

London Borough of Lewisham Pay Policy Statement 2021/22

1 Introduction

- 1.1 This pay policy statement applies to all those directly employed by the London Borough of Lewisham. It sets out the Council's approach to setting the pay of its employees and is published in compliance with both the Localism Act 2011 and the Local Government Transparency Code 2015, which requires all councils to produce an annual pay policy statement.
- 1.2 This Pay Policy Statement does not apply to those employed directly by a local authority school and is not required to do so.
- 1.3 The pay policy statement is required to be approved by Full Council before it comes into force. Once approved by Full Council, this will come into immediate effect, superseding the 2020/21 pay policy statement.

2 Corporate approach to remuneration

- 2.1 The Council is committed to transparency of pay, and best value for money in terms of the quality of services provided to residents. It sets its pay and reward packages generally (including pensions) in accordance with a fair pay policy and with regard to national and regional pay trends
- 2.2 The Council's approach to pay is to:
 - ensure pay levels are right to provide the right levels of reward and motivation; and
 - ensure pay levels are affordable by the Council
- 2.3 It is set in the wider context of our values which set a benchmark for our behaviour across the organisation. These are:
 - We put service to the public first.
 - We respect all people and all communities.
 - We invest in our employees.
 - We are open, honest and fair in all we do.

3 Terms and Conditions of Employment

- 3.1 The terms and conditions of employment for Council employees (excluding those who have transferred under specific statutory provisions) are as negotiated nationally by the relevant Negotiating Body for Local Authority Employees and supplemented/amended by any policies or procedures agreed.

- 3.2 The negotiating bodies which apply to employees include:
- The National Joint Council for Local Government Employees, commonly known as the Green Book, applicable to most non-teaching professional and non-leadership support staff in the Council.
 - The Joint Negotiating Committee for Chief Executives of Local Authorities
 - The Joint Negotiating Committee for Chief Officers of Local Authorities
 - The National NHS Staff Council
 - The Soulbury Committee
- 3.3 The employment conditions and any subsequent amendments are incorporated into employees' contracts of employment. The Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation, case law or best practice.
- 3.4 The Council reached an Agreement with the local trade unions on 1 April 2008, known as Single Status, which applies to most of its employees up to chief officer level. This included the introduction of a single pay and grading structure together with a new job evaluation scheme (the GLPC scheme) for roles graded PO8 and below. The Agreement also sets out the Council's working arrangements and the payments to be made to employees for working outside normal working hours including overtime and call out payments.

4 Remuneration of Chief Officers

- 4.1 Chief Officers are paid on the JNC pay scales, except for the Chief Executive who is paid on a fixed point spot salary. The table below sets out the chief offer grades and salary range. Full details of the roles that these apply to are published on the Council's website [here](#)

Role	Scale	2020/21	
		From	To
Head of Service (JNC4)	3 points	£82,476	£87,882
Directors (JNC3) (JNC2)	3 points	£100,086	£105,492
	3 points	£111,972	£117,270
Executive Directors (JNC1)	3 points	£148,161	£153,897
Chief Executive	Fixed point between	£175,000- £185,000	

- 4.2 The Council's levels of pay for chief officers are regularly benchmarked against other London Councils to ensure they remain competitive.
- 4.3 The grades of Chief Officer Roles, including the role of Chief Executive, are determined through independent job evaluation and advice. This ensures that the relative weight of these roles can be objectively measured using consistent and robust criteria. Exceptions to this are chief officers who have transferred to the Council under statutory provisions which entitle them to retain their pre transfer pay scales. The table at appendix A outlines the job evaluation schemes used for each group of employees.
- 4.4 The salary paid to chief officers is inclusive of all hours worked and no additional payments are paid to chief officers apart from those specifically set out elsewhere in this statement.

