

Chief Officer Pay Policy Statement 2023/24

Name of Policy: Chief Officer Pay Policy Statement	Applies to all Council employees
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Introduction

The policy will apply to all permanent, contract and temporary staff working for the Council. This policy statement contains details of the Council's approach to the remuneration of its Chief Officers on appointment, subsequent progression and any use of bonus or performance related pay.

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- 1.1 The Localism Act (2011) requires that the Council is explicit about certain aspects of its pay and reward regime. The Act requires the Council to prepare an annual pay policy statement and the Council to have regard to guidance issued.

Matters that must be included are policies on the remuneration of the Council's Chief Officers on appointment, subsequent progression and any use of bonus or performance related pay. The Act also requires a definition of the 'lowest-paid employees' of the Council and to explain the rationale for that definition.

The Act emphasises the importance of fair rewards by highlighting the need to safeguard the lowest paid employees. The concept of fairness is amplified in the Hutton Review of Fair Pay in the Public Sector (HM Treasury, March 2011), which stressed the importance of the relationship between top and median salaries in organisations, which is now a requirement in statutory guidance on transparency. The areas, which must be included in the statutory pay policy, are:

- the level and elements of remuneration for each Chief Officer;
- the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
- the relationship between the remuneration of its Chief Officers and other officers; and
- Other specific aspects of Chief Officers' remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.

1.2 Legislation

The Local Government Transparency Code 2015

The Transparency code under section 2 of the Local Government, Planning and Land Act 1980, sets out the minimum data that local authorities should publish, its frequency and the format it should be published in.

Localism Act 2011

Section 38 (1) of the Localism Act requires English and Welsh authorities to produce a pay policy statement from 2012/13 financial year and each financial year thereafter.

Openness and Accountability in local pay: Guidance under section 40 of the Localism Act 2011

The Act requires that authorities are more open about their own local policies and how their local decisions are made.

Openness and Accountability in local pay: Guidance under section 40 of the Localism Act 2011 (supplementary guidance)

General Data Protection Regulation

The General Data Protection Regulation (GDPR) applies only to information which falls within the definition of 'personal data' i.e. personal information relating to identifiable individuals. GDPR provides protection for individuals in relation to their right to privacy of their personal data.

Freedom of Information Act 2000

The Freedom of Information Act 2000 (FOIA) provides rights of public access to information held by public authorities. It is therefore important that any disclosure of information be carried out fairly and equitably.

Equality Act 2010

The Equality Act 2010 prohibits less favourable treatment between men and women in terms of pay and conditions of employment.

Accounts and Audit Regulations 2015

The Accounts and Audit Regulations 2015 make provision for relevant bodies, including local authorities, to expand the information to be included in their accounts and statement of accounts.

The Council is required to publish in its statement of accounts for each financial year, the numbers of officers paid £50,000 and above in bands of £5,000. The Chief Executive, Corporate Directors and the Director of Public Health are excluded from these numbers because they are required to be listed individually and identified by job title. Further, officers whose salary is £150,000 or more per year must also be identified by name.

Pay Transparency

The Transparency Code requires local authorities to go further by publishing the above data on the Council's website together with additional information such as a list of responsibilities.

The Transparency Code also requires the Council to publish an organisation chart covering staff in the top three levels of the organisation including information such as the salary ceiling figure.

Regulation 7 requires an authority to formulate, review, and publish its policy on making discretionary payments on early termination of employment. In addition, regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 requires an authority to publish its policy on increasing an employee's total pension scheme membership and on awarding additional pension. The Council does this through its early retirement and redundancy payments policy.

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Definitions

2.1 Chief Officers

For the purposes of this pay policy and in accordance with the Localism Act, "Chief Officers" are defined as the Chief Executive, Corporate Directors, the Director of Public Health, other senior officers reporting directly to these officers and the Monitoring Officer. In essence the employees that the authority considers having responsibilities and powers to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other persons.

2.2 Remuneration

For the purposes of remuneration, "remuneration" refers to all amounts paid to or received by a person, and includes sums due by way of expenses, allowances and

estimated monetary value of any other benefits received by an employee other than in cash (e.g. benefits in kind).

2.3 Pay Multiples – Highest, Median and Lowest Paid Employees

The pay multiple calculation is the ratio between the highest and lowest paid employee. The ratio for the relationship between the remuneration of Chief Officers and the remuneration of employees who are not Chief Officers is also calculated in accordance with the Localism Act. The figures quoted are based on full time equivalents and a salary that is inclusive of all taxable earnings i.e. pay variables, such as allowances/bonuses.

Median earnings are more representative of the pay of the whole organisation, so a median based multiple is also an appropriate mechanism for linking executive pay to that of the workforce.

