3 of the report should be considered and reported upon in the Council's 2013/14 budget process.*

## *Reason for Decisions*

*To provide an update on the feasibility of adopting the London Living Wage as the minimum wage paid to all Council employees and contractors, and to seek agreement to submit an application for Living Wage accreditation to the Centre for Civil Society Limited subject to resolution of the legal and financial issues set out below.”*

## **Severance payments and re-employment**

### *Severance payments*

The Council's policy on severance payments applies to all employees including chief officers. It is published on the Council's website here:

<http://ealing.cmis.uk.com/ealing/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1243/Committee/2/Default.aspx>

This policy is attached as appendix “3” to this Pay Policy Statement.

Payments under this policy to a chief officer are also subject to authorisation by the Chief Officer Panel. Government guidance is that full council takes decisions about remuneration packages of £100,000 per year or more (as well as severance packages of £100,000 or more).

At times of reorganisation if a chief officer is redeployed to a lower graded post as suitable alternative employment to avoid a redundancy situation the Council's arrangements in respect of pay protection for all staff apply. The current arrangements are set out in the attached appendix “4” to this Pay Policy Statement.

### *Chief officers previously employed by other public sector bodies*

All staff appointments, including chief officers, are made on merit. Pay and grading associated with each appointment is determined by the policies set out in this statement and is not varied to take account of salaries or other payments made under previous employments.

With effect from 1<sup>st</sup> April 2014, where an individual already in receipt of a local government pension is re-employed by a Local Authority or associated body and has access to the local government pension scheme, on or after 1<sup>st</sup> April 2014 the council will no longer abate any pension benefits.

### *Re-employment*

The Council has a policy that it will not re engage anyone made redundant within 6 months of his or her termination date, either directly or through an agency or on a consultancy basis.



*Value for money.*

The Council's policy in respect of remuneration for senior appointments to ensure value for money

*Conclusion*

The Council's Pay Policy Statement must be approved by a meeting of the full Council. Any variation to the content of this Pay Policy Statement for the duration of the remainder of the financial year to which it currently applies will have to be submitted to a future meeting of the Council for approval. The Statement will be published and shown on the Council's website.