

## London Borough of Enfield



<b>Report Title</b>	Review & Adoption of a Statutory Pay Policy Statement
<b>Report to</b>	Full Council
<b>Date of Meeting</b>	27 February 2025
<b>Cabinet Member</b>	Cllr Ergin Erbil
<b>Executive Director / Director</b>	Ian Davis / Tinu Olowe
<b>Report Author</b>	Glyn Drew - glyn.drew@enfield.gov.uk
<b>Ward(s) affected</b>	None
<b>Key Decision Number</b>	Non-Key
<b>Classification</b>	Part 1 Public

### Purpose of Report

1. The Localism Act 2011 requires all Councils to review and adopt a Pay Policy Statement each financial year to provide transparency with regard to the Council's approach to settling the pay of its employees (excluding those working in local authority schools). This report proposes the amendments detailed in paragraph 4 below to the Council's policy agreed in 2024 for adoption in the financial year 2025 / 26.

### Recommendations

1. The Council agrees the statutory Pay Policy Statement attached as Appendix 1 of this report.

### Background and Options

2. Sections 38 to 43 of The Localism Act 2011 required all Councils to formally adopt a pay policy statement. The Council also has a duty to have regard to statutory guidance issued pursuant to s.40 of the Act. The Council has had regard to relevant guidance as referred to in the pay policy at Appendix 1. The Act requires that a policy statement be adopted annually by a vote of the Council and once adopted, can only be varied by a vote of the Council.
3. In broad terms, the Act requires the Statutory Pay Policy Statement includes:
  - a. A local authority's policy on the level and elements of remuneration for each chief officer

- b. A local authority's policy on the remuneration of its lowest paid employees (together with its definition of 'lowest paid employees' and its reasons for adopting that definition)
- c. A local authority's policy on the relationship between the remuneration of its chief officers and other officers
- d. A local authority's policy on other specific aspects of chief officers' remuneration; remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

### **Main Considerations for the Council**

- 4. There were no significant changes over the past year and following a review of the operation of the pay policy for the financial year 2023/24 the following amendments have been recommended for adoption in the 2024/25 Statutory Pay Policy:
  - a. The introduction in Paragraph 1 has been revised to include the annual revenue budget and capital budget for the fiscal year 2024/25. Additionally, the population estimate has been updated with the mid-year population estimate from 2023 (327,000), as provided by the Office for National Statistics.
  - b. Paragraph 5.6 has been updated to show the current number of senior manager posts and specifies the grade and effective time (758).
  - c. Paragraph 5.7 has been updated to reflect the 2024 Joint National Council (JNC) pay deal for middle and senior managers.
  - d. Paragraph 5.9 has been updated to reflect the 2024 National Joint Council (NJC) pay award all staff graded Scale 2 to PO2.
  - e. Paragraph 5.9 includes reference to the 2022 NJC pay agreement that also agreed from 1 April 2023, Spinal Column (SPC) Point 1 will be permanently deleted from the NJC pay spine.
  - f. Paragraph 5.9 and 5.11.1 has been updated to reflect the London Living Wage hourly rate of £13.85 that was set in October 2024. This is below the minimum hourly rate of £14.57 for spinal column point 1 of the NJC pay scale and therefore there is no requirement for the Council to pay a London Living Wage supplement.
  - g. Paragraph 5.15.2. has been updated to state four members of staff were retired flexibly in the period 1 January to 31 December 2024.
  - h. Paragraph 5.15.3. has been updated to state no employees left on the basis of voluntary severance in the period 1 January to 31 December 2024.
  - i. Paragraph 5.15.4. has been updated to state no employees retired early in the interests of the efficiency of the service in the period 1 January to 31 December 2024.
  - j. Paragraph 5.15.8 has been included to explain the current position regarding the statutory guidance issued by the Department for Levelling Up, Housing & Communities (DLUHC) relating to Special Severance Payments (SSP).. For the purpose of this guidance an SSP will include payments made to employees, office holders, workers, contractors and 'others' outside of statutory, contractual or other requirements when leaving employment in public service. In

deciding whether it is appropriate to make an SSP the Government expects that local authorities should consider whether the payment would be a proper use of public money. That includes considering the economic rationale for making such payments, as well as the impact on efficiency and effectiveness. Payments above £100,000 already require the decision to be referred to full Council (see 5.15.10 and 5.15.11) and is consistent with the requirements of this statutory guidance. Payments of £20,000 and above, but below £100,000, must be approved and signed off by the Head of Paid Services, with a clear record of the Leader's approval as well as that of any others who have signed off the payment. Payments below £20,000 are approved by the Director of HR & OD.

