

## Croydon Council

## Pay Policy Statement 2024-25

**1. Introduction**

- 1.1. The Council aims to ensure that its remuneration packages are fair, equitable and transparent and offer suitable reward for the employment of high-quality staff with the necessary skills and experience to deliver high quality services.
- 1.2. This Pay Policy Statement sets out the Council's policy relating to the pay of its workforce (excluding school-based employees) as required under the Localism Act 2011. The Localism Act requires the Council to have considered, approved and published a Pay Policy Statement for each financial year.
- 1.3. Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". In accordance with Section 38 of the Localism Act, this Pay Policy Statement sets out the Council's policy for 2024/25 on:
- The remuneration of its senior staff designated Chief Officers
  - The remuneration of its lowest paid employees
  - The relationship between the remuneration of its Chief Officers and the remuneration of staff who are not Chief Officers
- 1.4 Where this policy refers to Chief Officers, this means the definition as set out in paragraph 3.1. A copy of the grading structure for Croydon Chief Officers is shown at appendices 1a and 1b. Where the policy refers to the Council's lowest-paid employees this means those that are paid on the lowest established grade and scale point i.e. Grade 1, point 2. This definition of lowest-paid employees has been adopted because it reflects the lowest salary payable under the Council's job evaluation scheme and grading structure.
- 1.5 Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and termination payments.
- 1.6 The Appointments and Disciplinary Committee has delegated responsibility for approving remuneration packages for new Chief Officer posts. Where it is proposed to appoint to a Chief Officer post which is not in existence at the time of the publication of this pay policy statement, and the proposed remuneration is £100,000 per annum and above, the appointment may not be made unless the Appointments and Disciplinary Committee has agreed to the level of remuneration for the new post. This provision does not apply to any roles which transfer to the Council through either TUPE or any other equivalent or similar statutory transfer process. This requirement does not apply to roles arising out of restructures to which the Council is obliged to match existing employees to or conduct a ring-fenced recruitment exercise.

- 1.7 Once approved, all remuneration paid to officers will comply with this policy for the 2024-25 financial year. The statement will be reviewed in accordance with legislation prevailing at the time.
- 1.8 In accordance with Part 3 of the Constitution – Responsibilities for Functions the Chief Executive’s Scheme of Delegations provides delegated authority to the Chief People Officer for pay and terms and conditions for staff other than the Chief Executive and senior staff covered by the Joint Negotiating Committee for Chief Officers. Grading and conditions of service for senior staff are approved by the Appointments and Disciplinary Committee.
- 1.9 Subject to circumstances, it may be necessary to amend this Pay Policy statement during the financial year. Any changes, or amendments, made will be subject to full Council approval.

## **2. Pay structure**

- 2.1 The Council uses a combination of locally and nationally determined pay structures for its workforce.
- 2.2 The Council will determine the appropriate grade for each job in accordance with either the Greater London Provincial Council (GLPC) Job Evaluation Scheme, or the Hay Job Evaluation Scheme, depending upon the job requirements and the level of responsibility of its employees within the organisation. The GLPC scheme considers posts graded from Grade 1 to Grade 17 and the Hay scheme is used for posts graded Croydon Special Range A and B and Chief Officer Grades 1 – 5.
  - a) The pay structures, including basic pay, for the Chief Executive and Head of Paid Service, Corporate Directors, Directors and posts at Croydon Special Range (CSR) level are determined locally.
  - b) The basic pay for teachers, lecturers, youth workers and Soulbury staff is in accordance with nationally negotiated pay structures.
  - c) To reflect market and industry specific factors, staff in the in-house bailiff service have locally determined pay arrangements which includes an element of performance pay. Skills scarce occupations may be awarded market supplement payments, in accordance with the council’s Market Supplement Policy and Procedure and robust pay benchmarking to reflect key skills shortages in the sector. The method of determining market supplements is through pay benchmarking as applicable to the London/South-East region and to apply the market median from that benchmarking data. If the relevant job in Croydon is below the London Borough pay market median, an appropriate market supplement is applied. Certain hard to recruit roles, including Social Workers with key skills and Education Psychologists (Soulbury staff) receive an attraction and retention payment which is separate and distinct from a market supplement.
  - d) For the majority of other staff, the Council uses a locally determined grading structure aligned to the relevant London pay spine of the Greater London Provincial Council.

