

Appendix I: London Borough of Islington Pay Policy Statement 2024/25

The London Borough of Islington supports openness and accountability and is pleased to publish its Pay Policy Statement and reaffirm its commitment to pay its employees on a fair basis to reflect the work that they do, a quarter of whom are residents of the borough, and to reduce inequality.

In compliance with the statutory provisions of section 38 of the Localism Act 2011, this annual statement outlines the Council's pay policy and benefits for Council employees and specifically for its Chief Officers. This pay policy is reviewed annually and is included with the budget setting report that is agreed at Full Council. This statement does not apply to Council employees based in Schools.

Updates since the last pay policy statement (2023/24)

National Pay Agreement

There has been a national pay agreement for Local Government Services employees, with effect from 1 April 2023, and this has added the following amounts to all pay points (spinal column points 2-65) for staff at Islington Council in the grade range scale 1 to Principal Officer 11, as below:

- An increase of £2,352 on all inner London pay points (up to and including pay point 48) and £1,925 on out of London pay scales (spine point 43 on the NJC pay scale), i.e., Ashton and Cardfields. Above these pay points an increase of 3.88% will apply
- Planned overtime rates and allowances increased by 3.88%

For Chief Officers (all senior management posts above PO11), grade range CO4 to CO1 including the Chief Executive, a national agreement was reached with effect from 1 April 2023, with an across the board increase of 3.5%.

The pay scales and allowances have since all been updated accordingly.

London Living Wage Update

The London Living Wage has been increased from £11.95 to £13.15 per hour (FTE £23,997 per annum based on a 35-hour week). Islington Council's lowest paid employees are currently paid the London Living Wage, and this new rate will apply from January 2024.

LGPS Pension Scheme

Islington Council's policy on abatement of pensions following receipt of a pension resulting from either voluntary or compulsory redundancy was amended in September 2016. Islington Council pension payments are not subject to abatement (this means no reduction

is applied) where re-employment is obtained either in local government or elsewhere. This has not been updated in previous annual statements and is now included for accuracy.

Chief Officer Pay Scales

The Council defines its senior management as the top tiers in the management structure. The Council's Chief Officers are its Chief Executive, Corporate Directors, Directors, Deputy Directors and Assistant Directors.

The Council's Chief Executive is paid on a spot salary, and this is currently £185,000 per annum.

Grade	Minimum	Midpoint	Maximum
CO1	£125,565	£138,054	£150,624
CO2	£113,874	£120,003	£128,529
CO3	£96,171	£104,670	£113,382
CO4	£82,014	£90,501	£99,369

Chief Officers are paid on the Council's Chief Officer pay scale. While the scale comprises five separate salary bands, this is locally determined, and Islington Council does not currently use the highest-grade range CO1+, although it has done historically for some roles.

Percentage increases in cost of living are applied in line with the national pay negotiations of the Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities.

There are no automatic pay increases. Progression through the scale is dependent on performance and achieving service targets agreed by the council.

Chief Officer Pay Policy Reporting Requirements

There are currently 31 Chief Officer roles as defined by the Localism Act reporting requirement, comprising:

- 5 Chief Officer roles at CO1 level
- 17 Chief Officer roles at CO2 level
- 3 Chief Officer roles at CO3 level
- 6 Chief Officer roles at CO4 level

These roles report into the Chief Executive Officer or a Corporate Director.

Grade	Pay Banding £	Number of points in pay banding including threshold point	Job Title
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CO1	£125,565 - £150,624	10	Corporate Director Homes & Neighbourhood Corporate Director Resources CD Community Wealth Building CD Community Engagement & Wellbeing Corporate Director Children's Services
CO2	£113,874 - £128,529	7	Director - Housing Property Services Dir Community Safety, Security & Resilience Director of Environment & Commercial Ops Director Housing Operations & Deputy CD Director of Human Resources Director of Digital Services Director of Finance Director of Law and Governance Director of Inclusive Economy & Jobs Director of Planning and Development Director of Climate Change and Transport Director of Adult Social Care Dir Strategic Commissioning & Investment Director of Family Help and Safeguarding Director - Young Islington Director of Learning and Achievement Director – Public Health
CO3	£96,171 - £113,382	7	DD - Assurance, Strategy & Improvement Deputy Director - Operations Deputy Director - Provider Services
CO4	£82,014 - £99,369	7	AD, Community Financial Resilience Assistant Director, Procurement & Supply AD Communications and Campaigns AD Access Islington and Complaints Programme Director - Savings Delivery Assistant Director - Transformation