These pay ratios will be recorded, monitored and benchmarked to track year on year changes and to ensure there is public accountability and scrutiny in pay matters.

2.4 National Minimum Wage

The National Minimum Wage (NMW) is a minimum amount per hour that workers aged 24 or below, in the UK, are entitled to be paid.

2.5 National Living Wage

The National Living Wage (NLW) was introduced on 1st April 2016. Employees aged 23 or over and not in the first year of an apprenticeship, will be legally entitled to earn the national living wage. The current rate is £9.50 per hour, and from April 2023 this will increase to £10.42.

2.6 London Living Wage

The London Living Wage (LLW) is an hourly rate, set independently, every year by the Resolution Foundation and overseen by the Living Wage Commission. The LLW is calculated according to cost of living and gives the minimum pay rate required for a worker to provide their family with the essentials of life. The Council pays all its employees at least the London Living Wage. The London Living Wage hourly rate announced in September 2022 was set at £11.95 per hour, with an implementation window until May 2023. The Council's policy is to implement the annual uplift to the London Living Wage with immediate effect following its announcement.

3 Introduction

3.1 The Council seeks to reward all staff fairly and has in place a transparent job evaluation process where jobs are ranked according to the skills, knowledge and accountabilities required to carry out the role.

3.2 All Chief Officer posts are evaluated using the Hay Job Evaluation Scheme. A job evaluation panel is convened and evaluations are carried out by Hay trained assessors. All other roles are evaluated using the Greater London Provincial Council Job Evaluation Scheme (GLPC 2000) except for employees who are on craft worker, JNC Youth & Community and Soulbury terms and conditions of employment.

- 3.3** All Chief Officer post holders are contractually required to work the Council's normal working hours which are 9.00am to 5.15pm Monday to Thursday and 9.00am to 5.00pm each Friday, which is a total of 36 hours per week. However, it is a condition of employment that Chief Officers work such hours as are necessary to fulfil the functions of the post, which may be anticipated as actually requiring in the region of 45 hours per week on average. Annual salaries are deemed to take account of all hours worked including time outside normal hours and evening meetings.
- 3.4** The Council will continue to keep Chief Officer pay and contractual arrangements under review to ensure that levels of pay are appropriate to the market in order to recruit and retain high quality leaders and managers.

4 Recruitment and Remuneration

4.1 Recruitment

Full Council, following selection by a panel of elected councillors and the Mayor appoints the Chief Executive. A panel of elected councillors, including the Mayor or relevant Cabinet Member, appoints corporate Directors and Directors. External and internal Human Resources and recruitment specialists advise the panels.

Posts within the top three tiers of the Council's structure (i.e., Chief Executive, Corporate Director and those directly reporting to a Corporate Director) which are graded at SMR D and above (or any subsequent pay grade adopted of the same or similar value), are member level appointments.

As part of the recruitment practice, and ongoing review of executive pay, the remuneration of Chief Officers will always be considered as part of any recruitment process.

4.2 Market Supplements

In addition to the basic salary, and in accordance with the Council's Pay and Grading policy, posts which are difficult to recruit to may attract a market supplement, which is set at a level that brings pay up to a competitive market related level. The market related level must be justified through benchmarked pay market research. The Council is currently reviewing the approach and the process for awarding market supplements.

4.3 Benchmark information

London Councils publish annually a Chief Officer Pay and Benefits Survey, which benchmarks the remuneration of comparable Chief Officer roles across all London boroughs.

4.4 Organisation Structure

The current Council structure was implemented in August 2022.

The structure relates to the top three tiers of the Council. The defining of tiers and working relationship is essential for any effective internal control system.

Cabinet agreed the Council's senior officer naming convention in April 2019. This

is to ensure role titles are consistently applied across the Council and to limit the risk of title inflation. For the purpose of this naming convention, a senior officer is any role in the top three tiers of the Council's organisational structure, excluding administrative posts.

The naming convention is as follows:

Tier	Grade	Title
One	CE	Chief Executive
Two	CD1, CD2	Corporate Director
Three	SMR D, SMR E	Director
	SMR A, SMR B, SMR C	Assistant Director

4.5 Salary - Chief Executive

The salary for the post of Chief Executive is currently £208,109 (Grade CE).

The Chief Executive holds the role of returning officer for local and government elections. The total remuneration package will increase in the year of an election in accordance with the role of returning officer and the allowance set for the duties. Other officers may receive payment dependent on any duties carried out.

4.6 Salary - Corporate Directors

The following posts are graded at Corporate Director level, with a salary range of £160,811 - £179,024 (Level 1) or £137,504 - £151,583 (Level 2).