- 2.3 Pay allowances, other than basic pay, are the subject of local or nationally negotiated rates having been determined from time to time in accordance with the collective bargaining arrangements and/or as determined by the Council.
- 2.4 The Council adheres to national pay bargaining and will normally apply a nationally negotiated cost of living pay award for staff covered by the relevant negotiating body and any increase will be payable with effect either from 1 April for NJC and JNC, and or 1 September (for Soulbury, Youth and Centrally Appointed Teachers).
- 2.5 Employees who have joined the Council as a result of a Transfer of Undertakings Protection of Employment (TUPE) transfer may have different arrangements. In accordance with TUPE the Council will comply with any such contractual arrangements in relation to the pay for such employees. Should conditions arise which support a business case for staff to be offered an opportunity to move to Council terms and conditions this will be considered in accordance with legal obligations.

### **3. Remuneration**

- 3.1 For the purpose of this pay policy statement, all posts in this section (3.1) are collectively referred to as Chief Officer in accordance with section 43 of the Localism Act 2011 and sections 2(6)-(8) the Local Government and Housing Act 1989, and include:
  - a) The Chief Executive and Head of Paid Service;
  - b) Monitoring Officer;
  - c) Statutory Chief Officers: Corporate Director, Children, Young People and Education (DCS); Corporate Director Adult Social Care and Health (DASS & Caldicott Guardian); Corporate Director Resources (S151 Officer); Director of Public Health
  - d) Non-Statutory Chief Officers: Assistant Chief Executive; Corporate Director, Housing; Corporate Director, Sustainable Communities, Regeneration and Economic Recovery.
  - e) Deputy Chief Officers: Directors and Heads of Service who are required to report directly, or are directly accountable to one or more of the Statutory Chief Officers or Non-Statutory Chief Officers.
- 3.2 Current remuneration for Chief Officers is set out below: -
  - a) The Chief Executive and Head of Paid Service salary is currently £192,474 per year and is due to be reviewed in April 2023. The Council will appoint an independent, external advisor with remuneration and performance expertise to advise the Executive Mayor (and at the Executive Mayor's discretion other political group leaders) about appropriate remuneration for the post of Chief Executive and Head of Paid Service. This is aligned to the annual performance appraisal review process. [Note: The Chief Executive's pay arrangements are being reviewed by the Appointments and Disciplinary Committee and this section will be updated to reflect the outcome].
  - b) Corporate Directors and Directors are paid salaries aligned to the Croydon Chief Officer grades, as set out in Appendix 1a, with provision for annual

incremental progression to the top of the grade. The salary for the Chief Executive and Head of Paid Service, and the grades and salary structures for Chief Officers (including Statutory Chief Officers, Non-Statutory Chief Officers, and Deputy Chief Officers) are set out in Appendix 1b. Salaries are reviewed in line with the national awards, as determined by the JNC for Local Authority Chief Executives and Chief Officers.

- 3.3 For the purposes of this pay policy statement, Heads of Service and certain senior staff in posts above grade 17 but below Chief Officer are placed on a salary within Croydon Special Range A and B, following evaluation using the Hay job evaluation scheme with provision for incremental progression to the top spinal point of the grade. Salaries are reviewed in line with national joint council (NJC) pay awards. Croydon Special Range A and B are shown in Appendix 1b.

