



# Public Document Pack

## Cambridge City Council

### CIVIC AFFAIRS

**To: Committee Members:** Councillors Rosenstiel (Chair), Cantrill (Vice-Chair), Benstead, Herbert and Pitt

**Alternates:** Councillors Ashton and Boyce

*Despatched: Tuesday, 21 January 2014*

**Date:** Wednesday, 29 January 2014

**Time:** 6.00 pm

**Venue:** Committee Room 1 & 2 - Guildhall

**Contact:** Glenn Burgess

**Direct Dial:** 01223 457013

### AGENDA

**1 APOLOGIES FOR ABSENCE**

**2 MINUTES OF PREVIOUS MEETING** *(Pages 7 - 10)*

**3 DECLARATIONS OF INTEREST**

Members are asked to declare at this stage any interests that they may have in any of the following items on the agenda. If any member is unsure whether or not they should declare an interest on a particular matter, they are requested to seek advice from the Head of Legal Services before the meeting.

**4 PUBLIC QUESTIONS**

**5 EXTERNAL AUDIT ANNUAL CERTIFICATION REPORT 2012/13**  
*(Pages 11 - 18)*

**6 REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS**

Report attached separately

**7 MEMBERS ALLOWANCES - MUNICIPAL YEAR 2014/15** *(Pages 19 - 26)*

**8 PAY POLICY STATEMENT 2014/15** *(Pages 27 - 36)*

# Information for the Public

**Location** The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

**Public Participation** Some meetings may have parts that will be closed to the public, but the reasons for excluding the press and public will be given.

Most meetings have an opportunity for members of the public to ask questions or make statements.

To ask a question or make a statement please notify the Committee Manager (details listed on the front of the agenda) prior to the deadline.

- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

Speaking on Planning or Licensing Applications is subject to other rules. Guidance for speaking on these issues can be obtained from Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

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<https://www.cambridge.gov.uk/speaking-at-committee-meetings>

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**Fire Alarm**

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**Facilities for disabled people**

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A loop system is available in Committee Room 1, Committee Room 2 and the Council Chamber.

Accessible toilets are available on the ground and first floor.

Meeting papers are available in large print and other formats on request prior to the meeting.

For further assistance please contact Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

**Queries on reports** If you have a question or query regarding a committee report please contact the officer listed at the end of relevant report or Democratic Services on 01223 457013 or [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk).

**General Information** Information regarding committees, councilors and the democratic process is available at <http://democracy.cambridge.gov.uk/>.

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**CIVIC AFFAIRS**

20 November 2013

6.00pm - 6.55 pm

**Present:** Councillors Rosenstiel (Chair), Cantrill (Vice-Chair), Benstead, Herbert, Johnson and Pitt

**Officers present:**

Chief Executive: Antoinette Jackson

Director of Resources: David Horspool

Head of Internal Audit: Steve Crabtree

Head of Legal Services: Simon Pugh

Democratic Services Manager: Gary Clift

Committee Manager: Glenn Burgess

Director of Ernst & Young (External Auditors) – Mark Hodgson

**FOR THE INFORMATION OF THE COUNCIL**

**13/56/CIV Apologies for absence**

No apologies were received.

**13/57/CIV Minutes of previous meeting**

The minutes of the meeting held on 19 September 2013 were signed as a correct record by the Chair.

**13/58/CIV Declarations of Interest**

No interests were declared.

**13/59/CIV Public Questions**

There were no public questions.

**13/60/CIV Annual Audit Letter 2012/13**

The committee received a report from the Director of Ernst and Young regarding the Annual Audit Letter 2012/13.

Members briefly discussed the content of the report.

**Resolved** (unanimously) to:

- i. Note the report.

**13/61/CIV Internal Audit Plan: Progress Report**

The committee received a progress report from the Head of Internal Audit regarding the Internal Audit Plan. It was highlighted that Managers had been very receptive to recent audit reports and were proactively implementing actions and identifying savings where possible.