Remuneration information about senior officers is published annually in accordance with the Accounts and Audit (England) Regulations 2011.

Senior posts with joint post holders (e.g., the joint Head of Internal Audit, shared with the London Borough of Camden) are employed by partners and are not included.

Pay ratios

The Council is committed to tackling income inequality as a means of ensuring a fairer Islington, and is setting an example to other local employers by reducing the pay differential between the lowest and highest paid employees. The Council also works with other local employers, and its own contractors, to ensure that the London Living Wage is the minimum amount paid to their staff.

The information below describes the pay ratio between the Council's highest paid employee (the Chief Executive) and other staff by reference to the following:

- i. The numerical difference between the highest and lowest paid employees
- ii. The mode (most common salary)
- iii. The median (mid-point between highest and lowest salaries); and
- iv. The mean average (the total amount of remuneration paid to employees, divided by the number of employees)

	Reference Point	Annual Salary	Ratio to highest paid employee salary
i.	Lowest paid full-time Council employee (London Living Wage - £13.15 an hour)	£23,997	1:7.70
ii.	Most common salary paid to a Council employee (the mode)	£41,286	1:4.48
iii.	Mid-point between the highest and lowest salaries (the median)	£41,286	1:4.48
iv.	Average salary (the mean)	£42,847	1:4.31

The Islington Fairness Commission, set up by the Council in June 2010 to look into how to make the borough a fairer place, produced its final report in June 2011. This report recommended that the pay ratio between the highest and lowest salaries should be no more than 1:10. This was adopted as policy by the Council in its Corporate Strategy.

Recruitment of Chief Officers

Recruitment to Chief Officer posts at Corporate Director and Director level is covered by the requirements of the Council's Officer Employment Procedure Rules, as set out in the Council's Constitution. The appointment of the Chief Executive is subject to the approval of the Full Council. The appointment of other eligible Chief Officers is by the Employment and Appointments Committee.

The starting salary level of such officers is also agreed by the Employment & Appointments Committee. This ensures that elected councillors are accountable for the salaries of these senior appointments, and that they are made in a transparent way without delay to

appointment processes. New entrants to the Council are generally appointed to the first point of the pay scale. Only in exceptional circumstances, such as the need to match a candidate's existing salary, are appointments made above the first point of the salary scale. All new entrants to the Council are placed on a probationary period of six months, regardless of previous local government service, including senior staff. During this time, the new recruit is expected to demonstrate their suitability for their job role. Failure to do so could lead to their appointment being terminated. Employees who successfully complete their probationary period are entitled to a salary increment, if it would otherwise mean that they would have to wait more than six months for their next salary increment.

On occasion, individuals are appointed on an interim basis to cover a vacant Chief Officer post, whether directly employed or engaged through an agency or as a contractor. The Council takes a proactive and stringent approach to ensuring that all arrangements are lawful, follow procurement rules, represent value for money and properly reflect the substance of the relationship between the Council and the individual concerned.

Pension Arrangements

All council employees up to 75 years of age, and who have a contract for at least three months service, are auto enrolled into the Local Government Pension Scheme (LGPS). There is also a scheme for staff to enhance their pension benefits by taking out Additional Voluntary Contributions, and the current AVC scheme provides tax relief on contributions made. A new Shared Cost AVC Scheme was implemented in 2023, which enables National Insurance savings to be made, providing a cost-efficient way for staff to save money for their retirement.