#### Additional remuneration elements

- 3.4 The Council does not apply any bonuses or performance payments to its senior staff. In addition to basic pay, elements of “additional pay”, other than those that constitute re-imbursement of expenses incurred during the fulfilment of duties, are set out below:
- a) In order to recruit or retain employees in a post at its designated grade or spot point consideration will be given to the use of market supplements as approved by the Chief People Officer in discussion with the Director or Corporate Director as appropriate in accordance with the Council’s Market Supplement Policy and Procedure, with such payments being subject to periodic review. Market supplements will, when added to basic pay, not normally exceed 10% of base pay but by formal exception may be up to 20% of base pay. Any market supplement for Chief Officers on JNC conditions will be recommended by the Chief People Officer and Chief Executive and determined by the Appointments and Disciplinary Committee in accordance with its terms of reference. The Council’s Market Supplement Policy and Procedure is under review.
  - b) A compulsory car allowance may be made to authorised car users at all levels of the workforce, other than to Chief Officers. The compulsory car allowance applies to employees where driving a car is an integral feature of the employee’s job duties and the employee is unable to carry out their duties without providing and using their own car. The amount of the allowance depends on the engine size and emissions of the employee’s car as shown in Appendix 1c.
  - c) Returning Officer fees: the Council is required by the Representation of the People Act 1983 to appoint an officer to act as the Electoral Registration Officer (ERO) for any constituency or part of a constituency within its area to be responsible for the preparation and maintenance of the electoral register and to act as the Returning Officer (RO) for all elections. Such duties attract a fee payable to the individual, paid for by the Government except in relation to local elections. The fees are set by central government for national elections and referenda and for local elections fees are prescribed by and agreed on an annual basis by the Chief Executives’ London Committee, which reports into the London Councils network. The

Council's Electoral Registration Officer and Returning Officer is the Chief Executive and Head of Paid Service, as agreed by resolution of the Council, or as delegated to a committee.

In their capacity as the Council's Electoral Registration Officer and the Council's Returning Officer, the Chief Executive and Head of Paid Service may appoint deputy Electoral Registration Officers and a deputy Returning Officer. Fees for carrying out such duties are payable to appointed individuals.

- d) From time to time consideration will be given to making additional payments, as approved by the Chief People Officer, to senior staff who undertake additional and/or higher-level responsibilities for example when covering the duties of a vacant Chief Officer post. Such payments are temporary and subject to periodic review.

#### Remuneration on appointment

- 3.5 Where employees are appointed to a grade, it is the Council's policy to appoint all employees on the bottom spinal point of the grade, unless there are exceptional circumstances as authorised by the relevant Director and approved by the Chief People Officer, or in the case of senior staff, the Appointments and Disciplinary Committee.
- 3.6 Appointments to Chief Officer posts will be made within the grade and salaries stated for the respective post as set out in Appendices 1a and 1b.
- 3.7 Appointments to Chief Officer posts as referred to in paragraph 7.3 are in so far that the grade is sufficient to be competitive in the labour market, otherwise approval from the Appointments and Disciplinary Committee would be required to apply a benchmarked market supplement in addition to basic pay.

#### Equal Pay

- 3.8 The Council completes regular gender pay gap reports. For the last two years the Council's gender pay gap has been sustained at zero percent.

### **4.0 Severance Payments**

#### **Redundancy**

- 4.1 The Council has a single redundancy scheme which applies to all employees including Chief Officers. Redundancy Payments are calculated in accordance with the Employment Rights Act 1996 and the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and are based on the employee's age, length of continuous local government service and salary. Details of the redundancy scheme are attached as Appendix 1d. The Council does not make any other payments to employees on termination of their employment other than those, where there is a statutory, or contractual, requirement to do so, such as payment for accrued and untaken annual leave.

### **Early Retirement (Efficiency of Service)**

- 4.2 The Local Government Pension Scheme allows employers certain discretionary powers and the Council has provisions for employees to seek early retirement on the grounds of the efficiency of the service. Details are set out in the attached redundancy scheme at Appendix 1d.
- 4.3 Full Council or if the proposals are being made in the context of litigation and the making of the decision is urgent, General Purposes Committee will be given the opportunity to vote on severance packages of £100,000 and above in accordance with the Council's Constitution.