In response to Members' questions the Head of Internal Audit and the Director of Resources said the following:

- i. Contracts and projects within the report listed as 'watching brief' were those where preventative, rather than specific audit work, was being undertaken. Audit retained a role in the Project Boards and provided advice to guide the process.
- ii. Referring to the table on page 38 of the agenda:
  - 5 actions had been listed as 'overdue' for 2013/14. Since the report had been written 2 of these had now been completed and work on the remaining 3 was progressing.
  - 18 actions had been listed as 'overdue' for 2011/12. A number of these had slipped due to changes in legislation and as a result of departmental restructures, but were now progressing well.
- iii. The National Fraud Initiative (NFI) was set up in 1996 to match electronic data within and between public and private sector bodies to prevent and detect fraud. Data sets were cross checked with discrepancies being highlighted and reported back for further investigation. Early in the process a large number of inaccuracies were highlighted which helped identify areas on which to concentrate audit work and that of the fraud team.



- iv. Internal Audit had been fully involved with the recent changes to the Council's budgetary process and had found them to be robust. A watching brief would be maintained as they were now being implemented.
- v. Internal Audit had concentrated on the 'project management' element of the Mercury Abatement Project. Internal Audit had not looked at the 'value for money' element.

Councillor Cantrill highlighted that in previous years a 'categorisation' section had been included in the summary position tables (as at page 38 of the agenda).

The committee requested that this be reinstated for the 2014/15 progress report.

**Resolved** (unanimously) to:

- i. Note progress against the original plan together with the associated assurance levels established.
- ii. Progress against implementation of agreed actions.
- iii. Request the inclusion of a 'categorisation' section in summary position tables for future reports.

### **13/62/CIV Municipal Year 2014/15**

The committee received a report from the Democratic Services Manager regarding the Municipal Year 2014/15. It was noted that, as the first day of the school summer holiday was 24 July 2014, the Liberal Democrat Group Leader had suggested moving the Council meeting back one day to Wednesday 23 July 2014. The committee felt that meeting one day into the school holiday would not cause a significant problem to the majority of Councillors and agreed to retain the date of Thursday 24 July 2014.

It was also noted that, as the timetable for political party conferences had changed meaning they will be in a different order from normal, the September/October scrutiny cycle would be affected. It was therefore proposed that Council be held on 6 November - after the school half term break, instead of before.

Councillors Herbert and Benstead suggested that all Councillors be consulted on their views. It was felt that those without school age children may choose the week after half term to take their own holidays and a better option for the meeting may be 13 November.

The Chief Executive highlighted the importance of agreeing the meetings calendar as soon as possible. Concern was raised about a consultation process for the November meeting and how a consensus would be arrived at.

The committee suggested that the meetings calendar be agreed subject to the date of November Council being approved by the Chief Executive in consultation with Chair and Spokes having consulted all councillors via Group Leaders/Group Chairs. It was agreed that Councillors would be consulted on both the 6 and 13 November and the date with the most support would be agreed.

Scheduling the Annual Meeting in May 2015 outside of school half term was also unlikely. As the elections (including the general election) will be on 7 May, the Civic Affairs Committee would need to meet on the Monday following the elections to enable the Annual Council meeting to take place in the week before half term. Members indicated that it would not be possible to hold Group Meetings in the weekend immediately following the election to inform the Civic Affairs Committee's recommendations to Council. The Committee agreed to defer a decision on the date of the Annual Meeting to allow for further consideration of the options.

**Resolved** (unanimously) to:

- i) Agree the meetings calendar up until 30 April 2015 - subject to the date of November Council being approved by the Chief Executive in consultation with Chair and Spokes (after consultation with all Members).
- ii) Agree the schedule for the Annual Meeting in May 2015 at a future meeting - after consultation with Group Leaders and Group Chairs.

The meeting ended at 6.55 pm

**CHAIR**

The Members of the Civic Affairs Committee  
Cambridge City Council  
The Guildhall  
Cambridge  
CB2 3QJ

9 January 2014

Email: MHodgson@uk.ey.com

Dear Member

## **Certification of claims and returns annual report 2012-13 Cambridge City Council**

We are pleased to report on our certification work. This report summarises the results of our work on Cambridge City Council's 2012-13 claims and returns.

