

## Pay Policy Statement for 2024/25

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The London Borough of Camden provides a wide range of services, including education, social care services for children and adults, environmental and technical services, and housing.

The Council's Chief Officers are the Chief Executive, the Executive Directors, Directors, Chief Digital Information Officer, and the Borough Solicitor. Together, they are accountable for driving the delivery of the Council's vision and priorities. It is important for the Council and local residents to have a highly effective leadership team in place in these senior roles.

The Council is committed to transparency over pay and, for a number of years has published information on pay policy and remuneration levels for its Chief Officers on the Council's website. The annual pay policy statement will be published on the website.

### Chief Officer Pay Arrangements

The current pay and terms and conditions for Chief Officers were introduced on 1 April 2016 and are locally determined and agreed. As such, they do not depend on national negotiations to decide on pay levels or awards. The scheme forms part of Chief Officers' contracts of employment.

The scheme aims to:

- develop and sustain a high performance culture from the top of the Council;
- recruit and retain the talented people needed to maintain or improve the Council's already high performance and lead the organisation through the challenges and changes we are facing; and
- recognise Chief Officers for their personal contributions.

There are a number of principles that underpin the Council's approach to Chief Officer pay:

- the amount paid should reflect the market for comparable jobs, the performance of the organisation and the skills and contribution of the individual performing the role;
- a proportion of pay is 'at risk' and in effect has to be re-earned each year. This is in keeping with government guidance over many years that senior pay should be related to performance.

This means that unlike many other councils, Camden does not give automatic incremental pay rises to Chief Officers.

A Chief Officer's total pay is comprised of:

- spot salary; a fixed amount payable year-on-year;
- variable pay; a one-off payment that a Chief Officer may receive at the end of the year depending on achievement of specific agreed performance criteria as part of Camden's My Performance Scheme.

## Base Pay

All Chief Officers are on 'spot' salaries within a target pay range as detailed in the table below.

Job Title	Minimum	Midpoint	Maximum (Target) <sup>1</sup>
Chief Executive	£183,750	£207,375	£231,000
Executive Director	£142,800	£162,750	£182,700
Director <sup>2</sup>	£100,800	£117,075	£133,350

The pay ranges were last reviewed in June 2023 and as a result Camden re-aligned the Target ranges to the upper quartile pay ranges based on market data provided by a leading consultancy firm.

Spot base salaries will be assessed annually, based on affordability, inflation and national pay policies. All Camden roles that fall below or above the average of the market by more than 5%, will be considered for review, and if appropriate a decision taken to either amend the target salary range and/or move the individuals spot salary to reflect the changes in the market.

Any increases to base pay will take effect in April each year. Decisions about whether to change spot salaries of any Chief Officer, other than the Chief Executive, will be made by the Chief Executive in consultation with the Cabinet Member for Finance and Transformation.

## Variable Pay

In addition to an annual cost of living increase, an annual variable payment may be paid up to 5% of base salary. This variable payment will be determined by:

- Evidence of improved outcomes linked to Our Camden Plan
- A clear focus on employees' efforts on key priorities such as customer service, inclusion, quality and on-time delivery
- Objective evidence which when appropriate recognises initiative, innovation, leadership and/or contribution to teamwork

The annual variable payment will be assessed on the individual's performance as part of Camden's My Performance Scheme. The annual variable payment will be non-consolidated and paid as one lump sum and be subject to Income Tax, National Insurance and where applicable it will be pensionable.

Decisions about whether to award a variable payment, other than for the Chief Executive, as well as the level (% of pay) of the payment will be made by the Chief Executive in consultation with the Cabinet Member for Finance and Transformation.

<sup>1</sup> The maximum is the target (upper quartile) for the range but there is flexibility to remunerate above the maximum in response to market conditions.

<sup>2</sup> The Chief Digital Information Officer and Borough Solicitor are Directors for the purpose of the pay scales..

## **Remuneration on appointment**

The actual salary on which a new Chief Officer commences will wherever possible be the bottom of the target range for the job, subject to appointment considerations such as the skills and experience the individual brings to the job and market rates for comparable positions. The Audit and Corporate Governance (Appointment Panel) Sub-Committee (which has cross-party membership) will approve the spot salary that a new Chief Officer should be recruited on and any negotiating parameters that may be needed to secure a preferred candidate.

Where there is a requirement to bring in short term cover or specialist skills on a contract for service basis, payment will be determined on the basis of the skills and experience the individual brings and market rates for comparable contracts. Camden's pay schemes, national agreements, local terms and conditions and other benefits, such as the pension scheme, do not apply in this situation.