### **Special Severance Payments**

- 4.4 The Council adheres to the Government's [Statutory Guidance on the Making and Disclosure of Special Severance Payments by Local Authorities in England \(May 2022\)](#)
- 4.5 Special severance payments (additional, discretionary sums paid on top of statutory and contractual redundancy or severance terms including certain payments reached under a settlement agreement and certain pay in lieu of notice payments) will be approved by the Council by the following processes:
- Special severance payments of £100,000 and above must be approved by a vote of full Council or if the proposals are being made in the context of litigation and the making of the decision is urgent, General Purposes Committee in accordance with the Council's Constitution.
  - Special severance payments of £20,000 and above, but below £100,000 must be personally approved and signed off by the Head of Paid Service, section 151 Officer and Monitoring Officer with a clear record of the Executive Mayor's approval (and that of any others who have signed off on the payment)
  - Special Severance Payments below £20,000 must be approved by the Chief People Officer in accordance with the Council's Scheme of Delegations.

A business case setting out the considerations for making a Special Severance Payment, along with appropriate professional advice, must be provided in accordance with the Statutory Guidance on the Making and Disclosure of Special Severance Payments by Local Authorities in England (May 2022), when approval for a Special Severance Payment is sought.

### **Re-employment of officers previously made redundant and retirement**

- 4.6 Where an officer who has previously been made redundant from the Council applies for employment with the Council, their application will be treated on its own merits, the financial merits and wider interests of the Council and will have regard to any agreement under which the officer left their previous employment. Where an officer leaves the Council's employment through voluntary severance or voluntary redundancy arrangements, they will not be allowed to work for the Council in any capacity, including engagement via employment agencies, or as a consultant, for a period of at least one year after leaving.

- 4.7 Employees who are offered another post with any organisation covered by the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999, prior to their redundancy leaving date and commence the post within 4 weeks of that date are not eligible to receive their redundancy payment.
- 4.8 The Council allows flexible retirement, as permitted by the Local Government Pension Scheme Regulations, whereby an employee can receive a salary and be in receipt of a pension for doing the same job. Flexible retirement will usually only be agreed where there is no cost to the Council. Exceptions to this will be based on the best interest of the Council and will be agreed by the Corporate Director of Resources in consultation with the Chief People Officer, except where such a decision relates to either of themselves, when the Chief Executive will be consulted. Employees retiring before their normal retirement age will, therefore, usually receive what is known as an actuarial reduction in their pension as allowed for under the Local Government Pension Scheme Regulations, to reflect the financial impact on the pension fund by the employee's early retirement.

## **5 Remuneration of lowest paid employees**

- 5.1 The definition of "lowest paid employee" is for local determination. The Council has agreed that the lowest paid employee will be those workers employed under a contract of employment on full-time equivalent hours, in accordance with the minimum grade of the Council's agreed grading structure i.e. Grade 1, scale point 2. Workers, such as apprentices, who are engaged on fixed term training contracts, are excluded from this definition.
- 5.2 The Council is a Real Living Wage (formerly the London Living Wage) employer and will pay the Real Living Wage as its minimum rate of pay to employees, other than those engaged specifically on apprentice or similar training contracts. The Council will apply increases in the Real Living Wage with effect from the 1<sup>st</sup> April following announcement of the increase. With effect from 1<sup>st</sup> April 2024 the full-time equivalent annual pay of the lowest paid employee will be £25,854 which equates to an hourly rate of pay of £13.77 (this reflects the current Real Living Wage London which is £13.15 per hour from 1<sup>st</sup> April 2024 - noting this rate remains below Croydon's lowest annual payment of £25,854 and hourly rate of £13.77).