### **Scope of work**

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require certification from an appropriately qualified auditor of the claims and returns submitted to them.

Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. When such arrangements are made, certification instructions issued by the Audit Commission to appointed auditors of the audited body set out the work they must undertake before issuing certificates and set out the submission deadlines.

Certification work is not an audit. Certification work involves executing prescribed tests which are designed to give reasonable assurance that claims and returns are fairly stated and in accordance with specified terms and conditions.

In 2012-13, the Audit Commission did not ask auditors to certify individual claims and returns below £125,000. The threshold below which auditors undertook only limited tests remained at £500,000. Above this threshold, certification work took account of the audited body's overall control environment for preparing the claim or return. The exception was the housing and council tax benefits subsidy claim where the grant paying department set the level of testing.

Where auditors agree it is necessary audited bodies can amend a claim or return. An auditor's certificate may also refer to a qualification letter where there is disagreement or uncertainty, or the audited body does not comply with scheme terms and conditions.

### **Statement of responsibilities**

In March 2013 the Audit Commission issued a revised version of the 'Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns' (statement of responsibilities). It is available from the Chief Executive of each audited body and via the Audit Commission website.

The statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

This annual certification report is prepared in the context of the statement of responsibilities. It is addressed to those charged with governance and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

### **Summary**

Section 1 of this report outlines the results of our 2012-13 certification work and highlights the significant issues.

We checked and certified three claims and returns with a total value of £136.8 million. We met all submission deadlines. We issued one qualification letter. Details of the qualification matters are included in section 2. Our certification work found some other more minor errors which the Council corrected. The amendments had a marginal effect on the grant due.

Fees for certification work are summarised in section 2. The Audit Commission applied a general reduction of 40% to certification fees in 2012-13. We have included the actual fees for 2011-12 to assist year on year comparisons.

We welcome the opportunity to discuss the contents of this report with you at the Civic Affairs Committee on the 29 January.

Yours faithfully



Mark Hodgson  
Director  
Ernst & Young LLP

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**Certification of claims and returns annual report 2012-13**

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## 1. Summary of 2012-13 certification work

We certified three claims and returns in 2012-13. The main findings from our certification work are provided below.

### Housing and council tax benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£42,803,386
Limited or full review	Full
Amended	Amended
Qualification letter	Yes
Fee - 2012-13	£20,655
Fee - 2011-12	£19,227
<b>Recommendations from 2011-12:</b>	<b>Findings in 2012-13</b>
None	<p>Errors were identified on two out of the four initial samples selected. This required additional testing to be performed in line with certification requirements.</p> <p>A qualification letter was issued summarising the issues found from the original and additional testing results. One of the issues was detailed in nature.</p> <p>The Council also made an amendment to the claim to correct a reconciliation issue.</p> <p>This led to an additional fee of £7,755 being levied, which is included within the £20,655 set out above.</p>

Councils run the Government's housing and council tax benefits scheme for tenants and council taxpayers. Councils responsible for the scheme claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires auditors to complete more extensive '40+' testing (extended testing) if initial testing identifies errors in the calculation of benefit or compilation of the claim.

Following our initial testing we found;-

- ▶ One error that required extended '40+' testing .The extended testing did not identify any further errors and we reported our findings in our qualification letter.
- ▶ Our initial testing of Rent Rebates for tenants of non HRA properties identified that the Council had awarded housing benefit based on an eligible rent of 90% of the one bedroom self-contained LHA rate plus management costs. In all cases the actual amount of rent paid to the Landlords of the Bed & Breakfasts and hotels was considerably higher. Any additional payment to meet any shortfall is funded outside of the housing benefit scheme by the Council's homelessness prevention team

This approach is not in accordance with the guidance available to us and we could not conclude that this approach is in accordance with the regulations. Officers state that they took the approach based on discussions with the Department and we therefore raised it in our qualification letter as information for the Department to consider and determine formally.