## **Annual pay reviews – decision making**

Individual pay awards are considered at the end of the financial year, and take into account annual benchmarking and Chief Officers' performance throughout the year in terms of what has been achieved and how it has been achieved. There will be no increase to salary or variable payment where performance does not meet expected levels. Decisions about whether to award a variable payment as well as the level (% of pay) of the payment and decisions on movements to spot salaries will be made by the Chief Executive in consultation with the Cabinet Member for Finance and Transformation.

The Chief Executive's performance is considered annually by the Audit and Corporate Governance (Performance Review) Sub-Committee. This will give views about the performance of the Chief Executive to the Leader of the Council who will conduct the annual pay review of the Chief Executive in consultation with the Cabinet Member for Finance and Transformation.

## **Election duties**

The Council has appointed the Chief Executive as Returning Officer for parliamentary and local elections, and referenda under the *Representation of the People Act 1983* and subsequent regulations. The Chief Executive will receive fees for discharging the Returning Officer responsibilities as determined by the governing body responsible for the election. Other Chief Officers may also receive fees if appointed to elections roles by the Returning Officer.

## **Pay schemes for employees who are not Chief Officers**

### **Employees – Camden contract**

In 2012, the Council agreed to introduce a new set of pay and conditions for the majority of employees who were not Chief Officers. Overall, 93.45% of staff are now covered by the new scheme, with the remaining 1.00% (46 staff) on the old scheme and 5.55% covered by other terms and conditions. Since introducing the Camden contract, the Council has mirrored or enhanced the GLPC pay award in applying uplifts to the Camden pay scales.

### **Other employees – old scheme (NJC)**

For staff who decided not to move across to the new arrangements, Camden applies the pay and conditions set out in the National Joint Council (NJC) and the applicable national agreement to other groups of employees such as teachers. Pay ranges are aligned to the national pay spine and pay awards are subject to negotiation at a national level. In some areas local arrangements have been negotiated to reflect specific needs and requirements.

Employees progress to the top of their salary range through annual increments. As twelve years have passed since the introduction of the new scheme, those remaining on the old contract have progressed to and now remain at the top of their pay grade. Salaries cannot increase beyond the top of the band applicable to the job. For the remaining few, as with previous arrangements, the current performance scheme allows for the Council to opt to withhold an increment for unsatisfactory performance although there is no further link between pay progression and performance.

### **Apprentice Pay**

As part of investment in our workforce, Camden has extended its application of the London Living Wage to cover all our apprentices. The most recent increase of the London Living Wage to £13.15 per hour was announced in November 2023. Camden implemented this with effect from 1 November 2023.

### **Approach to performance development and pay**

In January 2016, a new performance development scheme was introduced for all employees (excluding Chief Officers). As part of the changes, the approach to pay reviews was simplified to allow those 'performing well' to progress within their pay range, (currently by 2%). The My Reward Scheme was also introduced providing for a variable non-consolidated pay award of up to 2% available at the point of contribution to those who have achieved something outstanding, gone the extra mile, or shown particular dedication that has had a noticeable outcome.

### **Job families, job evaluation and fair pay**

Camden operates a job family framework with jobs of similar characteristics and skills being grouped together. Within each family there are a number of levels which relate to the levels of work and responsibility. For each level within a family there will be a description of the

requirements of jobs. Jobs at each level require a different skill and experience and for all these there will be a different pay range or zone. Jobs pay ranges and zones are determined and underpinned by an appropriate job evaluation scheme.

The appointment salary for an employee will be on a spinal column point or at the bottom of the range for the job, subject to appointment considerations such as the skills and experience the individual brings to the job and market rates for comparable positions.

The Council recognises the importance of maintaining pay at a level that allows people to provide their families with the essentials of life and has for a number of years ensured that employees are paid above the rate of the London Living Wage (LLW). To build on this and lower the gap between the Council's lowest and highest paid employees the Council increased the pay of its lowest paid staff from 1 January 2015 with the introduction of a minimum earnings guarantee. With effect from 1 April 2023 the Council renewed the guarantee by increasing the minimum salary to £29,215( £15.57per hour), which is in excess of the current LLW rate of £13.15 per hour announced in November 2023. The minimum earnings guarantee will be reviewed again once the national GLPC pay award for 2024/25 is confirmed.

As accredited members of the LLW Foundation, the Council has extended its commitment to pay the LLW across the wider workforce including agency workers and staff delivering services on behalf of the Council in outsourced contracts.

