

London Borough of Bromley

Report No. HR

PART I – PUBLIC

Agenda Item No.:

Decision Maker: General Purposes & Licensing Committee

Date: 9th February 2021

Decision Type: Non-Urgent Non-Executive Non-Key

TITLE: PAY POLICY STATEMENT 2021/22

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Chief Officer: Director of Human Resources & Customer Services

Ward: N/A

1. REASON FOR REPORT

- 1.1 Under the Localism Act 2011 the Council is required to publish a Pay Policy Statement which must be approved by Full Council every year. The 2021/22 Pay Policy Statement is attached for Members consideration and approval.
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2. RECOMMENDATION(S)

2.1 Members are asked to:

- (i) recommend that Full Council approve the 2021/22 Pay Policy Statement attached to this report.

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: Within existing budget
 2. On-going costs: Within existing budget
 3. Budget Head/Performance Centre:
 4. Total current budget for this Head:
 5. Source of Funding:
-

Staff

1. Number of staff (current and additional): Chief Officers and Deputy Chief Officers as defined in the Local Government & Housing Act.
 2. If from existing staff resources, number of staff hours:
-

Legal

- 1) Legal Requirement: Statutory Requirement
 - 2) Call In: Call in is not applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected) N/A
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Ward Councillor Views

- 1) Have Ward Councillors been asked for comments: N/A
- 2) Summary of Ward Councillors comments:

3. COMMENTARY

3.1 The Localism Act requires the Council to prepare and publish a Pay Policy Statement every year. The statement must set out the Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees.

3.2 The objective of this aspect of the Act is to require authorities to be more open and transparent about local policies and how local decisions are made.

The first Pay Policy Statement which was approved by Full Council on 26th March 2012 has been up-dated every year to reflect Member decisions to adopt a localised terms and conditions of employment framework for all staff, except teachers. The attached Pay Policy statement for 2021/22 is not materially different to the previous Statements. A key aspect of the localised pay framework is the local determination of the annual pay award as part of the financial budget planning process. As before, Bromley pay award will also be paid on time in April.

3.3 Another key aspect of the localised pay framework is the emphasis on individual pay and performance. There is no automatic pay uplift or increment or pay award without satisfactory individual performance. To further localise its terms and conditions of employment, the Council has with effect from 1st April 2015 appointed new staff (including internal promotions) on spot salaries. It offers greater flexibility and managerial empowerment not always possible under the traditional incremental pay progression system.

3.4 As stated above, Bromley employees are clear on how performance is linked to pay. The Council's appraisal process, Discuss, uses a "structured conversation" coaching style to improve employee engagement and empowerment, whilst supporting managers to undertake a more proactive approach to managing performance and developing potential of staff.

3.5 The scheme enables each employee's contributions to Building a Better Bromley strategic objectives to be individually assessed and, where appropriate, recognised through the award of the discretionary merited reward payment. £200k is allocated in the base budget to support the scheme. Since the introduction of the scheme a total of 1327 merited rewards have been made. Separately 1216 mini merit awards have been made to staff. In addition a further 255 awards have been made to staff in recognition of the support they have provided to one or more of the Council's workstreams, responding to the Covid-19 pandemic. These workstreams have supported businesses in the borough as well as the most vulnerable of the borough's residents.

3.6 The Appraisal process for Chief Officers, including the Chief Executive, normally includes a 360-degree feedback from peers, direct reports, partner organisations and key Members. The Chief Executive is responsible for appraising his Chief Officers. The Chief Executive's appraisal is managed by a Member Panel comprising the

Leader, Deputy Leader, Portfolio Holder for Resources and any other Members, including the Leaders of the minority parties or their representatives. The Panel is supported by the Director of Human Resources and Customer Services. The attached proposed Pay Policy Statement 2021/22 also sets out the pay review and performance appraisal arrangements for the Chief Executive. The Member Panel will undertake the appraisal of the Chief Executive. Following the appraisal and any feedback to the Chief Executive the panel will reconvene as a formally constituted committee of Council to determine the Chief Executive's pay to conclude his annual performance appraisal.

4. POLICY IMPLICATIONS

4.1 The Pay Policy Statement is legally required pursuant to the Localism Act 2011. It requires the Council to annually prepare and publish its statement on pay and remuneration, mainly for Chief Officers, as defined in the Local Government and Housing Act.

