

Greater London Authority

Greater London Authority Pay Policy Statement 2019/20

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. Instead, 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 Chief Officer (serving as 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 Officer post 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.

With effect from 1 April 2005, the GLA moved from a spot salary system to incremental salary system for all officers 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 15 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 Korn Ferry Hay evaluation scheme. Points from the Korn Ferry Hay evaluation process match to a grading scale. All new posts and job evaluation requests are evaluated by trained panel members consisting of Business Representatives, HR staff and a member of the Trade Union. Job evaluation panels chaired by members of SMT meet regularly to assess job evaluation requests approved by the Corporate Management team. GLA posts are evaluated using the Korn Ferry Hay Guide Chart method of evaluation and the Korn Ferry 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.

In February 2008 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 Korn Ferry Hay and fall outside the salary scales. Benchmarking data established the salaries.

In 2019 the GLA's Chief Officer committed to undertake a review to identify if there was a need for a pay and grading review and to consider the extent to which it is or is not limiting the GLA's ability to attract and retain the best, most diverse talent.

Additional payments

Where staff take on additional responsibilities for a short time, they receive an honorarium and to reward staff for exceptional performance and contribution a recognition payment can be recommended in line with an agreed policy. All recognition payments are authorised by the Chief Officer. A supplement is paid to the Monitoring Officer to recognise that the role is carried out in addition to a substantive role as Assistant Director of External Affairs.

The Greater London Returning Officer and the Deputy Greater London Returning Officer are 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 Assistant Director or Executive Director will have to make a case to the Assistant Director of Human Resources and Organisational Development where an appointment is requested up to the third point of the scale, or the Chief Officer for appointments above this level, and 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 Chief Officer 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 Chief Officer, 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 Chief Officer 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 Chief Officer 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 Executive 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 and deletion of posts

Under the [Head of Paid Service Staffing Protocol](#) The Chief Officer is authorised to create and delete positions subject to appropriate consultation where this is required. All requests for fixed term and permanent positions will be submitted to a monthly Establishment Control Meeting. Requests to create fixed term positions of two years or more or fewer than five permanent positions require the Chief Officer to consult with the Chief of Staff on behalf of the Mayor, and the Chair and Deputy Chair of the Greater London Authority Oversight Committee (GLAOC). Requests for the creation of five or more permanent positions are subject to formal consultation with the Greater London Authority Oversight Committee at one of their meetings. The Chief of Staff, on behalf of the Mayor, will also be formally consulted. All fixed term positions of less than two years will be reported to the GLAOC via the Workforce Report which is a twice-yearly compendium of employment statistics.

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 3 (£28,049 – 30,961). The highest paid member of staff is the Head of Paid Service; with an annual salary of £193,800. The ratio between lowest and highest is 6.26:1 (£193,800/£30,961)

The highest paid is four times the median average salary (193,800/£48,340). This is considered a reasonable multiplier given the levels of accountability and responsibility.

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.