### National non-domestic rates return

Scope of work	Results
Value of return presented for certification	£89,496,225
Limited or full review	Full
Amended	No
Qualification letter	No
Fee – 2012-13	£1,945
Fee – 2011-12	£1,016
<b>Recommendations from 2011-12:</b>	<b>Findings in 2012-13</b>
None	None

The Government runs a system of non-domestic rates using a national uniform business rate. Councils responsible for the scheme collect local business rates and pay the rate income over to the Government. Councils have to complete a return setting out what they have collected under the scheme and how much they need to pay over to the Government.

We found no errors on the national non-domestic rates return and we certified the amount payable to the pool without qualification.

### Pooling of housing capital receipts

Scope of work	Results
Value of return presented for certification	£4,534,195
Limited or full review	Full
Amended	No
Qualification letter	No
Fee – 2012-13	£521
Fee – 2011-12	£1,327
<b>Recommendations from 2011-12:</b>	<b>Findings in 2012-13</b>
None	None

Councils pay part of a housing capital receipt into a pool run by the Department of Communities and Local Government. Regional housing boards redistribute the receipts to those councils with the greatest housing needs. Pooling applies to all local authorities, including those that are debt-free and those with closed Housing Revenue Accounts, who typically have housing receipts in the form of mortgage principal and right to buy discount repayments.

We found no errors on the pooling of housing capital receipts return and we certified the amount payable to the pool without qualification.

## 2. 2012-13 certification fees

For 2012-13 the Audit Commission replaced the previous schedule of maximum hourly rates with a composite indicative fee for certification work for each body. The indicative fee was based on actual certification fees for 2010-11 adjusted to reflect the fact that a number of schemes would no longer require auditor certification. There was also a 40 per cent reduction in fees reflecting the outcome of the Audit Commission procurement for external audit services.

The indicative composite scale fee for Cambridge City Council for 2012-13 was £12,900. The actual fee for 2012-13 was £21,225. This compares to a charge of £11,730 (for comparative claims) in 2011-12.

Claim or return	2011-12	2012-13	2012-13
	Actual fee	Indicative fee	Actual fee
	£	£	£
Housing and council tax benefits subsidy claim	19,227	10,434	18,189
National Non Domestic Rates return	1,016	1,945	1,945
Pooling of housing capital receipts	1,327	521	521
Certification of claims and returns - annual report	942	- Included in claims fee above	Included in claims fee above
Grant planning, supervision and review (1)	Included in claims fee above	Included in claims fee above -	Included in claims fee above
<b>Total</b>	<b>22,512</b>	<b>12,900</b>	<b>20,655</b>

Fees for annual reporting, planning, supervision and review have been allocated directly to the claims and returns.

The fees for 2012-13 were calculated based on those for 2010-11 less 40%.

Fees fell overall compared to 2011-12 because of the Audit Commission's 40% reduction. However, after allowing for the 40% reduction there was an increase in fees for the following claims and returns:

### ► Housing and council tax benefits subsidy

There has been an increase in the overall fee due to the additional work undertaken to certify the claim. In 2010-11 no additional 40+ testing was required. In 2012-13 this increased to one set of additional 40+ testing, and the extended consideration of the treatment of Non HRA tenants rent rebates and discussions with officers about the qualification letter

### ► National Non Domestic Rates return

The Audit Commission indicative fee for 2012-13 was based on the fee for the full review done in 2010-11 which was then reduced by 40%. The 2011-12 comparative fee only required a limited review under the grant certification methodology and was therefore less than the scale fee for the full review required in 2012-13 under the Audit Commission certification instructions (Part A and Part B testing).



### 3. Looking forward

For 2013-14, the Audit Commission has calculated indicative certification fees based on the latest available information on actual certification fees for 2011-12, adjusted for any schemes that no longer require certification. The Audit Commission has indicated that the national non-domestic rates return will not require certification from 2013-14.

The Council's indicative certification fee for 2013-14 is £12,700. The actual certification fee for 2013-14 may be higher or lower than the indicative fee, if we need to undertake more or less work than in 2011-12 on individual claims or returns. Details of individual indicative fees are available at the following link: <http://www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-and-work-programme/individual-certification-fees/>

We must seek the agreement of the Audit Commission to any proposed variations to indicative certification fees. The Audit Commission expects variations from the indicative fee to occur only where issues arise that are significantly different from those identified and reflected in the 2011-12 fee.