4.2 Since coming out of the national/regional collective bargaining frameworks, the Council's Pay Policy Statements have reflected the key drivers for localised terms and conditions of employment, namely:

- A single local annual pay review mechanism aligned with the budget setting process;
- A scheme of discretionary non-consolidated/non-pensionable rewards for individual exceptional performance;
- Annual pay increases linked to satisfactory performance for all staff; no automatic pay increases.

5. FINANCIAL IMPLICATIONS

5.1 All decisions taken in accordance with this policy statement will be contained within existing budgets.

6. LEGAL IMPLICATIONS

6.1 The requirement to adopt and publish a Pay Policy Statement arises under the Localism Act 2011. The Policy Statement is consistent with the statutory guidance published by the Secretary of State for Communities and Local Government to which all relevant authorities must have regard. The guidance does not limit the general statutory provisions on delegation under Section 101 of the Local Government Act 1972.

7. PERSONNEL IMPLICATIONS

7.1 Details of this year's Pay Policy Statement are as set out in this report and the accompanying Policy Statement. Last year's report and Pay Policy Statement

advised the Committee that the Government was planning to introduce reforms around exit payments in the Public Sector.

7.2. The Regulations: [The Restriction of Public Sector Exit Payments Regulations 2020](#) came into force on 4 November 2020. The Regulations impose on public sector employers a £95k exit cap on the total amount that can be paid to an employee who is exiting the organisation, either for reasons of redundancy or business efficiency. The cap includes the employer's pension costs, often referred to as pension strain costs. The pension strain costs are payable for affected employees who are 55 years of age or over. The following exit payments are exempt from the Exit Cap Regulations:

- Any payment in respect of pension benefits that an employee has accrued in respect of their employment up to the time of their exit, where there has been no additional cost of to the authority in relation to that exit;
- Any payment in respect of death in service;
- Any payment in respect of accident, injury or illness;
- Any payment in respect of annual leave due under a contract of employment, but not taken;
- Any payment in compliance with an order of a court or tribunal;
- Any payment in lieu of notice due under a contract of employment that does not exceed one quarter of the employee's annual salary.
- Any payment in respect of Employer National Insurance contributions.

7.3. The HM Treasury have published Guidance on the Regulations, along with Directions on when the £95k can be relaxed and where a waiver can be applied.

7.4. The Directions provide for the following **Mandatory Waivers**:

- Where an obligation to pay an exit payment arises as a result of a TUPE transfer under the Transfer of Undertakings (Protection of Employment Regulations 2006);
- Where an Employment Tribunal has the jurisdiction to make a payment in relation to Whistleblowing covered under Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998), Discrimination under the provisions of the Equality Act 2010, Health and Safety related cases covered by Section 44 of the Employment Rights Act 1996.
- Mandatory waivers also include a payment made (for example, as part of a settlement agreement in order to settle a grievance or employment tribunal litigation involving a discrimination complaint under the Equality Act 2010.

7.5. **Mandatory Waivers** require approval by Full Council. A business case must then be submitted to the Ministry of Housing, Communities and Local Government (MHCLG), with the Minister having final approval.

- 7.6. The Directions also provide for certain **Discretionary Waivers** in relation to the following circumstances:
- That not exercising the power would cause undue hardship;
 - That not exercising the power would significantly inhibit workforce reform;
 - An arrangement to exit was entered into before the Regulations came into force, but the exit was delayed until after that date and the reason for the delay was not attributable to the employee;
- 7.7. **Discretionary Waivers** also require approval by Full Council and are then considered for approval to the Principal Accounting Officer and Minister for MHCLG. The business case then requires further approval by HM Treasury.
- 7.8. **Waivers** outside of the circumstances outlined above can only be authorised with HM Treasury consent. In these exceptional cases Bromley Council would be required to submit a business case to the MHCLG before submitting a business case to the HM Treasury for approval. (It is anticipated that Full Council approval would also be required in such circumstances, however the Guidance is not specific on this matter).
- 7.9. Separate to the £95k Exit Cap Regulations, the Government have also consulted on proposals for the Reform of the Local Government Pension Scheme (LGPS) and Discretionary Payments. The consultation on the proposals ended on 9 November 2020; Further consultation on the draft regulations themselves: [The Local Government Pension Scheme \(Restriction of Exit Payments\)\(Early Termination of Employment\)\(Discretionary Compensation and Exit Payments\)\(England and Wales\) Regulations 2020](#) closed on 18th December 2020.
- 7.10. The proposed changes include:
- A maximum tariff for calculating exit payments of 3 weeks' pay per year of service (Employers can apply tariffs below these limits);
 - A cap of 66 weeks on the number of weeks salary that can be paid as a redundancy compensation payment. Employers will have discretion to apply lower limits;
 - Imposing a maximum salary level on which calculation for severance pay can be based (currently £80,000);
 - Preventing an employer making a discretionary redundancy payment in addition to a payment into the LGPS (pension strain cost) except in very limited circumstances;
 - Limiting payments an employer can make into the LGPS (pension strain cost) where an employee receives a statutory redundancy payment (by reducing the strain cost payment by the amount of the statutory redundancy payment)