The LGPS is a contributory scheme, whereby the employee contributes to the scheme from their own salary. Details of the Council's policy and benefits of the scheme are published on the staff intranet and LGPS website, including contribution levels paid according to salary. Employers' contributions to the LGPS vary, to ensure that the benefits under the scheme are properly funded and are set independently.

The LGPS scheme offers the option to pay lower contributions for a short time where finances are tight, which can be helpful given the current cost of living crisis. Scheme members can elect to move to the 50/50 section of the scheme and pay half the normal contributions. Regardless of which section of the scheme staff are in, all members will get full life assurance cover. There is a right to opt out of the scheme, and employees can make their own private pension arrangements if they wish.

The Council's Flexible Retirement Policy allows employees aged 55 and over, who are members of the Local Government Pension Scheme (LGPS), to apply to reduce their working hours or pay grade (stepping down) and to draw pension benefits accrued up until the transfer to flexible retirement.

The Council includes staff that are transferred in from the NHS, and they continue to contribute to the NHS Pension Scheme, which is also a contributory scheme based on

salary. These rates are subject to review by Government, with the employer’s contributions also determined by the Government.

Additional Payments

The Council recognises that in certain, limited circumstances, additional payments may need to be attached to particular posts because of recruitment difficulties, or particular employees may need to be remunerated or awarded an additional payment above that of their normal pay scale, either for exceptional performance or additional work undertaken. Such payments must be authorised in advance by senior management and are available to all Council employees except those employed in schools. Market supplements are applied following a robust, evidence-based case, that meets the criteria defined in the Market Supplement Policy.

Additional Payments

Type of Allowance	Reason for payment include:
Honorarium payments	One-off piece of work outside normal scope of duties, work or additional duties which falls short of taking on the full duties of a higher graded job, temporarily carrying out some but not all duties of an officer on a higher graded post.
Market Factor Supplements	To attract and retain employees with specialist skills in a competitive and/or changing job market, to enable an effective workforce to provide high quality public services.

The Corporate Director of Resources post receives an allowance for statutory duties as the Council’s s.151 officer. Section 151 of the Local Government Act 1972 requires local authorities to decide for the proper administration of their financial affairs and appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements. As such, the CFO must lead on a local authority’s financial functions and ensure they are fit for purpose.

The Director of IT and Digital Services post attracted a Market Factor Supplement of £5,000 during the 2023/24 year.

There are a few other allowances which are payable to designated employees related to their job role, for example on call or standby allowances. Chief Officers do not receive such payments other than those stated above, and the Council does not make bonus payments to Chief Officers.

Where Council Officers undertake special duties in relation to the Council’s election functions, any fees in respect of these duties are paid in addition to their normal remuneration. The rate for these duties is in line with the London Council's Leaders Committee's published Scale of Returning Officers' Fees and Expenses.

Council Officers designated as Local Area Liaison Officers to undertake responsibilities under the Council's emergency planning Crisis Response Plan in the event of an incident occurring in the borough, may be paid a fixed allowance in respect of this responsibility. See the council's website for further details.

Hours of Work

The basic full-time hours of work for Council employees are 35 per week. Employees on grades below that of Chief Officer, who work more than 35 hours per week, may claim overtime for additional hours work, if authorised.

The minimum basic working week for Chief Officers is 35 hours a week, and additional hours worked above 35 per week attract neither payment in respect of overtime nor time off in lieu. Chief Officers are required to undertake reasonable hours of work as necessary to perform the duties of their post. This may involve evening and weekend working.

Annual and other leave arrangements

Annual leave plays an important part of the Council's commitment to work-life balance. The Chief Executive and senior officers of the Council on Chief Officer Pay and conditions are entitled to 27 days' annual leave, and after five years' continuous local government service a further 5 days. Other employees receive 26 days' annual leave with an additional five days after five years' service. All employees in addition to annual leave receive five privilege days and eight bank holidays per year. A maximum carry over of 5 days is permitted where leave has not been able to be taken due to work demands.