The Audit Commission has changed its instructions to allow appointed auditors to act as reporting accountants where the Commission has not made or does not intend to make certification arrangements. This removes the previous restriction saying that the appointed auditor cannot act if the Commission has declined to make arrangements. This is to help with the transition to new certification arrangements, such as those DCLG will introduce for business rates from 1 April 2013.

Ernst & Young LLP

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# Agenda Item 7

## Members' Allowances Scheme 2014 to 2015.

Councillors are not paid a salary. However, they do get allowances to cover some of the costs of being a Councillor. The Basic Allowance, the Special Responsibility Allowance, childcare and carer's allowance, and travelling costs are set by the Council having noted recommendations put to it by the Independent Remuneration Panel.

### 1: **Basic Allowance, and Special Responsibility Allowance (taxable).**

**Basic allowance:** This is an annual flat rate payment to all Councillors, intended to recognise the time devoted by Councillors to work in their wards and political groups, recognising the level of out-of-pocket expenses Councillors incur in carrying out their functions (eg stationery, telephone costs, and computer consumables.) It also recognises that Councillors undertake their Council work for the sake of public service and not for private gain. For the 2014 / 2015 municipal year, each Councillor will receive an annual allowance of £2,782.

In addition, all forty-two Members of the Council receive £417 in an Area Committee allowance. Therefore, the total allowance for a City Councillor before adding any other special responsibilities listed below is £3,199.

**Special Responsibility Allowance:** This is paid to Councillors who have a higher than average workload, and/or hold particular positions of responsibility within the Council. For the municipal year 2014 / 2015 the allocation of Special Responsibility Allowances is as follows:

Leader	£10,433
Executive Councillor	£8,346
Scrutiny Committees - Chair	£1,113
Scrutiny Committees - Vice-Chair	£278
Scrutiny Committees - Minority Spokes (Labour)	£1,391
Planning - Chair	£2,226
Planning - Vice-Chair	£139
Planning - Member (8)	£556
Planning - Minority Spokes (Labour)	£1,550
Planning - Minority Spokes (Independent/Conservative)	£835
Licensing - Chair	£696
Licensing - Vice-Chair	£139
Licensing - Minority Spokes (Labour)	£696
Licensing - Minority Spokes (Independent/Conservative)	£139
Licensing - Member (12)	£417
Joint Development Control (Chair / City spokes)	£2,226
Joint Development Control - Member (6)	£556
Civic Affairs - Chair	£1,113
Civic Affairs - Vice-Chair	£278
Civic Affairs - Minority Spokes	£556
Employment Appeals Sub - Members (10)	£139

Leader of the Opposition Group - Labour	£2,789
Leader of the Opposition Group – Independent/Conservative	£905

Special responsibility allowances for Opposition Group Leaders are calculated by allocating an amount equivalent to one fifth of the Basic Allowance (£640) to a notional 'group of one', which is then multiplied by the square root of the number of members that each group has in order to arrive at individual figures.

Area Committees - Chair (4)	£835
Area Committees - Vice-Chair (4)	£139

## 2: Travel and Subsistence Allowances.

Councillors are paid at the same rates as Officers.

Mileage allowances are at HMRC rates and are:

Casual User Mileage (up to 10,000 miles):	45 pence per mile
Casual User Mileage (after 10,000 miles):	25 pence per mile

Bicycle rate is based on the HMRC advised rates, which is now 20 pence per mile.

The motorcycle rate is 24 pence per mile.

Travel and subsistence allowances are payable for those duties prescribed in Regulations; that is:

- 1: A meeting of the executive;
- 2: A meeting of a committee of the executive;
- 3: A meeting of the authority;
- 4: A meeting of a committee or sub-committee of the authority;
- 5: A meeting of some other body to which the authority make appointments or nominations;
- 6: A meeting of a committee or sub-committee of a body to which the authority make appointments or nominations;
- 7: A meeting which has both been authorised by the authority, a committee, or sub-committee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups);
- 8: A meeting of a local authority association of which the authority is a member;

9: Duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;

10: Duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of Section 342 of the Education Act 1996; and

11: Any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

Reimbursement of public transport fares can also be made when attending approved council duties. For journeys by train, please ask for a **travel warrant** in advance of the journey from the Members' Services office.