- Making the necessary changes to the LGPS to accommodate these changes and the broader effects of the £95k Exit Cap
- Giving employees the option of deferring their accrued pension benefits, or taking an actuarially reduced pension benefit, and: receiving a discretionary redundancy payment under the Council's Redundancy Policy.

7.11. Whilst the £95k Exit Cap Regulations are now in force the proposals for reform of the LGPS regulations are not yet in place. This has created some ambiguity and concern for some local authorities particularly where exits are already in progress, as the Government's view is that the Exit Cap regulations effectively curtail the use of LGPS regulations to pay an immediate unreduced pension when the cap is breached. The MHCLG wrote to all LGPS administering authorities in October 2020 advising that until the changes to the LGPS regulations were implemented a capped member should only receive an immediate pension (with full actuarial reductions applied) or a deferred pension, plus a cash alternative payable by the employer.

7.12. At the present time there are no Bromley Council employees affected by this conflict in the regulations, i.e. where an employee's exit costs exceed £95k, however this situation will need to be kept under review depending on, if and when the proposed regulations come into force.

7.13. It was originally envisaged that changes to the LGPS would be introduced before the end of December 2020, however the outcome of the consultation has yet to be published. It should also be noted that there is a potential challenge to the Regulations by means of a Judicial Review. The High Court has granted permission for three requests for a Judicial Review to be heard. These requests, which will be heard together in the latter half of March 2021, are brought by LLG (Lawyers in Local Government) and ALACE (the Association of Local Authority Chief Executives and Senior Managers), Unison and GMB/Unite. The challenge has been made concerning the confusion caused by the £95k Exit Cap Regulations clashing with the requirements of the LGPS.

7.14. Until the outcome of the Consultation on the Regulations, along with the outcome of the Judicial Review is known, it is unclear whether the proposals outlined in the Government's proposals will be enacted as they stand, or whether they will be amended. The permission for hearing and timing of the applications for Judicial Review of the £95k Exit Cap Regulations may now result in the current legal uncertainty continuing into the next financial year.

7.15. These regulations are likely to impact on the Council's redundancy, retirement and pay policies, which will need to be reviewed and updated in due course.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	

London Borough of Bromley

1. Introduction

- 1.1 The Localism Act 2011 introduces a requirement for public authorities to publish annual pay policy statements. It states, in the main, that a relevant authority must prepare a pay policy statement for the Financial Year 2012/13 and each subsequent year.
- 1.2 Pursuant to the Act and the associated guidance and other supplementary documents, this pay policy statement sufficiently summarises Bromley Council's approach to the pay of its workforce and its "Chief Officers". In summation, the statement covers the Council's policies for the 2020/21 Financial Year, relating to:
- i) remuneration of its Chief Officers;
 - ii) remuneration of its lowest paid employees;
 - iii) the relationship between (i) and (ii) above.
- 1.3 In relation to "Chief Officers" the pay policy statement must describe the Council's policies relating to the following:
- i) the level and elements of remuneration for each Chief Officer;
 - ii) remuneration of Chief Officers in recruitment;
 - iii) increases and additions to remuneration for each Chief Officer;
 - iv) the use of performance related pay for Chief Officers;
 - v) the use of bonuses for Chief Officers;
 - vi) the approach to the payment of Chief Officers on their ceasing to hold office under, or to be employed by, the authority; and
 - vii) the publication of access to information relating to remuneration of Chief Officers.
- 1.4 As required by the Act and the supporting statutory guidance which, in turn, reflects the Local Government and Housing Act 1989, the definition of Chief Officer for the purpose of the pay policy statement covers the following roles:
- i) the Chief Executive/Head of Paid Service;
 - ii) the Monitoring Officer;
 - iii) a statutory Chief Officer and non-statutory Chief Officer under Section 2 of the Local Government and Housing Act 1989;
 - iv) a Deputy Chief Officer responsible and accountable to the Chief Officer. However, 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 or not within the operational definition or the meaning of the Deputy Chief Officer title.

