

GLA

GLA Pay Policy Statement 2013/14

This pay policy statement is in line with DCLG's guidance on section 40 of the Localism Act 2011. The statutory guidance "Openness and Accountability in local pay; Guidance under section 40 of the Localism Act" was published on 17 February 2012. DCLG issued, in May 2014, a revised transparency code. Although the GLA is not statutorily required to comply with this it has decided that in the interests of transparency it will publish its own pay policy statement.

The GLA does not operate in the same way as local authorities listed in the DCLG Guidance document. This assumes that pay policy statements will be signed off by those who are directly accountable – councillors and elected members. The GLA Act 1999 (as amended) provides for the GLA's Head of Paid Service to be responsible for the terms and conditions, including pay, for the GLA's officers, in consultation with the Mayor and the Assembly.

The pay policy for officers will be published on the GLA website. There is a separate pay notice issued by the Mayor of London and London Assembly in respect of their remuneration arrangements.

Chief Officers

The GLA has defined Chief Officers for the purposes of this policy as:

- All mayoral appointments under section 67(1) (a) and (b) of the GLA Act
- The statutory appointments – namely the Head of Paid Service, Chief Finance Officer and the Monitoring Officer
- Executive Directors
- Assistant Directors and Heads of Service

It should be noted that the Chief Executive post (£205,000 per annum) was deleted in 2011 and the statutory Head of Paid Service (HOPS) role was combined with the Executive Director of Communities and Intelligence and the salary reduced to its current level of £170,316. This postholder is also the Greater London Returning Officer.

Background

GLA recognises the need for transparency in remuneration for its staff. It also recognises the need to ensure a fair and proportionate rate of pay for staff which reflects the work they do. The GLA seeks to ensure that each member of staff is remunerated on a fair and equitable basis – taking into account the responsibilities and requirements of the role.

The GLA has established the skills and competencies (behaviours) required to successfully undertake roles in the GLA and recruitment to posts is on the basis of those skills and competencies. The reward strategy for the GLA must ensure it is able to recruit the best staff, motivate and retain them.

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Next review due April 2014

With effect from 1 April 2005, the GLA moved from a spot salary system to incremental salary system for all staff below Executive Director level. Under the GLA pay principles, the changes were 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.

The GLA has a fifteen grade salary scale for most staff in the organisation (attached here). Staff can move through a five point incremental scale at each grade. Movement from one grade to another is based on a job evaluation process. Staff who fall outside this scale include the work placements and apprentices on London's Living Wage, Mayoral appointments and Executive Directors who are on spot salaries.

The salary scale was introduced following an extensive and comprehensive exercise to create a new pay and grading structure based on the Hay evaluation scheme. Points from the Hay evaluation process match to a grading scale. All new posts are evaluated by trained HR staff using the Hay Guide Chart method of evaluation.

The Hay Group scheme is based on the analysis of three main factors:

Know-How - The level of knowledge, skills and experience required for fully acceptable job performance.

Problem Solving - The span, complexity and level of analytical, evaluative and innovative thought required in the job.

Accountability - The discretion given to the job holder, either to direct resources of all kinds or to influence or determine the course of events, and his/her answerability for the consequences of his/her decisions and actions.

The pay structure was benchmarked to be in line with the public sector upper quartile for London. In 2008, there was a review of pay and job evaluation outcomes to ensure quality assurance of grading. The review also benchmarked posts and salaries and made a recommendation on future cost of living awards.

In terms of Mayoral appointees' and Executive Directors' pay, the salaries are designed to reflect the market for comparable roles, the skills and experience of individuals and the role within the organisation. They are not incremental and only increase if the nature of the role changes significantly or if cost of living pay awards are made.

Mayoral appointments have either retained the salaries which were determined under the previous administration, through a job evaluation process, are on spot salaries which align to the salary scale or are on comparable salaries to other roles. Executive Directors roles were evaluated through Hay and fall outside the salary scales. Benchmarking data established the salaries.

Additional payments

Where staff take on additional responsibilities for a short time they can be awarded honorarium or recognition payment in line with an agreed policy. A supplement is paid to the Monitoring Officer to recognise that the role is carried out in addition to a substantive role as Head of Committee and Member Services.

The Greater London Returning Officer is paid a supplement (every four years) for the delivery of the elections. This amount is determined by the Mayor.

