

Croydon Council

Pay Policy Statement 2022-23

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 2022/23 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 Chief Executive, Corporate Directors, and Directors. 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.
 - 1.4.1 The Council in November 2021 introduced a new JNC pay scale for Chief Officers, excluding the Chief Executive, in line with new senior management structure proposals that was implemented on 1 November 2021. The new grading structure for Croydon Chief Officers is shown at Appendix B.
- 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 Following the decision of the Annual Council meeting on 3 June 2014, the Appointments Committee has delegated responsibility for approving appointments in accordance with the threshold specified in statutory guidance issued by the Secretary of State under section 40 of the Localism Act 2011. Government guidance is that Full Council takes decisions about remuneration packages for new appointments of £100,000 per year, or more, as well as severance packages of £100,000, or more. The Appointments Committee proposes to Full Council to change the current delegated responsibility for approving exit payments of £100,000 or over. Therefore, the amendment proposed is for to the Appointments Committee to make a recommendaiton for

an exit payment of £100,000 or more however, for Full Council to provide the approval

- 1.7 Once approved, all remuneration paid to officers will comply with this policy for the 2022-23 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 Authorisations provides delegated authority to the Director of Human Resources (now titled Chief People Officer) for pay and terms and conditions for staff other than the Chief Executive and senior staff covered by the Joint National Council for Chief Officers. Grading and conditions of service for senior staff are approved by the Appointments Committee. Reference paragraph 4.2.8 and 4.2.9 of Part 3 of the Constitution Responsibilities for Functions – see extracts below:

“.....the Chief Executive’s delegation is subject to:

4.2.8 “the approval of the Director of Human Resources (now titled Chief People Officer) to the grading and conditions of service of staff (other than those based in schools or subject to the conditions of service of the Chief Officers and Chief Executives J.N.C (Joint National Council for Chief Officers’ conditions of service)

4.2.9 the approval of the Appointments Committee to grading and conditions of service of staff employed subject to the conditions of service of the Chief Officers and Chief Executives J.N.C”

- 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 was used for the introduction and maintenance of the newly determined local grades for JNC senior staff; Croydon Chief Officer Grades 1- 5 were implemented on 1 November 2021.
 - 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. Noting, this was the case for the Croydon Chief Officer Grades implemented during the 2021/2022 financial year.

- b) The basic pay for teachers, lecturer, 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. Social Workers and social work managers in children's social care services receive recruitment and retention payments to reflect key skills shortages in this sector.
 - 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. Other than for the Chief Executive and Head of Paid Service, Corporate Directors and Directors, 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 or 1 September (for Soulbury, Youth and Centrally Appointed Teachers).
- 2.4.1 With the introduction of the Croydon Chief Officer Grades during 2021/22 financial year, with the exception of the Chief Executive and Head of Paid Service, the Council will reflect the JNC pay award payable from 1st April, in accordance with national pay bargaining for those paid on those grades.
- 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, Chief Officers include:
- a) The Chief Executive and Head of Paid Service; Executive Directors; Directors;
- 3.2. Current remuneration for Chief Officers is set out below: -
- a) The Chief Executive and Head of Paid Service is to be paid a spot salary of £192,474, The salary, is subject to review every two years and is next due to be reviewed in April 2023

- b) Executive Directors and Directors are paid salaries as set out in Appendix B, with provision for annual incremental progression. Salaries are subject to review every year.
- c) During 2021/22 a new pay range for Croydon Chief Officer Grades was introduced in line with the senior management structure. This included new Corporate Director roles and Director posts. These roles were placed on a grade and salary within the Croydon Chief Officer Grades 1-5, following evaluation of their post using the Hay job evaluation scheme with provision for incremental progression to the top spinal point of the grade. Salaries will be reviewed in line with national awards, as determined by the JNC for Local Authority Chief Executives and Chief Officers.

3.3 For the purposes of this pay statement, posts defined as deputy chief officers are those paid on Croydon Special Range grades who report to Directors, and include:-

- a) Heads of Service and certain senior staff in posts above grade 17 but below Chief Officer. These posts 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 pay awards.

The grades and salary structures for Chief Officers and Croydon Special Range A and B are shown in Appendix A.

Grades are shown in Appendix B

3.4 The pay of the Chief Executive and Head of Paid Service is determined on appointment with reference to market rates. In establishing market rates, the Council will compare remuneration data from other comparable local authorities. This allows closer benchmarking, where possible, to take account of factors such as population size, social demographics, budgetary responsibilities, economic and regeneration activity.