2. Exclusion

- 2.1 The Act does not apply to schools' staff, including teaching and non-teaching staff.

3. Context: Key Issues and Principles

- 3.1 General Context – clearly there are a number of internal and external variables to consider in formulating and taking forward a pay policy. Reward and recognition is a key component of the Council's agreed HR Strategy. This includes establishing strong links between performance and reward and celebrating individual and organisational achievements.

The HR Strategy is based on an assumption that all staff come to work to do a good job and make a difference. The Council expects high standards of performance from staff at all levels and seeks, in return, to maintain a simple, fair, flexible, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce.

3.2 Local Terms and Conditions of Employment

Local terms and conditions of employment for all staff including "Chief Officers" as defined in paragraph 1.4 above were introduced with effect from 1 April 2013. Teachers employed by the local authority in Community Schools and Voluntary Controlled schools are excluded as their terms and conditions are set in statute and do not afford the Council the discretion to include them in the localised arrangements.

- 3.2.1 The main features of the localised terms and conditions framework are as follows, namely:

- (a) A single local annual pay review mechanism aligned with the budget setting process.
- (b) A scheme of discretionary non-consolidated/non-pensionable rewards for individual exceptional performance.
- (c) Annual pay increases including annual increments (if appropriate) linked to satisfactory performance for all staff; not automatic.

3.3 Recruitment and Retention

The Council aims to enhance its ability to recruit and retain high quality staff by being competitive in the labour markets. This is still the case even in the current financial straitened times. We will keep our pay policy updated and align it to reflect the "Bromley Council employee of the future" characterised by innovation, flexibility, empowerment, leadership and individualised rewards for exceptional performers. The size of the Council's workforce is likely to continue to reduce but reasonably remunerated to recruit and retain quality

staff to deliver Member priorities. The Council is well placed to respond to changes in the labour markets, especially in relation to hard to fill and retain roles, e.g. Children Social Workers. A comprehensive Recruitment and Retention Strategy/package for Children's Social Workers is in place to deal with the regional and national shortage of qualified/experienced staff. A similar plan is also in place to address the recent recruitment and retention challenges in the adult social care workforce. There are also problems recruiting experienced/qualified Planners and Surveyors and qualified Mental Health Practitioners. These challenges are within the remit of the Corporate Recruitment and Retention Board chaired by the Director of HR & Customer services, comprising key representatives across the organisation including the Director of Children's Services, the Director of Adult Services and the Director of Housing, Planning, Property and Regeneration. The Board looks at the push and pull factors impacting on staff recruitment and retention, including local and regional labour market intelligence, leaver/exit info, etc. The Council has commissioned a tool to gather real time leavers' opinions, as well as on-boarding surveys.

As part of the Transforming Bromley agenda there is increased focus on smart and agile working. This includes the availability of smart technology to improve work-life balance, increased digitalisation of services, and ultimately improved customer experience.

3.4 Accountability

3.4.1 The Act requires that pay policy statements and any amendments to them are considered by a meeting of Full Council and cannot be delegated to any Sub-Committee.

3.4.2 Such meetings should be open to the public and should not exclude observers.

3.4.3 All decisions on pay and reward for "Chief Officers" must comply with the agreed pay policy statements.

3.4.4 As stated above, the Council must have regard to any guidance issued/approved by the Secretary of State. The first guidance issued by the Department of Communities and Local Government (DCLG) (now MHCLG) states in inter alia "that full Council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment." The Secretary of State considered that £100,000, including salary, bonus, fees or allowances or any benefit in kind, is the right level to trigger Member approval.

