



## Pay Policy Statement 2023/24

### Part 1 – Introduction and application

1.1 To improve transparency and accountability within Local Government, Hackney Council will annually publish details of its pay policy. The publication of this Pay Policy Statement meets the requirements contained in chapter 8 of the *Localism Act 2011*.

1.2 For the purposes of this Statement, Hackney's chief officers comprise the Chief Executive officer, first tier and second tier, grades CO1-CO3.

The Chief Executive is responsible for the strategic overview of all Council services and for leading the Council's Management Team in ensuring that the Mayor's strategic priorities are met.

The Council has a structure of 5 Groups:

- Chief Executive's Directorate
- Adults Health and Integration
- Childrens and Education
- Finance and Corporate Resources
- Climate, Homes and Economy

With the exception of the Chief Executive's directorate, each Group is led by a Group Director with individual divisions headed up by Strategic Directors or Directors.

1.3 Hackney Council is required to publish its policy on:-

- Making discretionary payments on termination of employment<sup>1</sup>. In exceptional circumstances the Council may consider enhanced compensation payments. Any payments made must be proportionate, reflect additional costs that may arise and fulfil the needs of the service. Each case will be considered on its merits and in

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<sup>1</sup> Under the requirements of the *Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006*

compliance with the legislation, no payment will exceed the value of 104 weeks' pay. All such payments will be subject to an internal business case approval process involving Finance and Human Resources.

- Increasing an employee's total pension scheme membership and on awarding additional pension.<sup>2</sup> The Council will not increase total pension scheme membership nor award additional pension.

- 1.4 This Pay Policy Statement also sets out the Council's policy as it relates to the remuneration of its lowest paid employees.
- 1.5 This Pay Policy Statement sets out the principles governing remuneration within the Council in 2023/24. This Pay Policy Statement is approved by full Council resolution.
- 1.6 Hackney Council's pay and remuneration practice in 2023/24 must be in accordance with the policy expressed in this statement. A resolution of Council is required to amend this policy.
- 1.7 This Pay Policy Statement will be published on the Council's website and governed by the publishing local government data licence terms that can be found at <https://hackney.gov.uk/senior-officer-pay>.

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## **Part 2 – Officer appointment, pay and remuneration**

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### **2.1 Appointment of chief officers**

A Council resolution is required to approve the appointment of a Chief Executive. The prospective candidate will be recommended to Council by a committee or sub-committee of the Council that includes at least one member of the Executive.

The Council's Appointments Committee will establish a sub-committee, which includes at least one member of the Executive, to approve the appointments of Group Directors.

Appointments to Strategic Director and Director posts will be the responsibility of the relevant Group Director and lead Member.

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<sup>2</sup> In accordance with the *Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006*

## **2.2 Remuneration of chief officers on appointment**

The remuneration of the Chief Executive on appointment will be agreed by the Council's Appointments Committee.

With the exception of the Chief Executive, all chief officer posts are evaluated by Human Resources using the Local Government Employers Senior Manager job evaluation scheme. The evaluation provides an overall score for the job that will determine the appropriate grade and pay band for the post-holder.

At appointment chief officers are normally offered a salary corresponding to the lowest spinal column point in the relevant pay band for the job unless a higher spinal column is agreed (in order to, for example):-

- match the appointee's previous salary (e.g. in the case of a move from another authority); or
- secure a specific candidate with particular experience, expertise and / or competence

## **2.3 Chief Officer pay**

The Council uses three chief officer grades – CO1, CO2 and CO3. Salaries of Chief Officers are published according to the relevant Regulations.

The Chief Executive's salary does not correspond to an established Council grade and spinal column point; it is a 'spot' salary determined by the Appointments Committee on appointment and may be reviewed by the Mayor.

The Chief Executive, in consultation with the Mayor, has the authority to approve a 'spot' salary and/or a market supplement outside of the established chief officer grades and pay bands. In such circumstances, the Chief Executive will consider the published advice of the JNC for Chief Officers of Local Authorities.

The Council has appointed the Chief Executive as Returning Officer for parliamentary and local elections, and referenda under the *Representation of the People Act 1983* and subsequent regulations. The Chief Executive will receive fees for discharging the Returning Officer responsibilities as determined by the governing body responsible for the election. Other Chief Officers may also receive fees if appointed to elections roles by the Returning Officer.

## **2.4 Increases and additions to remuneration for chief officers**

### ***Chief Executive***

Percentage annual pay increases will be linked to those nationally negotiated and agreed by the Joint Negotiating Committee (JNC) for Chief Executives.

### ***Chief Officers***

Annual increases in base pay awards will be determined by those nationally negotiated and agreed by the Joint Negotiating Committee (JNC) for Chief Officers.

With the exception of the Chief Executive, Chief Officers who may be eligible for an increment will be subject to an annual appraisal of achievement against agreed targets/tasks and in accordance with the Council's management competencies. Where overall performance is rated as meeting specified criteria, the officer will receive an increment to the next point of the relevant salary scale.