- k. Paragraph 5.16.1 has been updated to state seven members of staff have been retired on grounds of permanent ill health in the period 1 January to 31 December 2024.
- l. Paragraph 5.18.1 has been updated to state 86% of the workforce are members of Local Government Pension Scheme.
- m. Paragraph 5.19.2 has been updated to indicate that the Chief Executive's gross pay was 6.04 times the median pay for the Council's non-school workforce in 2023/24. This change occurred due to the transfer of 173 of the lowest-paid Council staff out of the organisation under TUPE regulations, resulting in a decrease in the median pay from 2022/23, which was 6.24 times.

### **Relevance to Council Plans and Strategies**

- 5. Enfield Council is a large and diverse organisation that provides a range of statutory and other services to a local community with a population of approximately 327,000. It manages an annual revenue budget of £1.351 billion and a 10-year capital budget of £1.567 billion. To ensure effective leadership and efficient management of such a large and complex organisation, the Council needs to attract and retain high-calibre and skilled managers and leaders. In a competitive job market, the value and composition of the remuneration package offered to senior managers, such as Directors and above, is a key factor in enabling the Council to attract, recruit, motivate, and retain staff with the necessary skill sets to deliver the Council's vision, objectives, and aspirations, which significantly impact the lives of local residents.

### **Financial Implications**

- 6. The Medium-Term Financial Plan (MTFP) spending assumptions allows for the provision of future years pay award, with circa £6.9m currently estimated for 2025/26. This assumes a 2.5% increase in pay for 2025/26. The £6.9m provision includes £2.0m of catch-up inflation.

### **Legal Implications**

- 7. The Council is required under sections 38-43 of the Localism Act 2011 (the Act) to adopt a pay policy statement for every subsequent financial year. The statement must set out the authority's policies for the financial year relating to (a) the remuneration of its chief officers, (b) the remuneration of

its lowest-paid employees, and (c) the relationship between the remuneration of its chief officers, and the remuneration of its employees who are not chief officers.

8. The pay policy statement for 2024/2025 must be adopted Full Council by 31 March 2025 and can only be varied subsequently by Full Council. Once it has been adopted, all determinations on pay, conditions and remuneration of chief officers (broadly, the chief executive, directors and assistant directors) for that year must be in accordance with the policy. As soon as is reasonably practicable after approving or amending a statement, the Council must publish it in such manner as it thinks fit (which must include publication on the authority's website).
9. The Council pay policy statement is required to comply with all relevant employment legislation and is bound by any collective agreements and contractual arrangements in place. Relevant legislation includes, but is not limited to, the Employment Rights Act 1996, Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended. In determining the pay and remuneration of all its employees, the Council is required to comply with all applicable legislation and ensure there is no discrimination within its pay structures and that all pay differentials can be objectively justified.
10. The Council must, in performing its functions under s.38 or 39, have regard to any guidance issued or approved by the Secretary of State. It is also required to respond to legislative and regulatory changes affecting the workforce including any impact on its pay policy and is required to make any necessary arrangements to comply with any legislative and regulatory and minor changes as set out in this report.
11. When reviewing and amending its annual Pay Policy Statement, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not, (the public sector equality duty).

### **Equalities Implications**

12. The production of a statutory pay policy statement is a legislative requirement and is published for information purposes. The decision is to agree the existing status reflected in the Pay Policy Statement. It identifies different ratios between groups of staff based on pay levels. As there is no proposed change to actual practice, but rather, a reflection of the impact of the pay award on these ratios, it is envisaged that there will be no impact, negative or positive, upon any particular group with protected characteristics.

### **HR and Workforce Implications**

13. The Council should ensure the approved Pay Policy Statement is published on the Council's website and internal Intranet site. All decisions

relating to payments to staff must be compliant with the Pay Policy Statement.

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## **Appendices**

Appendix 1 – The Council’s Statutory Pay Policy 2024/25 (included)

## **Background Papers**

[Hutton Fair Pay Review](#)