3.4.5 The most recent guidance issued in February 2013 states that Authorities should offer full Council the opportunity to vote before large severance packages beyond a particular threshold are approved for staff leaving the

organisation. As with salaries on appointment, the Secretary of State considers that £100,000 is the right level for that threshold to be set. The components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonus, fees or allowances paid. The Council's position on this is still as set out in the 2014/15 pay policy statement, subject to the requirements of [The Restriction of Public Sector Exit Payments Regulations 2020](#). Chief Officer severance packages are generally included in the annual statement of accounts. Also, Executive approval is sought for severance packages for chief officers. There is also an overarching scrutiny of settlement/compromise agreement packages from the Audit Sub-Committee. These arrangements ensure Member engagement.

4. Transparency

- 4.1 In line with the guidance, the pay policy statement will be published on the Council's website and accessible for residents to take an informed view on whether local decisions on all aspects of remuneration are fair and reasonable.
- 4.2 The Council is also required to set out its approach to the publication of and access to information relating to the remuneration of "Chief Officers".

The Council also discloses the remuneration paid to its senior employees in the Annual Report and Statement of Accounts and is accessible on the Council's website at:

http://www.bromley.gov.uk/downloads/download/136/annual_accounts

For the purposes of the Code, senior employee salaries are defined as all salaries which are above £50,000. The information, including the posts which fall into this category, will be regularly updated and published.

5. Fairness

- 5.1 The Council must ensure that decisions about senior pay are taken in the context of similar decisions on lower paid staff. In addition, the Act requires the Council to explain the relationship between the remuneration of its Chief Officers and its employees who are not Chief Officers, and may illustrate this by reference to the ratio between the highest paid officer and lowest paid employee and/or the median earnings figure for all employees in the organisation.
- 5.2 The Council's pay arrangement is equality compliant. The Council achieved Single Status/Equal Pay Deal via a collective agreement with the Unions in 2009.

5.3 Additionally, the Act specifically requires the Council to set out its policies on bonuses, performance related pay, severance payments, additional fees/benefits (including fees for Chief Officers for election duties), re-employment or re-engagement of individuals who were already in receipt of a pension, severance or redundancy payment, etc.

6. Position Statement

6.1 The Council's position on the requirement of the Act and the information that it is required to include its Pay Policy Statements is as summarised above and as set out in the attached table (Appendix B).

6.2 This Statement is for the Financial year 2021/22

6.3 The Statement must be approved by Full Council. Once approved it will be published on the Council's website. Any amendments during the Financial Year must also be approved by a meeting of Full Council.

6.4 This Statement (including the Appended table) meets the requirement of the Localism Act 2011 and the Department for Communities and Local Government (DCLG) guidance.

6.5 Legislation introduced in 2017 means that The Council is required to publish its gender pay gap data annually. The gender pay report for 2021 will be published at the end of March 2021 in line with statutory deadlines.

London Borough of Bromley

PAY POLICY STATEMENT FOR FINANCIAL YEAR 2021/22	
POLICY AREA UNDER THE ACT	POLICY STATEMENT
	<i>For the purposes of this policy statement the term “Chief Officer” includes the Chief Executive, Statutory and non-statutory Chief Officers and Deputy Chief Officers within the meaning of the Local Government and Housing Act 1989.</i>
Level and elements of remuneration of Chief Officers and relationship with the remuneration of employees who are not Chief Officers	<p>The authority implemented a localised pay and conditions of service framework for all staff except teachers, with effect from 1 April 2013. Under the local framework the Council:</p> <ol style="list-style-type: none"> a) Introduced an annual local pay review mechanism aligned with the budget setting process for all staff except teachers to replace the national and regional collective bargaining arrangements and the existing local arrangements for Lecturers in Adult Education; b) Introduced a scheme of discretionary non-consolidated non-pensionable rewards for exceptional performance applicable to all staff except teachers; c) Will reinforce the link between individual performance and pay by making any annual pay increase and increments (where appropriate) subject to satisfactory performance for all staff; not automatic. d) Agreed to make no change to existing terms and conditions of service before April 2015. <p>The move to fully localised terms and conditions is on the back of the Bromley Single Status agreement reached with the relevant recognised trade unions in 2009 affecting the BR grade staff. Under the localised terms and conditions of service framework the Council retains its existing terms and conditions including the grading and job evaluation schemes for BR staff and MG and PT staff, except for the annual pay review and appraisal process. Under the localised terms and conditions framework the Council will not be bound by the national or/and regional pay settlements. Instead, by means of the process of the localised annual pay review the Council aims to:</p> <ul style="list-style-type: none"> • ensure that staff are appropriately rewarded for the job that they do • enhance the Council’s ability to compete by maintaining a simple, fair, transparent and affordable pay and