Terms and conditions

The GLA terms and conditions are the same for all staff, including Chief Officers. These are locally determined terms and conditions, most of which are contractual.

Staff on GLA terms and conditions do not receive any performance related pay. Employees progress to the top of their salary range through annual increments. There is no direct link between pay progression and performance. The GLA can withhold increments if staff are in the formal stages of the capability, disciplinary or sickness process.

All GLA employees may join the local government pension scheme.

Pay awards

General pay reviews normally apply from 1 April each year and are linked to either the National Joint Council for local government or locally negotiated. Local negotiations take account of the NJC award and central government decisions.

Remuneration on appointment

All appointments are on merit and will normally be at the bottom of the scale. In exceptional circumstances appointments above the bottom of the scale will be considered where the skills, experience and salary of the appointable individual will be taken into account. In such circumstances the Head of Service or Director will have to make a case to the Assistant Director of Human Resources and Organisational Development whose decision will be final.

The Executive Directors and mayoral appointments will start on the spot salary attributable to the role.

Redundancy arrangements

The GLA has put in place a policy for the compensation of employees whose employment is terminated on grounds of redundancy or in the interests of the efficiency of the service. The policy provides for a payment to be made in line with the statutory redundancy formula. The policy also provides for discretion to be exercised by the Head of Paid Service to enhance the statutory redundancy provisions by a 1.5 multiplier at an actual weeks pay.

The GLA has discretionary powers under the Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006 to make payments to employees who leave on the grounds of redundancy or efficiency of the service.

Any decision to make a payment or approve costs for redundancy, early retirement or termination on the grounds of efficiency of service must be authorised as follows:

- For the Head of Paid Service, Chief Finance Officer and the Monitoring Officer (the statutory officers), the Mayor and Assembly will make decisions acting jointly.

- For staff directly appointed by the Mayor under s67 (1) of the GLA Act 1999, the Mayor will make the decision (or may delegate this authority to the statutory officers).
- For all other staff the HOPS will make the decision (or may delegate this authority to the statutory officers).

The GLA has not enhanced pension payments since the policy was changed in 2009 and very rarely agrees an efficiency of service termination.

Where an employee leaves the GLA in circumstances which may give rise to a tribunal or potential employment claim the GLA may seek to settle the potential claims through a settlement agreement. The GLA always seeks to ensure that the best value for money solution has been achieved, legal and financial advice is considered and the Head of Paid Service and the Executive Director of Resources sign off the decision.

Re-employment of redundant postholder

Before termination has taken place a full search for suitable alternative employment is carried out. Where staff are made redundant they have the right to apply for posts which arise after they have left with such appointments to posts made on merit. Where settlement agreements have been signed, employees may not work for the organisation for a year post termination.

Flexible retirement

Employees aged 55 or over may, with the permission of their Director and the Assistant Director for Human Resources and Organisational Development, reduce their hours or move to a position on a lower grade and elect to draw part or all of their accrued pension benefits whilst still continuing to receive a salary on the reduced hours or grade. Where an employee receives early payment of part or all of their pension benefits, these benefits will be subject to actuarial reduction for early payment.

Creation of Chief Officer posts

When the Head of Paid Service creates new posts on the establishment the Mayor and Assembly are consulted – the latter through the London Assembly GLA Oversight Committee. This takes place when more than five posts are being created or deleted or where they are contentious so this means, in practice, that any newly created Chief Officer post would be subject to consultation with the Mayor and the Assembly.

Any changes to the terms and conditions of staff are agreed following consultation with the GLA's recognised trade union, Unison and through consultation with the Mayor and Assembly.

Highest and lowest paid differentials

The lowest paid staff with the exception of those on London's Living Wage (work placement and apprentices), are those staff in the Facilities Management Team on a Grade 2 (£22,734-25,092). The highest paid member of staff in the Head of Paid Service who is also an Executive Director and paid £170,316. The ratio between lowest and highest is 7.4:1

The highest paid is 3.9 times the median average salary. This is considered a reasonable multiplier given the levels of accountability and responsibility. It is a much improved position from 2009 when the highest paid individual earned £205,000.

Tax avoidance

The GLA complies with HMRC guidance and will not implement arrangements which do not comply with the guidance. Consultants do not undertake work that should be covered by an employee under an employment contract.