## **Pay ratios**

The pay ratio has changed slightly and the Chief Executive's pay is now 7.6 times that of the lowest paid employee ( £29,215) compared to 8.6 in 2023 – and is now 5.2 times that of the median salary compared to 5.4. Underlining the impact of the renewal of the minimum earnings guarantee on ensuring the ratio remains below the upper threshold of 1:10.<sup>3</sup>

## **Termination of employment**

The Council will where appropriate, make payments to employees whose employment is terminated in the situations set out below.

### Redundancy:

Where an employee leaves the Council in a redundancy situation, the Council's Organisational Change policy applies. This policy is in keeping with the Discretionary Compensation Regulations 2006 (the Regulations), which gives all councils the ability to determine the level of redundancy payments. The Council's policy is to make a payment in line with the statutory redundancy formula, calculated using the employee's actual weekly pay.

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<sup>3</sup> The pay ratio figure takes into account all employees who are centrally employed by the London Borough of Camden excluding apprentices as at 31 December 2023. In addition, the figure also excludes all employees based within Camden schools. For the purposes of this Pay Policy Statement, the 'lowest paid employee' is defined as an employee on the lowest pay point routinely used by Camden Council for its substantive jobs, calculated at full-time equivalent. As of 1 April 2024, the lowest actual salary paid to a Camden employee is £29,215 and the highest is £223,406. Reported as part of the Council's Annual Statement of Accounts.

The Council may also make an additional compensation payment to an employee leaving the organisation in a redundancy situation. This payment would be calculated using the statutory redundancy formula based on actual weeks' pay and multiplied by 0.4. In order not to fetter the discretion given under the Regulations, the Council retains the right to increase the amount of the payment in exceptional circumstances, subject to the total payment not exceeding the statutory limit of 104 weeks.

Employees who leave the Council by way of redundancy will not be considered for further employment with Camden, or for the hiring of their services in another capacity within two years of leaving, unless there are special circumstances.

#### Efficiency of the service:

There may be occasions where it is necessary to terminate employment in the interests of the efficiency of the service. In this situation, the Council uses powers under the Regulations to make a payment that is equivalent to the level of a redundancy payment. The amount is calculated in the same way as a redundancy payment; and discretions under the Regulations are exercised as set out above.

In some rare and exceptional circumstances, it may be more appropriate and in the Council's best interests to reach mutual agreement to end employment than to follow the redundancy or efficiency procedure. Such reasons include speed and minimising the risk of significant service uncertainty and disruption. Any payments to Chief Officers in these circumstances will be referred to a meeting of the Audit and Corporate Governance (Appointment Panel) Sub-Committee in accordance with the Constitution. The aim will be for the payment to be equivalent to the level of a redundancy/efficiency payment and any other contractual payments; however in reaching an agreement through a process of negotiation it is likely that the amount of the payment will be specific to the individual's circumstances.

#### **Additional payments and benefits**

The Council may make payments to recognise specific responsibilities and/or requirements of a job or job holder, for example statutory responsibilities such as the Returning Officer.

The amount of any payment is determined by reference to any statutory requirements, national or local agreements, or where the employee is not a Chief Officer or senior manager, the applicable national agreement. Where none of these apply, the amount of the payment will reflect the level of responsibility and/or requirement.

All Council employees may join the national pension scheme for local government officers, with employee contributions currently ranging from 5.5% to 12.5%, depending on the individual's salary. Payment of the pension is subject to the scheme rules.

Under the Local Government Pension Scheme Regulations 2013, the Council may grant additional pension to a pension scheme member, this discretionary award will be exercised in exceptional circumstances only subject to the approval of the Pension Committee. There are no recent instances of members achieving the criteria for this award.

When the Council re-employs a former employee who is already in receipt of a national scheme pension from Camden, the employee's pension payments will be reduced, where applicable, to ensure the employee's total earnings (pension plus new pay) are no greater than the remuneration received prior to retirement plus inflation.

To maintain employee engagement the Council recognises, particularly in the current financial climate that it is important to reward and motivate staff through other non-salaried means. The council promotes a range of benefits that all staff, irrespective of grade, can access. These include salary sacrifice schemes such as the cycle to work scheme and discounted benefits which are open to all employees such as a season ticket loan and discounted gym membership and are provided at no cost to the council.

Staff benefits are regularly reviewed as part of our Reward Strategy. This year we have continued to focus on supporting staff with cost of living challenges through access to financial advice, staff loans and discount schemes and other resources to support their financial, mental and physical wellbeing.

**END**