- reward structure that attracts and keeps a skilled and flexible workforce;
- improve the links between organisational efficiency, individual performance and reward
 - ensure that decisions on reward and recognition are better aligned with the considerations and timetable of the annual budget setting process

The current rates for Management Grade and Professional & Technical Staff, BR staff and Lecturers and sessional staff at Bromley Adult Education College can be found at [MG MB PT Salary Scales](#) [BAEC Salary Scales](#) [BR Grades Salary Scales](#)

The Council has agreed the process of job evaluation as a way of ensuring a fair system of remuneration relative to job weight thereby managing any risk of equal pay claims. MG and PT jobs are graded using the James Job Evaluation Scheme, and BR jobs are graded using the Greater London Provincial Council (GLPC) Job Evaluation Scheme. The BR grades are based around “anchor” salary points and consist of incremental scales. However, with effect from 1st April 2015 new BR staff (including internal promotions) are appointed on spot salaries with no increments. Individual spot salaries will be renewed annually, minimally, subject to satisfactory performance.

Individuals employed on the MG and PT grades are appointed to a spot salary within the relevant salary bands having regard to the Council’s ability to recruit and retain suitably qualified, skilled and experienced officers to deliver excellent front line services and achieve Council priorities. Exceptionally staff may be paid outside of the relevant band for their grade because of market forces. The same principles apply to anyone who is engaged on a self-employed basis and paid under a contract for services. Under the [Special Recruitment measures](#) agreed by Chief Officers, every recruitment request including permanent, temporary, casual, agency staff or self-employed is scrutinised and formally approved first by the Director and then the Director of Human Resources & Customer Services on behalf of the Chief Executive.

The Council offers a lease car arrangement as a recruitment and retention incentive to certain staff occupying key posts including some front-line posts on the BR grades. Employees with a lease car are expected to make

a minimum 30% contribution to the cost and for Chief and Deputy Chief Officers the value range of this benefit is between £3,566 and £2,460 per annum subject to this not exceeding 70% of the car's current benchmark value plus insurance.

Any employee who does not have a lease car is eligible to receive a car user allowance if they use their own vehicle for business purposes capped locally at the rate for cars not exceeding 1199cc, other than in exceptional circumstances where the Director of Human Resources & Customer Services agrees that a car with a larger engine size is necessary for the efficient performance of the job. The current car mileage payment arrangement is 45p per mile for all users (except lease car users) consistent with the HMRC recommended rate. The rate for lease car users is considerably lower, currently 11.50p per mile.

The Council normally engages a mix of external and internal personnel for election duties. The fees generally reflect the varying degree of roles undertaken by individuals. Fees paid to both the Returning Officer and the Deputy Returning Officer are in accordance with the appropriate Statutory fees and Charges Order and they reflect their personal statutory responsibilities.

The Council is required to have measures in place to respond to any major emergency incidents in the Borough or on a pan London basis which includes a small group of Senior Officers on standby for the LA GOLD rota. The Chief Executive and Director of Environment and Public Protection undertake the lead role and do not receive any additional remuneration for this. Other officers who undertake this role receive a payment commensurate with other call out allowances for the relevant period of the standby.

All employees including Chief Officers are entitled to apply for an interest free season ticket loan and reimbursement of any expenses necessarily incurred in the performance of their role including but not limited to travelling, and subsistence. Employees also have access to an interest free childcare loan under the childcare deposit loan scheme.