Where Chief Officers are at the salary scale maximum or on 'spot salary', additional payments may be agreed at the discretion of the Chief Executive.

## **2.5 Policy on bonus payments**

Bonuses will not be paid to chief officers.

Bonuses are also not paid to other employees, with the exception of certain former Hackney Homes staff who have TUPE transferred to Hackney Council and who retain a productivity based incentive scheme as part of their protected TUPE terms and conditions of employment.

The Council's policies on 'acting-up', honorarium, market supplements and/or ex-gratia payments will apply to Chief Officers.

## **2.6 Policy on employees (including chief officers) ceasing to hold office**

### ***Redundancy***

The Council's policy on redundancy payments applies equally to chief officers and non-chief officers. Where posts are deleted, redundancy payments will be made in accordance with the statutory redundancy tables. Under the Council's discretions policy, redundancy payments are based on actual weeks' pay and not the statutory minimum. The maximum redundancy payment that can be made is equivalent to 30 weeks' pay.

In addition to the redundancy payment the Council will make a discretionary severance payment at the standard rate at 70% of the value of the redundancy payment. This applies to all staff regardless of their pay grade. Where there is an automatic entitlement to the early release of pension benefits as a result of being made redundant<sup>3</sup> and there is a pension strain cost due to that early payment, this will be offset against the discretionary severance amount prior to any payment being made.

Any employee leaving the Council as the result of redundancy will not be permitted to re-join Hackney Council in any capacity, including engagement

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<sup>3</sup> Under the terms of the Local Government Pension Scheme Regulations

via employment agencies or as a consultant, for at least one year, except in exceptional circumstances and where specifically agreed by the Group Director, Finance and Corporate Resources. There is no such restriction on an individual made redundant by another local authority from securing employment with Hackney Council.

Any legislation that may be enacted during the year in respect of termination payments and/or clawback of termination payments will be applied and may vary this policy. In November 2020, regulations that capped exit payments to £95k came into force. This was revoked in February 2021. Although the Government indicated that they would 'soon' introduce new measures, it is not known when the new measures will come into force. This pay policy will be varied to meet the legal requirements of any new regulations.

### ***Release from service in the interest of efficiency***

Where a post is not being deleted but where an employee is no longer able to carry out the job effectively, the Council may consider the option of early retirement on the grounds of efficiency. A full assessment of all the circumstances must be carried out in accordance with the Council's policy on redundancy and discretionary compensation.

Early retirement of a chief officer on the grounds of efficiency must be authorised by the Chief Executive in consultation with the Group Director - Finance and Corporate Resources. Any specific requirements that may be introduced with new measures for capping exit payments will be followed, if and when new measures come into force.

### ***Flexible retirement***

The Council's policy on flexible retirement applies equally to chief officers and non-chief officers. Flexible retirement provides the ability for an employee to draw their pension at the same time as being able to remain as an employee through a reduction either in hours of work or grade. There is no bar to individuals who have taken flexible retirement from securing work with Hackney Council.

## **2.7 Arrangements to minimise tax avoidance**

The Council aims to appoint individuals to chief officer positions on the basis of contracts of employment and apply direct tax and National Insurance deductions from pay through the operation of PAYE. Consultants will only be used where warranted by the particular skills required. Where used, consultants' appointments will be reviewed annually by the Group Director, Finance and Corporate Resources.

## **2.8 Policy on publication and access to information relating to remuneration of chief officers**

The Council will publish this Pay Policy Statement and chief officer salary details annually on its website.

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## **Part 3 – Relationship of chief officer pay and remuneration to workforce pay and remuneration**

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### **3.1 Pay for employees who are not chief officers**

Hackney Council employees are employed on terms and conditions which fall within a relevant national/regional pay and conditions framework. The frameworks are:-

- the National Joint Council (NJC) for Local Government Services as modified by the Greater London Provincial Council agreement of 2000
- the JNC for Youth and Community workers
- the Soulbury Committee (for educational psychologists, advisers and inspectors)
- Teachers pay and conditions framework
- the JNC for Coroners
- The Local Government Employers senior manager evaluation scheme

Non-chief officer jobs are evaluated using the Greater London Provincial Council (GLPC) job evaluation scheme for posts up to and including PO14/15 grade and the Local Government Employers Senior Manager job evaluation scheme for posts over PO14/15. An alternative job evaluation scheme may be adopted for use within the Council for some or all non-chief officer jobs if identified as desirable as part of a pay and grading review. At appointment, officers will be offered a salary corresponding to the lowest spinal column point the relevant pay band for the job unless a higher spinal column point is required to match the appointee's previous salary or to secure a specific candidate with particular experience and competence.

The use of market supplements may be considered where the Council is unable to compete for talented staff owing to the evaluated grade falling below the market rate for the job. The appropriate Strategic Director or Director is required to establish the business case, gather supporting evidence and submit a case to their Group Director. Any such business case must include an assessment of the financial, strategic and operational implications of the proposal. Where market supplements are used, their continued use must be assessed regularly (at least every two years) against relevant sector pay data.