5 Remuneration of employees who are not chief officers

- 5.1 Remuneration for posts below chief officer will normally be determined by either the Greater London Provincial Council job evaluation scheme (all grades up to and including PO8) or the Kornferry Hay Group job evaluation scheme (all grades above PO8). In both cases they are conducted by professionals trained in job evaluation and are well established processes designed to ensure fairness in the evaluation of roles and the appropriate remuneration, making assessments based on objective criteria. The table at appendix A outlines the job evaluation schemes used for each group of employees, and provides details of the related national pay frameworks.
- 5.2 The Council is a London Living Wage (LLW) employer and pays the LLW as a minimum to employees. This previously excluded those engaged specifically on apprentice or similar training contracts. However, with effect from 1st April 2021 all London based apprentices (or those employed on similar training contracts) will be paid the LLW. Details of the Council's pay scales and associated salary range can be found [here](#)

6 Pay Multiple

- 6.1 The Local Government Transparency Code (2015), states that local authorities should publish their pay multiple. The Council defines its lowest paid employee as an employee earning the full-time equivalent salary for the LLW, without any additional payments.
- 6.2 The 'pay multiple' is the ratio between the lowest paid employee and the Chief Executive's full time equivalent salary. The Council has agreed a maximum pay multiple of 13-1. The current pay multiple is shown in the table below.

Description	2020/21
Highest paid	£185,000
Median	£38,907
Lowest	£19,801
Highest to median ratio	4.75
Highest to lowest ratio	9.34

7 Remuneration on appointment

- 7.1 All new appointments, including chief officers will usually be made on the bottom of the grade unless there is a business case for starting an employee to a higher point on their grade, for example to match an existing salary.

8 Appointment to new posts paid in excess of £100,000 per annum

- 8.1 Where it is proposed to appoint to a post which is not in existence at the time of the publication of this pay policy statement, and the proposed remuneration is more than £100,000 per annum the appointment may not be made unless the Council has agreed to the level of remuneration attached to the position. This provision does not apply to any roles which transfer to the Council through either TUPE or any other equivalent or similar statutory transfer process. This requirement does not apply to roles arising out of restructures to which the Council is obliged to match existing employees to or conduct a ring fenced recruitment exercise.

9 Market supplements

- 9.1 Due to external market factors, the council may need to apply market supplements to some posts in order to attract and retain staff of the appropriate calibre.
- 9.2 Market supplements are linked to the post, not the person and will be reviewed annually. They cannot be paid to someone because of their level of skill or experience.
- 9.3 A market supplement may be deemed suitable where there is evidence of one or more of the following:
- The post has been advertised on more than one occasion and a suitable applicant could not be appointed.
 - Pay benchmarking exercises show that similar local authorities offer market supplements or a higher salary for the same work.
 - There is a recognised national/local skill shortage where the Council is competing with a number of other employers for applicants.
 - The post is highly specialised with a limited number of potential applicants.

10 Performance related pay and bonuses

- 10.1 The Council does not apply any bonuses or performance-related pay to any of its employees, including the Chief Executive, Chief Officers and other senior managers.

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12 Other allowances

12.1 The Council may make payments to employees who undertake specific additional duties, such as those relating to emergencies or other statutory duties. These payments range from £2000 to £7,290 a year.

13 Pay progression

13.1 All roles, apart from that of the Chief Executive are employed on grades containing spinal column points. All employees (other than the Chief Executive) progress through their grade on 1 April each year rising by one incremental point, until they reach the maximum point of the grade. In order to qualify for an April increment, the employee must have been in post for at least six months e.g. appointed on or before the 1st October.

13.2 Pay awards for all employees are negotiated nationally. Details of the last pay award for each group of staff can be found at appendix A.

14 Interim and Consultant engagements

14.1 From time to time it may be necessary for the Council to engage a specialist interim or consultant to either cover a substantive role or undertake time limited pieces of work. The payment of consultants is strictly managed by the council, and assessments are undertaken in accordance with HMRC guidelines to determine the tax status for the engagement.