Also, the Council operates a Salary Sacrifice scheme for all staff. This covers childcare vouchers, cycle to work, technology and salary sacrifice lease car scheme. Staff are also able to access other optional benefits such as annual leave purchase scheme, Gym Flex and Lifestyle benefits offering discounts at local and national

	retailers.
Use of PRP for Chief Officers	The annual review of salaries includes an assessment of work performance in the preceding twelve months for all staff. Under the localised terms and conditions of employment framework for all staff, including Chief Officers (with the exception of teachers), pay increases, including pay awards, increments, etc., are linked to satisfactory performance. Pay increases will be withheld from poor performers. The performance of the Chief Executive is appraised by a Member Panel comprising the Leader, Deputy Leader, Portfolio Holder for Resources and other elected Members, including the Leaders of the Minority Parties, or their representatives. The Panel is supported by the Director of Human Resources & Customer Services in a technical advisory capacity. These Members will sit as a panel to undertake the appraisal but will sit as a committee of council to make a final decision. The Panel will assess and determine the Chief Executive's performance and pay within his grade band and will then sit as the Chief Executive Appraisal Committee to make the final determination. The Chief Executive and Directors are subject to a 360-degree appraisal process involving a range of feedback sources. Chief Officers and senior staff do not currently have an element of their basic pay "at risk" to be earned back each year. All staff apart from teachers will be eligible to be considered on merit for the one off non-consolidated non pensionable reward payment for exceptional performances.
Use of bonuses for Chief Officers	Not applicable.
Remuneration of lowest-paid employees	The Council's grading structure for BR graded staff starts at £19,899 per annum and the Council therefore defines its lowest paid employee as anyone earning £19,899 (pro rata for part-time staff). Currently the Council's pay multiple – the ratio between the Chief Executive as the highest paid employee and the lowest paid employee is 1:10, and between the Chief Executive and the median salary is £35,193 (ratio of 1:6).
Increases and additions to remuneration of Chief Officers	Where it is in the interests of the Council to do so the Chief Executive may review the salaries of Chief Officers and Senior Staff from time to time within the MG, PT and MB Salary scales MG MB PT Salary Scales Such circumstances include for example but are not limited to the impact of market forces and staff undertaking significant additional responsibilities on a time-limited or permanent basis. This is also the case for any other officer of the Council, including BR staff. Being outside of the nationally/regionally negotiated terms and

	<p>conditions allows greater flexibility and discretionary payments in support of business priorities and recruitment and retention challenges. The Council has agreed a separate recruitment and retention package for children's and adults' social workers.</p>
<p>Remuneration of Chief Officers on recruitment</p>	<p>Where the post of Chief Executive falls vacant the salary package and the appointment will be agreed by Full Council. Full Council or a Member panel appointed by full Council or the Urgency Sub Committee will also agree any salary package in excess of £100K to be offered for any new appointment in 2020/21 to an existing or new post. All Chief Officer and Senior staff appointments will be made in accordance with the Council's agreed Constitution and Scheme of Delegation which can be found at London Borough of Bromley Constitution</p>
<p>Any discretionary increase in or enhancement of a Chief Officer's pension entitlement</p>	<p>Chief Officers are eligible to join the Local Government Pension Scheme. The Council will not normally agree to any discretionary increase in or enhancement of a Chief Officer's pension entitlement. However, each case will be considered on its merits and the Council recognises that exceptionally it may be in the Council's interests to consider this to achieve the desired business objective. Members' agreement will be required in all cases taking into account legal, financial and HR advice appropriate to the facts and circumstances.</p> <p>A Chief Officers' Panel is authorised to consider applications from staff aged 55 and over for early retirement and may exercise discretion to waive any actuarial reduction of pension benefits in individual cases based on the demonstrable benefits of the business case including the cost, impact on the service, officer's contribution to the service and any compassionate grounds.</p> <p>The Council has adopted a Flexible Retirement Policy under which a Chief Officers' Panel may agree to release an employee's pension benefits whilst allowing them to continue working for the Council on the basis of a reduced salary resulting from a reduction in their hours and/or grade. The policy requires that the employee is aged 55 or over and that there is a sound business case for any such decision and can be found at Flexible Retirement Policy</p>