Additional remuneration elements

3.5 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 and Chief Executive 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 the Chief Executive and Chief Officers will be recommended by the Chief People Officer and Chief Executive and determined by the Appointments Committee.

- 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 C.
- 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

- 3.6 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 Committee.
- 3.7 In exceptional circumstances, and subject to approval of the Chief People Officer, where it is necessary for a newly appointed employee to relocate and move home to take up appointment a contribution towards certain relocation expenses may be made. A copy of the scheme, is attached as Appendix D.
- 3.8 Appointments to Chief Officer posts will be made within the grade and salaries stated for the respective post as set out in Appendix B however, where market forces are such that the council cannot appoint a candidate within the grade range, a market supplement case may be made in accordance with the Council's market supplement policy and procedure. This will require an objective justification

business case report being presented to the Appointments Committee for approval.

Redundancy payments and payments on leaving and the Restriction of Public Sector Exit Payments Regulations 2020

- 3.9 The Council has a single redundancy scheme which applies to all employees including Chief Officers (see Appendix D). 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.
- 3.10 Subject to paragraph 1.6 above, in exceptional circumstances other severance payments may be made subject to agreement of the Chief Executive and Head of Paid Service and the Chief People Officer, and as allowed for in the Council's scheme of delegation. Such payment will take account of the Council's contractual and legal obligations, the Council's reputation, and whether the payment would have the effect of improving the Council's financial situation.
- 3.11 On 4th November 2020, the Restriction of Public Sector Exit Payments Regulations 2020 but were subsequently revoked pending further Government consultation and review. The Regulations had placed a £95,000 cap on public sector exit payments in connection with people leaving employment or vacating office. The £95,000 cap had applied to redundancy payments (whether compulsory or voluntary) (including statutory and contractual redundancy payments) and, significantly also covered, pension strain costs, which arise when a Local Government Pension Scheme pension is paid unreduced before a member's normal pension age.
- 3.12 The Government also issued Guidance which states at paragraph 3.2: *'In light of the withdrawal of the Public Sector Exit Payment Regulations, employers are encouraged to pay to any former employees who had an exit date between 4th November 2020 and 12th February 2021 and to whom the cap was applied, the additional sums that would have paid but for the cap. Given that the cap has now been disapplied, it is open to employers to do so and HM Treasury's expectation is that they will do so.'* The Council will therefore continue to comply with the Exit Payment Cap Directions 2021 and Guidance.
- 3.13 It is noted that the Guidance at paragraph 1.5 states that *'HM Treasury will bring forward proposals at pace to tackle unjustified exit payments'*, therefore, it may be necessary to amend this Pay Policy Statement and the Pensions Discretion Statement in 2022, should any further changes to the law be made.

Re-employment of officers previously made redundant and retirement

- 3.14 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.

- 3.15 The Council permits flexible retirement, as permitted by the Local Government Pension Scheme Regulations, where by 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.

4 Remuneration of lowest paid employees

- 4.1 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.
- 4.2 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 1st April following announcement of the increase. With effect from 1st April 2022 the full-time equivalent annual pay of the lowest paid employee will be £21,030 which equates to an hourly rate of pay of £11.20 (this reflects the current Real Living Wage London which is £11.05 per hour from 1/4/22 - noting this rate remains below Croydon's lowest annual payment of £21,030 and hourly rate of £11.20).

5 The relationship between the pay of Chief Officers and that of other staff

- 5.1 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.
- 5.2 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 2022-23 between the lowest paid employee and the chief executive and head of paid service is a ratio of 1:9
 - The multiple between the lowest paid employee and the median chief officer is a ratio of 1:59

- The multiple between the median pay and the chief executive and head of paid service's pay is a ratio of 1:35
 - The multiple between the median pay and the average chief officers' pay is a ratio of 1:47
- 5.3 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.

6 Non-permanent staffing resources

- 6.1 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 (the Local Government Recruitment Partnership) or other approved third party providers including through the Council's master vendor framework.
- 6.2 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.
- 6.3 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 B. 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.

Grade of post	Day rate range £ (payable to the individual)
Croydon Special Range	£400 - £525
Director	£525 - £775
Corporate Director	£775 - £900
Chief Executive	£1,200 - £1,500

- 6.4 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.

7 Publication

- 7.1 Upon approval by the full Council this statement will be published on the Council's website. In addition, 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 her) including the total amount paid to each individual by way of: salary, including fees and allowances; performance related pay; 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.

- 7.2 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.