### **3.2 Lowest-paid employees**

For the purposes of this Pay Policy Statement, the 'lowest paid employee' is defined as an employee on the lowest pay point routinely used by Hackney Council for its substantive jobs, calculated at full-time equivalent. The lowest

pay point routinely used is spinal column point 3 of the Inner London pay scale set by the Greater London Provincial Council. You will note that in previous years this was spinal column point 10, however, pay scale spinal column points were changed in 2019 to reflect the fact that spinal column points lower than 10 had been eroded.

Staff paid at levels beneath spinal column point 3 are not on the pay scale set by the NJC for Local Government Services, are staff who have not wished to come onto Council terms and conditions because of terms protected under the TUPE Regulations, or are apprentices under the age of 18.

It is the Council's policy that all of its employees (excepting employees whose overall terms and conditions are protected under the TUPE Regulations and apprentices under the age of 18) will receive an hourly pay rate that is equivalent to or higher than the London Living Wage.

All workers supplied to the Council by a temporary work agency will be paid a rate at least equivalent to the rate that would be received by a comparative permanent employee. All agency workers will receive an hourly rate that is equivalent to or higher than the London Living Wage.

### 3.3 Pay multiples

Hackney Council will annually publish the ratio of the pay of its Chief Executive to that of its median and lowest-paid earner.<sup>4</sup>

**The median is** the salary that separates the higher-earning half of the workforce from the lower-earning half. All salaries will be arranged from lowest to highest value and the middle salary will be selected as the median.

The calculation of the pay multiples will be based on all earnings for the year, including base salary, variable pay, allowances and the cash-value of benefits-in-kind. Pay for part-time employees is scaled-up to full-time equivalent to enable meaningful comparisons and pay for those that have only worked a part year is also scaled up as those they worked a full year. Benefits which employees participate in but not taxed (such as salary sacrifice arrangements) are included within total earnings figures.

Pay:	2020/21	2021/22
Chief Executive's total pay	£185,012	£200,274
Median total pay	£35,949	£36,579
Ratio	5.15	5.48

Hackney Council will also annually publish the rate of its Chief Executive to that of its lowest-paid earner:-

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<sup>4</sup> In accordance with the *Code of Recommended Practice for Local Authorities on Data Transparency* (DCLG)

	<b>2020/21</b>	<b>2021/22</b>
Chief Executive's total pay	£185,012	£200,274
Lowest-paid total pay	£22,608	£23,004
Ratio	8.18	8.71

All earnings:	<b>2020/21</b>	<b>2021/22</b>
Chief Executive's total earnings*	£186,438	£200,274
Median total earnings	£36,618	£37,260
Ratio	5.09	5.38

	<b>2020/21</b>	<b>2021/22</b>
Chief Executive's total earnings	£186,438	£200,274
Lowest-paid total earnings	£22,608	£23,004
Ratio	8.25	8.71

### Notes to the pay multiples

1. All earnings for the Chief Executive include salary, a travel allowance, and payments made for election duties. In 2021/2022 there were no elections after the current post holder took up duties, and election duties are not reflected in the Chief Executive's total earnings above. The travel allowance was incorporated into the salary paid to the Chief Executive on 1st June 2021 (the day after the previous incumbent left the Council's service)

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## Part 4 – Other reward mechanisms

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### 4.1 Pay protection

Hackney Council has a pay protection policy that provides a mechanism to assist employees to adjust to a reduction in pay arising from organisational change or redeployment. Pay is protected for a period of 6 months following which the employee reverts to the level of pay for the substantive grade.

### 4.2 Pension

Hackney Council operates the Local Government Pension Scheme (LGPS) and makes pension contributions as required to all employees who participate in the scheme. The Council has determined policies around the discretions available under the LGPS.

Since 1 July 2013 the Council automatically enrolls workers into the Local Government Pensions Scheme, if they meet the following criteria:-



- Earn over £10,000 a year (2022/23 figure); and
- Are aged between 22 and State Pension Age<sup>5</sup>

### 4.3 Other benefits

To maintain employee engagement the Council recognises that it is important to motivate their employees by other means (non-salaried). Therefore, all permanent employees may participate in the childcare voucher scheme (applies to existing members only as the government is phasing out the scheme) and a cycle-to-work scheme through a salary sacrifice arrangement as well as a range of other benefits. There is also a range of other discounted benefits such as discounted gym membership which is provided at no cost to the Council and a general employee discounts scheme (vectis card) as well as a low cost loans offer, season ticket loans and tenancy deposit loans. There is also a scheme that allows early access to a proportion of pay already earned. Further employee benefits may be introduced during the year as appropriate.

In April 2018 the Council introduced provision for additional leave and pay for parents of premature babies that are hospitalised after their birth.

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<sup>5</sup> As required by the *Pensions Act 2008*