<p>Approach to severance payments - any non-statutory payment to Chief Officers who cease to hold office/be employed</p>	<p>Where demonstrable benefit exists it is the Council's policy to calculate redundancy payments on the basis of the statutory number of weeks' entitlement using the employee's actual salary, subject to any cap on redundancy payments arising from The Restriction of Public Sector Exit Payments Regulations 2020.</p> <p>Under the Council's agreed Scheme of Delegation, the Director of Corporate Services has delegated authority to settle legal proceedings and/or to enter into a Settlement Agreement in relation to potential or actual claims against the Council. Settlement may include compensation of an amount which is appropriate based on an assessment of the risks and all the circumstances of the individual case.</p> <p>In exceptional cases where it is in the interests of the service to do so a payment in lieu of notice, or untaken leave may be made on the termination of an employee's employment. Payment for untaken leave may also be due under the terms of the Working Time Regulations. We already see approval for funding for severance packages for chief officers from the Executive. There is also overarching scrutiny from the Audit Sub – Committee. These arrangements give transparency and ensure Member sight of chief officers' severance packages.</p> <p>Severance Payments will be considered in accordance with the requirements of The Restriction of Public Sector Exit Payments Regulations 2020 The Regulations impose on public sector employers a £95k exit cap on the total amount that can be paid to an employee who is exiting the organisation, either for reasons of redundancy or business efficiency. The cap includes the employer's pension costs, often referred to as pension strain costs. The pension strain costs are payable for employees who are 55 years of age or over. The following exit payments are exempt from the Exit Cap Regulations:</p> <ul style="list-style-type: none"> • Any payment in respect of pension benefits that an employee has accrued in respect of their employment up to the time of their exit, where there has been no additional cost of to the authority in relation to that exit; • Any payment in respect of death in service; • Any payment in respect of accident, injury or illness; • Any payment in respect of annual leave due under a contract of employment, but not taken; • Any payment in compliance with an order of a court or tribunal;
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- Any payment in lieu of notice due under a contract of employment that does not exceed one quarter of the employee's annual salary.
- Any payment in respect of Employer National Insurance contributions

The Council will not normally re-engage anyone as an employee or consultant who has received enhanced severance/redundancy pay or benefited from a discretionary increase in their pension benefits. However exceptionally it may be that business objectives will not be achieved by other means in which case a time-limited arrangement may be agreed by the Director of HR & Customer Services and Director of Finance having regard to the Council's financial rules and regulations.

Any application for employment from ex-employees who have retired at no cost to the Council, or who have retired or been made redundant from elsewhere will be considered in accordance with the Council's normal recruitment policy. However, where an employee re-joins local government employment, whose pension benefits are already in payment, they may be subject to an abatement policy. This means that their pension benefits in payment could be reduced in line with that policy.

Please note:

Separate to the above £95k Exit Cap Regulations, the Government have also consulted on proposals for the Reform of the Local Government Pension Scheme (LGPS) and Discretionary Payments. The consultation on the proposals ended on 9 November 2020; Further consultation on the draft regulations themselves: [The Local Government Pension Scheme \(Restriction of Exit Payments\)\(Early Termination of Employment\)\(Discretionary Compensation and Exit Payments\)\(England and Wales\) Regulations 2020](#) * closed on 18th December 2020.

The proposed changes include:

- A maximum tariff for calculating exit payments of 3 weeks' pay per year of service (Employers can apply tariffs below these limits);
- A cap of 66 weeks on the number of weeks salary that can be paid as a redundancy compensation payment. Employers will have discretion to apply lower limits;
- Imposing a maximum salary level on which calculation for severance pay can be based (currently

	<p>£80,000);</p> <ul style="list-style-type: none"> • Preventing an employer making a discretionary redundancy payment in addition to a payment into the LGPS (pension strain cost) except in very limited circumstances; • Limiting payments an employer can make into the LGPS (pension strain cost) where an employee receives a statutory redundancy payment (by reducing the strain cost payment by the amount of the statutory redundancy payment) • Making the necessary changes to the LGPS to accommodate these changes and the broader effects of the £95k Exit Cap • Giving employees the option of deferring their accrued pension benefits, or taking an actuarially reduced pension benefit, and: receiving a discretionary redundancy payment under the Council’s Redundancy Policy. <p>*These regulations are likely to impact on the Council’s redundancy, retirement and pay policies, which will need to be reviewed and updated in due course.</p>
<p>Publication of and access to information relating to this Policy and to the remuneration of Chief Officers</p>	<p>Once agreed the Council will publish this Pay Policy on its website. Full Council may by resolution amend and re-publish this statement at any time during the year to which it relates.</p> <p>The Council also discloses the remuneration paid to its senior employees in the annual report and statement of accounts as part of its published accounts. The Council has no full-time release Trade Union officers. Reasonable time off will be provided to Trade Union officials, including Stewards, in the course of their normal contractual job with the Council.</p>