Benefits

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 which all staff, irrespective of grade, can access. These include training support, flexible and hybrid-working, salary sacrifice schemes including pension, childcare vouchers and information technology, white goods and bike schemes. There are interest free travel loans for commuting to work. There are many discounted shopping and service benefits such as discounted gym membership, holiday and travel offers. Staff are updated regarding benefits and promotions by email and the staff intranet. Professional fees and charges will be paid where this is a requirement of the role. Any benefits, gifts or hospitality must be properly authorised and recorded in accordance with the Council's Code of Conduct.

Leaving the Council

Employees who voluntarily resign from the council are not entitled to a termination payment. If the Council terminates the employment of an employee, including a Chief Officer, on the grounds of redundancy, they will be entitled to a redundancy payment based

on the statutory redundancy scheme with regards the calculation of the number of week's redundancy pay but, as sanctioned in the Local Government (Early Termination of Employment) Discretionary Compensation Regulations, actual salary is used rather than the statutory maximum per week.

From time-to-time the Council may run non contractual schemes to reduce staff numbers where there are challenging financial pressures that could result in compulsory redundancies. The Council has therefore run voluntary redundancy schemes in the past, and in November 2023 launched a Voluntary Business Efficiency and Redundancy Scheme for the second consecutive year, where staff could apply for approval where there was a business case to delete their substantive post or to enable their release where savings could be made from elsewhere, on the grounds of business efficiency. The payments and benefits for termination of employment are contained within the individual schemes run and are made available to all staff.

Where a Chief Officer's contract is terminated, in the interests of the efficient exercise of the Authority's functions, they are normally entitled to six months' notice, or may be paid in lieu of notice where their contract provides for this.

The Employment and Appointments Committee will hear and determine appeals in connection with disciplinary action or dismissal of Corporate Directors (except the Head of Paid Service, S151 Officer and Monitoring Officer).

In May 2022, Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England was published. The guidance sets out clearly which types of discretionary payments fall within the scope of the guidance (contractual payments are exempt) and includes the following thresholds for decision-making:

- Payments of £100,000 and above must be approved by a vote of full council
- Payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment
- Payments below £20,000 must be approved according to the local authority's scheme of delegation

As part of the changes to the constitution and delegations agreed at full Council on 13 July 2023, the statutory guidance has now been incorporated into appropriate terms of reference.

At present, the council has determined that all recommendations to make a special severance or settlement payment between £20,000 and £100,000 must also be accompanied by a business case with finance, legal and HR advice before the decision is taken by the Head of Paid Service.

In order to ensure the most robust and transparent management of Special Severance Payments made specifically to those Chief Officers appointed by the Employment and Appointment Sub-Committee, the following additional protocols have been agreed:

1. The Chair of the Employment & Appointments Committee will be consulted and a record of their view incorporated in the decision-making documentation.
2. Officers will report to the Audit and Risk Committee twice a year if any of the above payments have been made above £50,000

The annual statement of accounts includes anonymised aggregated data on all exit payments made during the financial year. The reports to the Audit and Risk Committee will be exempt and reportable information will take account of any confidentiality requirements set out in individual agreements.

Returning to work for the Council after leaving

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be on merit. Employees who leave the Council voluntarily without a severance payment are free to apply for jobs that are advertised at their discretion.

Employees who leave the Council with a redundancy payment and no enhancement, and subsequently apply and are successful for a position within the Council, must repay any redundancy payment, if the appointment is within a month of their termination date. If the appointment start date is longer than a month, the employee can return to work in the position offered, but in accordance with the Redundancy Modification Orders, will lose their contractual rights to have their continuous service recognised for all purposes.

Employees who leave the Council with an enhanced severance package will not normally be re-employed or engaged under a contract for services for a period of two years. Employees who leave the Council on ill-health retirement with the possibility of a return to work under the Local Government Pension Scheme Regulations, or who are granted early retirement, will be considered on a case-by-case basis depending upon the circumstances and having due regard to their termination package.