

**Governance matters**

**SUMMARY**

This report recommends and updates members on a range of governance matters

**RECOMMENDATION(S)**

The Authority is asked to:-

- 1) Approve the job evaluation and Managing Director's new salary
- 2) Note the work with NAWDO
- 3) Approve the Member's Travel and Subsistence Allowance scheme

**1. Job evaluations - background**

The purpose of a job evaluation is to ensure an employee's pay reflects their job description, is consistent with colleagues across the business and in comparison with the employee's peer group. This helps to ensure equality and fairness.

A job evaluation can be triggered by the Authority on creation of a new position, when roles change and develop (and job descriptions) and at the request of an employee with reasonable justification.

To help objectively achieve the aims of equality and fairness the Authority employs an independent external third party (LB Hounslow) to undertake all of its job evaluations.

For Chief Officer roles, LB Hounslow employ the nationally recognised HAY scheme for job evaluation. This is a rigorous and objective system for scoring a variety of characteristics such as management breadth, nature and impact of role, accountability, HR skills and know how to name just a few. The resulting scoring and grade is then subject to a further step within LB Hounslow where a panel scrutinise and moderate the grading.

This approach towards job evaluation reduces the risk of equal pay claims and allegations of unfair treatment and provides the basis of a defence against any litigation.

**2. Job evaluation request**

A job evaluation was requested by the Managing Director on the basis that pay of other Waste Authority Managing Directors was markedly higher than the Authority's, a reasonable justification.

On this basis as with any other employee, the LB Hounslow were asked to undertake a job evaluation for this position and were provided an up to date job description.

The LB Hounslow job evaluation graded the Managing Director post at band CO1 which commences at £134,544 for 2019/20. The Authority's long standing Chief Officer grades are based on LB Hounslow pay scales and are detailed in appendix 1.

The job evaluation is broadly in line with published salaries of Managing Directors of all other waste authorities across London whose scale and operations are broadly similar. Appendix 2

details their published salaries. This provides a good benchmark for assessing the reasonableness of the job evaluation.

Appendix 3 also provides the salaries for borough peers. It shows that the job evaluation is within the wide range of those published salaries.

As the Managing Director's position as the head of paid service is a statutory role, the Authority has to make the final decision on the pay of the Managing Director. Therefore on the basis that the independent job evaluation is reasonable and fair, the recommendation is to pay the Managing Director an annual salary at the CO1 scale point 11 (£134,544) backdated to April 2019.

To ensure that the pay does not materially exceed that of borough peers the annual salary will be capped at CO1 scale point 12 (£142,621).

It is useful to note that the published pay multiple (ratio between highest paid and average salary) will move from 2.7:1 to 3.5:1, this is well below borough multiples. Benchmarking also showed that site salaries are slightly higher than the two constituent boroughs that responded to a request for benchmarking information.

### **3. National Association of Waste Disposal Officers**

In recent meetings members have impressed the importance of the Authority providing leadership within the sector, increasing its profile and pro-actively engaging with key decision makers.

NAWDO represents 80% of local authorities with responsibility for waste disposal. It aims to influence policy and legislation at a formative stage and lobby for change through its good working relations with key officials in a range of government departments/bodies (e.g. DEFRA, DCLG, Treasury).

This brief note is to highlight that the Managing Director is presently the vice Chair of NAWDO and that there is an expectation that she will become the Chair next year, so providing an opportunity to promote the Authority's agenda and engage with key decision makers – leadership is a key theme of the Authority's business plan.

However, it should be noted that there will be greater input required from the Managing Director to fulfil the role of Chair, but this will also be beneficial to the Authority. There are no problems envisaged and the wider team will be able to support the Managing Director in this role (e.g. providing admin, hosting meetings, taking on delegated work etc.) and also ensure business continues as normal.

### **4. Members travel and subsistence allowance**

Allowances in the public sector are commonplace to ensure members are not out of pocket as a result of holding public office and to reduce the financial barriers that can make it challenging to achieve good levels of attendance.

However, under the Local Authorities (Members Allowances) Regulations 1991 waste authorities are limited to only paying members a travel and subsistence allowance.

Therefore to keep the process and administration simple the recommendation is to pay members a fixed amount of £1,000 per year as a travel and subsistence allowance, paid only to members on a pro-rata basis following each day of attending Authority/Audit Committee meetings. i.e. Normally 5 days of meetings per year, so £200 following each days meeting. This is a notional sum and half of the basic allowance paid by many local authorities to reflect the smaller amount of time/travel needed for Authority business compared to Council business.

However to ensure there is no duplication with travel and subsistence paid by constituent boroughs' members will be required to confirm that no claims for travel and subsistence relating to Authority business will be made to their constituent boroughs.

**5. Financial Implications** – These are detailed in the report.

**6. Impact on Joint Waste Management Strategy** – Improvements to financial management in the Authority will continue to ensure that the Authority addresses policies of the JWMS.

Contact Officers	Jay Patel, Head of Finance	01895 54 55 11
	<a href="mailto:jaypatel@westlondonwaste.gov.uk">jaypatel@westlondonwaste.gov.uk</a>	
	Ian O'Donnell, Treasurer	
	<a href="mailto:ianodonnell@westlondonwaste.gov.uk">ianodonnell@westlondonwaste.gov.uk</a>	
	Emma Beal, Managing Director	01895 54 55 15
	<a href="mailto:emmabeal@westlondonwaste.gov.uk">emmabeal@westlondonwaste.gov.uk</a>	

## Appendix 1

### Pay scales

The Authority's standing Chief Officer pay scales are based on historic London Borough of Hounslow's pay scales and are as follows.

<b>Band</b>	<b>Point</b>	<b>2019/20 salary £</b>
CO3	1	84,102
	2	88,306
	3	90,011
	4	95,012
	5	100,012
	6	105,013 current grade
CO2	7	106,797
	8	112,537
	9	118,387
	10	126,465
CO1	11	134,544 proposed grade
	12	142,621
	13	150,700
	14	157,607
	15	166,521

## Appendix 2

### Comparable pay

The Managing Director's salaries for other waste authorities across London are published in their annual accounts. The table below summarises the minimum annualised salaries taken for the last published accounts.

<b>Waste Authority</b>	<b>2018/19 salary £</b>
East London Waste Authority	136,425
North London Waste Authority	152,579
Western Riverside Waste Authority	143,762

## Appendix 3

### Benchmarking with borough salaries

Taken from Council websites.

i.e. Accounts, pay statements, senior salaries disclosures.

Note that the information was variable as no consistent data was available.

#### Senior Salaries

Staff Group	Brent 2019/20 £	Ealing 2019/20 £	Harrow 2017/18 £	Hillingdon 2019/20 £	Hounslow 2018/19 £	Richmond 2019/20 £	WLWA 2019/20 £
Chief Executive	202,880	177,660 to 189,129	150,789 to 171,375	230,844	171,504 to 188,151	249,717	N/A
Corporate Directors/MD	136,167 to 153,927	127,689 to 141,021	129,159 to 141,033	170,552 to 216,345	131,905 to 163,256	129,545 to 177,935	134,544
Directors/Heads of Service	57,430 to 129,490	96,210 to 116,550	82,134 to 127,845	85,775 to 158,007	104,703 to 123,986	74,716 to 138,628	80,217