

## **Greater London Authority**

### **Pay and Grading Principles and Practices**

#### **Objective**

1. With effect from 1 April 2005 the GLA moved from a spot salary system to incremental salary system for all staff below Director level. These changes are intended to ensure that the Authority's pay system:
  - Delivers equal pay for work of equal value;
  - Provides salaries which as far as possible match those of competitors in central London;
  - Assists retention of staff by offering them progression along an incremental scale.
2. The application of the incremental pay and grading system will be non discriminatory and periodic monitoring of both the general application and any of the variable elements will be undertaken to confirm this.
3. The proposals in this paper have been fully discussed and agreed with UNISON during a formal consultation process.

#### **The Basis for Incremental Progression**

4. As agreed in earlier discussion with UNISON and approved by the Business Management and Appointments Committee, progression from one incremental point to the next point will be expected but not automatic. This method of progression is designed for initial implementation of the new pay and grading structure effective from 1 April 2005.

#### **Circumstances in which automatic progression will be over ridden**

5. Incremental progression will be withheld in respect of an employee whose conduct, performance or capability have been found to be unsatisfactory during the previous twelve months, such as to merit formal action being taken under the Performance Standard, Conduct Standard or Attendance Standard. Where proceedings are in progress which may lead to a formal sanction, payment of the increment will be deferred pending conclusion of the proceedings. Should a formal sanction not be taken, the relevant increment will be paid and backdated if necessary.
6. Where an employee has been subject to formal action and a decision has been taken to withhold payment of the next available increment, no further increment will be payable until such time as the subsequent increment becomes due. Payment of any subsequent increments will be dependent upon achievement of a satisfactory standard of performance, conduct, or attendance that gave rise to the original reason for the increment being withheld. If further action for the same or a different breach has been taken or was pending, this could result in any subsequent increment being withheld.
7. Where any action resulting in a loss of an increment straddles two incremental years, the withholding of the increment shall always be the next available increment, whenever this should fall.

8. An employee who has been on unpaid leave of absence for any reason for over six months in the previous twelve months will not receive an increment. The application of this clause will have due regard for equalities especially in respect of women on maternity leave or statutory rights.

## **Existing Staff**

### **Assimilation arrangements**

9. All staff employed by the GLA as at the date of implementation were either to the point equivalent to their existing spot salary or to the bottom point of the new grade where new grades have been introduced if this is equivalent or more than their spot salary.

### **Mark time arrangements**

10. Generally where a member of staff is placed in a grade where the rate for the job is lower than the existing salary, this is known as "red circling".
11. From 1 April 2005, except in cases implemented before these new arrangements were ratified, the differences between existing salary and the top of the scale of the new grade shall be addressed over a period of two years as follows:
  - The difference between the existing salary and the top increment of the relevant grade (i.e. rate for the job) will be protected in full for a period of two years. After this time the rate for the job will be applicable on the basis of the salary being adjusted to the top increment for the appropriate scale. Cost of living increases will apply during the period of mark time.
12. This arrangement modifies paragraphs 12.1 of the Authority's Management of Change procedure.

### **Normal timing for payment of increments**

13. All staff on GLA contracts who commenced employment on or before 1 April 2005 were assimilated in accordance with paragraph 9 of this document. Potential staff at any stage of the recruitment process where the post was advertised with a GLA spot salary was treated for the purposes of the implementation of the scheme as if they had already commenced employment on 1 April 2005.
14. Staff recruited to salaries advertised in accordance with paragraph 16 of this paper were as new entrants as per paragraphs 17 and 18 inclusive.
15. Subsequent increments will then be payable on the 1 April each year until the scale maximum is reached subject to the provisions of paragraph 19 below.

## **New Staff**

### **Advertising Arrangements**

16. Starting salaries to be quoted in recruitment advertisements will normally be the minimum incremental point on the salary scale. House style adverts will include a

short section on the benefits package offered to staff e.g. 30 days annual leave, career average revalued earnings (CARE) pension, incremental salary scale, etc. In addition it will be made clear that appointment is normally at the bottom of the scale.

### **Salaries on appointment**

17. All appointments will normally be at the bottom of the scale. Only in very exceptional circumstances will appointments above the bottom of the scale be considered. In such circumstances the Head of Service or Director will have to make a case to the Head of Human Resources and Administration whose decision will be final. The case must set out the rationale for the request and the relevant very exceptional circumstances.
18. In any event, no appointment will be made above the third incremental point of a five-point scale. All requests for appointments above the bottom of the scale shall have due regard for equalities and the implications for equal pay challenges.

### **Incremental date**

19. Increments within each salary scale will be paid to all employees on 1 April each year until the maximum of the scale is reached, except that:
  - The first increment, following implementation of the scheme, will be payable on 1 April 2006.
  - Any new starter i.e. someone not treated in accordance with paragraph 13 above who commences employment between 1 October and 31 March in any year will be granted his/her first increment six months after the date of commencement of employment, subject to successful completion of probation, thereafter increments are payable on 1 April each year until the scale maximum is reached.
  - An existing employee who is promoted or re-graded between 1 October and 31 March in any year will normally be appointed to the bottom point of the relevant grade except where grades overlap in which case transfer will be to the next higher point. He/she will be granted their first increment six months after the effective date of the promotion or re-grading, subject to satisfactory performance and conduct.

### **Pay Supplements**

#### **Market forces supplements**

20. A market forces supplement is a discretionary addition to a salary that is only payable while there is a justifiable rationale. It is an exceptional measure and will be taken only when other measures have been exhausted. A market supplement is not a permanent addition to the salary; it is designed to address particular circumstances which may relate to recruitment difficulties or shortage occupations etc. When the market conditions change, a market supplement can be withdrawn, however the baseline salary is not affected by such action. The application of market forces supplements can only be introduced following consultation with the Head of Human Resources and Administration whose decision to authorise or not will be final.
21. Within the GLA consideration on the payment of a market forces supplement might be paid where:

- The job has been advertised unsuccessfully more than twice during the past year; and
  - There is evidence from pay data drawn from independent sources indicating that the GLA evaluated salary for the relevant GLA role is lower than the average salaries for similar roles. Independent sources might include Hay Group database, relevant professional institutes' salary surveys, the government produced shortage occupations register etc.
22. The amount of the market forces supplement would be set by reference to the difference between the GLA evaluated salary for the role and the external rate as obtained from an appropriate independent source.
23. Eligibility for payment of the supplement would be limited to people doing the job which attracts the supplement. Thus existing staff, as well as newcomers, would be eligible for the supplement.
24. The supplement would be consolidated for pension purposes but would remain discretionary and therefore could be subject to withdrawal if the reasons for the market forces supplement changed.
25. Once a job or group of jobs has been declared to attract a market forces supplement, that supplement should be subject to an annual review to decide whether it should continue to be offered to the relevant staff.
26. In contemplating the application of market forces supplements, due regard for any equalities implications must be addressed.

### **Other proposed changes to contracts of employment**

27. There are a number of minor changes, which need to be made to employees' contracts of employment. Some of these are needed to reflect recent changes in employment law; others are necessary for clarifications and other reasons. Details of these changes will be recommended to the Committee for approval at a future meeting.

### **Annual leave trade in**

28. The rate for trading in a day's annual is £225 per day. This rate is effective from 1 January 2015.

**Human Resources and Organisational Development Unit  
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