15 Fees for Election Duties

15.1 Approximately 500 – 600 Council employees may be engaged on election duties of varying types. The fees paid to Council employees for undertaking election duties vary according to the type of election they participate in and the nature of the duties they undertake. All election fees paid are additional to Council salary and are subject to normal deductions for tax.

15.2 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/Guidance and are paid by the body for the conduct of the election.

16 Pensions

16.1 There are three pension schemes covering Council employees. The majority of Council employees are entitled to join the Local Government Pension

Scheme and receive benefits in accordance with the provision of that scheme as applied by the Council. The Council does not enhance pensionable service for its employees either at the recruitment stage or on leaving the service, except in certain cases of retirement on grounds of permanent ill-health where the strict guidelines specified within the pension regulations are followed.

16.2 Centrally employed Teachers are entitled to join the Teachers' Pension Scheme and receive benefits in accordance with the provisions of that scheme.

16.3 Public Health employees who transferred from the NHS and are members of the NHS pension scheme continue to receive benefits in accordance with the provisions of that Scheme.

17 Payments on Termination of Employment

17.1 The general Position

17.1.1 Employees who leave the Council, including the Chief Executive and chief officers, are not entitled to receive any payments from the Council, except as detailed below.

17.1.2 Legislation and guidance in pensions is subject to change. Any legislation that may be enacted during the year will be applied and may vary this policy.

17.2 Retirement

17.2.1 Employees who contribute to the Local Government Pension Scheme, who elect to retire at age 55 or over, are entitled to receive immediate payment of their pension benefits (reduced for early payment if applicable) in accordance with the Scheme. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme on the grounds of permanent ill-health at any age.

17.2.2 The Council will consider applications for flexible retirement from employees aged 55 or over on their individual merits and in the light of service delivery needs. Approval is conditional upon the employee agreeing to reduce their hours/pay by not less than 40%. Benefits closely reflect those permitted by Regulation 18 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007/1166. All applications are considered by the Council's Early Retirement Panel.

17.3 Redundancy

17.3.1 Employees who are made redundant are entitled to receive a redundancy payment. The Council's redundancy pay for all employees is calculated based on actual weekly earnings multiplied by the number of weeks' pay using the statutory formula that considers length of service and age. The Council has authority under the provisions of the Local Government (Early

Termination of Employment) Discretionary Compensation (England and Wales) Regulation 2006, to use the actual week's pay and not apply the statutory cap. In addition the Council's policy is to make a further payment, known as compensation, based on one times the redundancy payment.

17.3.2 The above applies to all employees however, employees aged 55 and above who are members of the Local Government Pension Scheme, will also receive immediate unreduced payment of their pension benefits. The Council will offset any cost associated with the early release of the pension against the additional compensation payment. This will be up to a maximum of 100% of the compensation payment. The Council will meet any excess pension strain cost of putting the benefits into payment early that they cannot recover from the compensation payment.

17.3.3 This scheme may be amended from time to time in accordance with the Council's Constitution

17.4 Voluntary Severance

Voluntary Severance payments may be made where it is in the Council's best interests to do so; such payments should comply with any applicable legislation and the Council's Voluntary Severance scheme at the time.

17.5 Settlement of potential claims

17.5.1 Where an employee leaves the Council's service in circumstances which are, or would be likely to, give rise to an action seeking redress through the courts from the Council about the nature of the employee's departure from the Council's employment, the Council may settle such claims by way of compromise agreement where it is in the Council's interests to do so. The amount to be paid in any such instance may include an amount of compensation, which is appropriate in all the circumstances of the individual case. If Payment in Lieu of notice forms part of the payment this will be shown as a separate payment and taxed accordingly. Should such a matter involve the departure of an Executive Director or the Chief Executive it will only be made following external legal advice.

17.6 Payment in lieu of notice

In exceptional circumstances, where it suits the Council's service needs, payment in lieu of notice is made to employees on the termination of their contracts, these payments attract Tax and National Insurance deductions.