## **6 The relationship between the pay of Chief Officers and that of other staff**

- 6.1 The Council does not set the pay of individuals or groups of individuals by reference to a simple multiple of the pay of another individual or group. The use of simple pay multiples cannot capture the complexities and dynamics of a highly varied workforce. The Council sets pay as outlined above by reference to the evaluated level of responsibilities of the post, or at a rate determined by a national pay body.
- 6.2 Guidance produced under section 40 of the Localism Act recommends that a pay multiple is included in these statements as a way of illustrating the Council's approach to pay dispersion and the Council has decided to publish its pay multiples to aid transparency and future benchmarking:

- The multiple for 2024-25 between the lowest paid employee and the Chief Executive and Head of Paid Service is a ratio of 1:7
  - The multiple between the lowest paid employee and the median Chief Officer is a ratio of 1:4
  - The multiple between the median pay and the Chief Executive and Head of Paid Service's pay is a ratio of 1:4
  - The multiple between the median pay and the average Chief Officers' pay is a ratio of 1:2
- 6.3 As part of its overall and ongoing monitoring of alignment with external pay, both within and outside the sector, the Council will use available benchmarking information as appropriate.

## 7 Non-permanent staffing resources

- 7.1 To maintain flexibility in delivering services the Council supplements its employee workforce with workers who are not Council employees or on the Council payroll. This non-permanent resource includes consultants, who are procured under a Contract for (Consultancy) Services, and interims who are procured through the Council's managed service provider (Adecco) or by exception and once Adecco route has been exhausted, other approved frameworks.
- 7.2 In managing its non-permanent staffing resource, the Council seeks to ensure that: the Council, and the wider public sector, achieve value for money; tax and national insurance liabilities are managed appropriately; and contractual relationships between the Council, workers and third parties are properly reflected. In this regard, it is the Council's policy not to engage directly with self-employed individuals, or wholly owned one person limited companies in all but the rarest of exceptions. Where such arrangements are used, the Council seeks to limit them to a maximum duration of 24 months.
- 7.3 Where it is necessary to engage a worker at Tier 1 or Tier 2 temporarily as an interim or consultant, the remuneration paid to the individual will generally fall within the following rates however, wherever possible, the council will seek to appoint to a fixed-term contract within the grade ranges shown in Appendix 1a. The higher rates of pay shown immediately below, compared to those paid to directly employed staff, are in recompense of interims and consultants not receiving all of the same conditions of employment, most notably regarding leave, pension, redundancy and notice.

<b>Grade of post</b>	<b>Day rate range £ (payable to the individual)</b>
Croydon Special Range	£450 - £525
Director	£600 - £775
Corporate Director	£800 - £900
Chief Executive	£1,200 - £1,500

- 7.4 Workers engaged directly by the Council will be assessed to establish whether they fall within the scope of the IR35 legislation using the HMRC employment



status tool. Workers who fall within scope will have Income Tax and National Insurance Contributions deducted and paid over to HMRC.

## **8 Publication**

8.1 Upon approval by the full Council this statement will be published on the Council's website. Publication of this statement, any amendments and details of remuneration will be in accordance with the Localism Act 2011 and with the Accounts and Audit (England) Regulations 2011.

8.2 The Council in compliance with the Local Government Transparency Code 2014 publishes information about:

- The number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- Details of remuneration and job title of certain senior employees whose salary is at least £50,000 and
- Employees whose salaries are £150,000 or more must also be identified by name.

8.3 The Council's Annual Statement of Accounts will include a note setting out the remuneration paid to each member of the corporate management team (the Chief Executive and Head of Paid Service and those reporting directly to them) including the total amount paid to each individual by way of: salary, including fees and allowances; expense allowances; compensation for loss of office; benefits in kind and employers pension contributions. The Annual Statement of Accounts is published on the Council's website.

8.4 The Annual Statement of Accounts will also report on termination payments for all employees in keeping with international financial reporting standards. This will show the number of termination payments, within specific financial bands, made to employees during the year. In addition, the Council will disclose in their annual accounts all severance payments, pension fund strain costs and other special severance payments made in consequence of termination of employment or loss of office (but excluding payments on death or ill health retirement). Apart from where otherwise required by law, reporting will be anonymised to comply with data protection requirements.

## **9. Appendices**

*1a Chief Officer Grades*

*1b Pay Structure for Chief Officers*

*1c Mileage rates*

*1d Early Retirement and Redundancy Scheme*