Corporate Director of Resources
Corporate Director of Children and Young People (DCS)
Corporate Director of Inclusive Economy and Housing
Corporate Director of Adults and Health (DASS)
Corporate Director of Environment and Sustainable Transport

4.7 Salary - Directors and Directors of Shared Services

All Director posts have been evaluated at SMR band D (£87,527 to £106,550), SMR band E (£107,741 to £124,310) or SMR band F (£112,655 to £135,791).

Progression within the grade is dependent on performance in post, which is assessed annually through the appraisal system.

4.8 Chief Officers are able to access the season ticket loan scheme and the electric vehicle lease scheme, subject to the criteria of the scheme being met in the same way as for other Council employees.

5.0 Lowest-paid Employees

- 5.1** The Single Status Agreement was implemented in 2007. The Council applied the Local Government Services Pay Spine (London) as the new Council pay and grading structure for all employees, excluding craft workers.

All posts are evaluated using the GLPC evaluation scheme, and through a panel of trained job evaluators.

Employees are remunerated using a pay and grading structure that is linked to the National pay spine and accords with national terms and conditions of service.

Should it be necessary, the Council will implement a pay supplement to ensure that no Council employee is paid below the London Living Wage. School governing bodies are responsible for determining whether and how to implement the London Living Wage for employees within their schools.

5.2 Pay Comparison

The lowest paid employees are paid at scale 1, earning an annual salary of £23,457. The highest paid employee (Chief Executive) is paid £208,109 per annum (in the year of an election (General, Greater London Authority, European, mayoral and local Council), this may be higher to take account of the statutory role as Returning Officer and the additional remuneration that this responsibility attracts).

- 5.3** The Council's pay multiple e.g. the ratio between the highest paid employee and lowest paid employee) is 1:9.

- 5.4** The median earnings figure for the Council is £37,308; therefore, the ratio between the highest paid employee and median paid employee is 1:6. Median earnings are more representative of the pay for the whole organisation, so a median based multiple is a more appropriate mechanism for comparing executive pay to that of the workforce.

- 5.5** The relationship between the remuneration of Chief Officers and the remuneration of employees who are not Chief Officers may vary periodically to reflect national pay awards in accordance with the recommendations of the National Joint Council (NJC) and Joint National Council (JNC) negotiating bodies. The recommended pay ratio for relationships between the highest and lowest paid officers in the civil service is 1:20. The Council's pay ratio will never exceed 1:20 and currently stands at 1:9, where the salaries of the highest and lowest paid employees are compared. The salaries quoted are the full time equivalent based on a basic rate of pay.

- 5.6** Pay ratios will be recorded, monitored and benchmarked to track year on changes and to ensure there is public accountability and scrutiny in pay matters. Last year the pay ratio was 1:10.

6.0 Pay Transparency

6.1 As outlined above in paragraph 2.1, the law requires local authorities to publish remuneration information of its senior officers in its statement of accounts. Remuneration disclosure refers to all amounts paid to or received by a person, and includes sums due by way of any expenses allowance and the estimated monetary value of any other benefits received by an employee other than in cash (e.g. benefits in kind).

6.2 Disclosure of remuneration paid to Directors will be made for each financial year under the following categories:

- salary, fees and allowances;
- bonuses;
- expenses allowance;
- compensation for loss of employment;
- employers pension contribution;
- any other emoluments.

For more information please refer to the Disclosure of Staff Information policy.

7.0 Termination Payments

7.1 Termination payments are set out in the Council's policies and procedures for redundancy and retirement. For senior managers these are published as part of the annual accounts.

7.2 The Council does not automatically apply discretionary severance payments, however the Council can fetter its discretion and in exceptional circumstances, it may apply a severance payment and/or other pay enhancement.

7.3 In the event of termination, the Council would apply its policies on redundancy or retirements and meet any contractual liabilities such as for pay in lieu of notice or untaken holiday entitlements. In exceptional circumstances, it may be appropriate to apply additional discretionary enhancements up to the statutory maximum permitted. These would be in accordance with the compensation that the Council can offer an employee for early termination of contract as set out in The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.

Where an employee is made redundant, or has their contract terminated in the interests of the efficient running of the authority, the Council may either pay a lump sum of up to 104 weeks' pay; or increase the employee's membership of the local government pension scheme by up to ten years. Any such additional discretionary enhancements on termination will be paid in accordance with recommendations from the Council's three Statutory Officers (the Monitoring Officer, Chief Finance Officer and Head of Paid service). No payment would exceed the statutory maxima set out in the Regulations and would represent good value for money and be fair and reasonable in the circumstances. Where

relevant, external legal and/or financial advice will be taken where discretionary severance payments and/or other enhancements are proposed to be made.