17.7 Other payments

There may be exceptional circumstances not envisaged by the pay policy, where payments may be made, provided they are in the Council's best interests, comply with applicable statutory requirements and with Council policy.

18 Re-employment

- 18.1 Employees who have left the Council on grounds of redundancy will not normally be re-employed for a period of one year and for two years in the case of voluntary severance.
- 18.2 Applications for employment from employees who have retired from the Council or another authority or who have been made redundant by another authority will be considered in accordance with the Council's normal recruitment policy. However like many authorities, Lewisham operates an abatement policy which means that any pension benefits that are in payment could be reduced on re-employment in local government.

19 Gender Pay Differentials

- 19.1 As part of the Equality Act 2010 (Gender Pay Gap information) Regulations 2017, public sector employers are required to report the difference between employees' median and mean pay. The Council publishes its Gender Pay Gap differentials as part of its annual workforce profile, which can be found [here](#)
- 19.2 This is the fourth year of publication which showed the Council to have an 8.6% pay gap in favour of women.

20 Publication and amendment

- 20.1 The Council will publish this Pay Policy Statement on its website and may amend it at any time during 2021/22 if it is of the opinion that it is appropriate to do so. Any amendments to it will also be published on the Council's website.

21 Definition of chief officers

- 21.1 Within this Pay Policy Statement, chief officer includes the following roles: the Council's Chief Executive, Monitoring Officer and those fulfilling statutory chief officer roles as set out in section 2(6) of the Local Government and Housing Act 1989. It also includes non-statutory chief officers as set out in section 2(7) of that Act, which includes all officers for whom the Chief Executive is directly responsible, those who report directly or are directly accountable to the Chief Executive and those who are directly accountable to the Council itself or any committee or sub-committee.
- 21.2 Within this Pay Policy Statement, the term chief officer also includes those who are a deputy to a statutory or non-statutory chief officer referred to above (i.e. those who report directly or are directly responsible to a statutory or non-statutory chief officer, as set out in section 2(8) of that Act). It does not include those employees who report to the Chief Executive or to a statutory or non-statutory chief officer but whose duties are solely secretarial or administrative.

Appendix A

Job Evaluation Schemes and Related National Pay Frameworks

Employee Group	Job Evaluation Scheme	Last Pay Award Implemented	Next Pay Award Due
National Joint Council (NJC) for Local Government Services – Green Book (the majority of the Council’s employees)	Greater London Provincial Council (GLPC) (with local variations) All role up to and including grade PO8	With effect from 1 April 2020 all London pay spines have been up-rated by 2.75 %.	1 April 2021 (to be negotiated/confirmed)
Chief Officers & Senior Managers	The HAY job evaluation scheme All grades SMG1 and above	With effect from 1 April 2020 An increase of 2.75 %.	1 April 2021 (to be negotiated/confirmed)
Teachers Pay & Conditions - TPAC (centrally employed Teachers)	Teachers Pay and conditions documents	A 1 year pay deal with effect from 1 September 2020 <ul style="list-style-type: none"> • A 5.5 % increase to the minimum of the main pay range • A 2.75 % increase to the minimum and maximum values of all the other pay ranges and allowances for teachers • The re-introduction of advisory pay points for the Main and Upper Pay Ranges 	1 September 2021 (to be negotiated/confirmed)
Soulbury (Education Psychologists & Education Advisers/ Inspectors)	Soulbury	A 1 year pay deal with effect from 1 September 2020 2.75% increase on all Soulbury pay scale points, and all London area and fringe allowances.	1 September 2021 (to be negotiated/confirmed)
Public Health (ex-NHS staff)	The Agenda for Change NHS Job Evaluation Scheme (GLPC or Hay scheme for those whose roles have been reviewed since the transfer date to the Council)	A three-year agreement covering the years from 1 April 2018 to 31 March 2021. Pay increases over this period are as set out in the Framework Agreement on the reform of Agenda for Change (27th June 2018).	1 April 2021 (to be negotiated/confirmed)