8.0 Re-engagement

- 8.1** Chief Officers will not be re-engaged in any capacity, including as a consultant, within 12 months of leaving the Council's employ where employment has been terminated on grounds of voluntary redundancy and/or voluntary early retirement or the individual has received a severance payment and/or other enhancement. If there are exceptional circumstances, under which the Council wishes to re-employ or engage such persons in any capacity within 12 months this may only occur following agreement by the Chief Executive.
- 8.2** If an employee of Newham Council commences employment with any Local Government Authority or associated body covered by the Redundancy Payments (Continuity of Employment in Local Government (Modification) Order 1999 within 4 weeks and one day of the date of their last day of service with Newham Council, they lose entitlement to a redundancy payment as all such employers are deemed to be the same employer.
- 8.3** The Council will abate the pension payable because of re-employment where the pensioner could re-enter the LGPS and the pensioner's overall income upon commencement of re-employment by way of re-employed earnings and annual retirement benefits otherwise payable exceeds the level of pensionable earnings of the relevant former employment.
- 8.4** The Council operates a Flexible Retirement Scheme for all employees aged 55 years and over. The scheme allows employees to draw a pension whilst in receipt of a salary through a reduction in grade or hours of work.

Appendix 1*

Chief Officer Pay

The tables below show the current pay grade and salary range for the top three levels of the organisation.

*Appendix 1 reflects salaries effective from 1 April 2022.

Chief Executive	Pay Grade	Salary	Full or part-time
Chief Executive: Colin Ansell	Chief Executive	£208,109	Interim

Corporate Directors	Pay Grade	Salary Range	Full or part-time
Corporate Director of Resources (s151): Conrad Hall	CD1	£160,811 - £179,024	Full Time
Corporate Director of Children and Young People (DCS): Tim Aldridge	CD1	£160,811 - £179,024	Full Time
Corporate Director of Inclusive Economy and Housing: Vicky Clarke	CD1	£160,811 - £179,024	Interim
Corporate Director of Environment and Sustainable Transport: Jamie Cooke	CD1	£160,811 - £179,024	Interim
Corporate Director of Adults and Health (DASS): Jason Strelitz	CD2	£137,504 - £151,583	Interim

Assistant Chief Executive(s)	Pay Grade	Salary Range	Full or part-time
Assistant Chief Executive – Chief Digital Officer	SMR-E	£107,741 - £124,310	Full Time
Assistant Chief Executive – Chief Marketing Officer	SMR-E	£107,741 - £124,310	Interim
Assistant Chief Executive – Chief Transformation Officer	SMR-E	£107,741 - £124,310	Interim

Newham Contracted Directors in the Shared Service <i>(with Havering Council)</i>	Pay Grade	Salary Range	Full or part-time
Director of Legal and Governance (and Monitoring Officer)	SMR-F	£112,655 - £135,971	Interim
Director of Technology and Innovation	SMR-E	£107,741 - £124,310	Interim
Director of Procurement	SMR-D	£87,527 - £106,550	Interim

Directors	Pay Grade	Salary Range	Full or part-time
Director of Operations (Adults)	SMR-E	£107,741 - £124,310	Full Time
Director of Operations & Safeguarding	SMR-E	£107,741 - £124,310	Full Time
Director of Education, Inclusion & Achievement	SMR-E	£107,741 - £124,310	Full Time
Director of Early Help & Children's Health	SMR-E	£107,741 - £124,310	Full Time
Director of Planning & Development	SMR-E	£107,741 - £124,310	Full Time
Director of Housing	SMR-E	£107,741 - £124,310	Full Time
Director of Community Wealth Building	SMR-E	£107,741 - £124,310	Interim
Director of Highways, Parking & Transportation	SMR-E	£107,741 - £124,310	Interim
Director of Public Realm	SMR-E	£107,741 - £124,310	Full Time
Director of Property	SMR-E	£107,741 - £124,310	Full Time
Director of Resident Experience	SMR-E	£107,741 - £124,310	Full Time
Director of Community Wealth Building	SMR-E	£107,741 - £124,310	Full Time
Director of Public Health	SMR-D	£87,527 - £106,550	Interim
Director of Strategic Investment	SMR-D	£87,527 - £106,550	Full Time
Director of Quality Assurance, Safeguarding and Workforce Development	SMR-D	£87,527 - £106,550	Full Time
Director of Clinical Practice	SMR-D	£87,527 - £106,550	Full Time
Director of Commissioning for Adults Health and Social Care	SMR-D	£87,527 - £106,550	Full Time
Director of Improvement, Change and Control	SMR-D	£87,527 - £106,550	Full Time