VAT - Please let the staff in Members' Services make your hotel and flight bookings, as the Council can then reclaim the VAT.

You can only claim travel costs **from outside** Cambridge if your absence from Cambridge was unavoidable or if a meeting is called at short notice, and you have to make a journey which you would not otherwise have made. The exception to this rule is attending Planning or Licensing Committee meetings, as these take place more frequently than other meetings.

You cannot claim subsistence allowance for duties carried out within three miles of your home or if meals are provided.

**Subsistence:** can only be claimed where meals/accommodation are not provided.

**Breakfast Allowance:** £6.72.  
(More than 4 hours away from normal place of residence or where the authority permits, a lesser period, before 11 am.)

**Lunch Allowance:** £9.28.  
(More than 4 hours away from normal place of residence or where the authority permits, a lesser period, including the lunchtime between 12 noon and 2pm.)

**Tea Allowance:** £3.67.  
(More than 4 hours away from normal place of residence or where the authority permits, a lesser period, including the period 3 pm to 6 pm.)

**Evening Meal Allowance:** £11.49.  
(More than 4 hours away from normal place of residence or where the authority permits, a lesser period, ending after 7 pm.)

**Overnight Subsistence.**  
Absence overnight from the usual place of residence: £79.82  
In London, or attending an approved conferences: £91.04

### **3: Members' Childcare, and Carer's Allowance.**

A Childcare/Dependent Carer Allowance is payable for actual expenditure incurred whilst undertaking approved council duties. No cap shall be put on the overall budget for this Allowance, or on that which is paid to an individual member of the Council in any given year. This allowance is set by the Council having had regard to the recommendations annually of the Independent Remuneration Panel. The Panel considered allowances for childcare and dependent relatives and concluded that it was appropriate for actual expenditure to be reimbursed. The allowance should be subject to receipts being submitted. The member must provide care for a person who normally lives with the member as part of his/her family and who is:

- 1: A child below school age during school hours;
- 2: A child under 14 outside of school hours; and
- 3: An elderly, sick, or disabled dependent requiring constant care.

A Carer will be any responsible mature person who does not normally live with the member as part of the member's family.

Payments made under this scheme will be open to public inspection.

Travel, subsistence and care allowances is payable for any invitations (except social events) from any official bodies. The Scheme is set so that payment of care, travel and subsistence allowances would be such that unexpected circumstances or new responsibilities or activities were covered by default, i.e. that rather than having a prescribed list of activities that ARE covered, have a list of proscribed activities (that are not covered).

### **4: Expenses**

All Members are able to claim out of pocket expenses. The Council pays for:

- 1: Council letter-headed paper;
- 2: Plain paper;
- 3: Postage on the letters the Business Support team prepares for dispatch;
- 4: Ink cartridges (providing signature is received confirming that it is used predominantly for Council work);
- 5: Travelling expenses for:
  - A: Meetings that are approved Council duties (including site visits\*);
  - B: Meetings instigated by an officer, which are (or had the potential to be) cross party;
  - C: Training and development for councillors organised by the Council  
Attendance at conferences and seminars that have been booked by officers;
  - D: Briefings to Councillors that are cross party and organised by the Council;
  - E: Council Working Parties; and
  - F: Meetings of outside bodies attended as a Council representative  
Civic duties in capacity as a Bailiff;

- 6: Hanging files and folders for Council-supplied filing cabinets;
- 7: Phone calls made from the Council offices;
- 8: Hiring of accommodation for Group Away Days; and
- 9: Personalised business cards and compliment slips.

The Councillor pays for:

- 1: Ink cartridges when used mainly for private work;
- 2: Pens, pencils, notepads, post-its and other ancillary stationery;
- 3: Travelling expenses relating to:
  - A: Meetings within the Ward(s);
  - B: Visits to constituents;
  - C: Attendance at civic functions (unless a Bailiff); and
  - D: Single party meetings/briefings.
- 4: Postage on letters typed and despatched by councillors;
- 5: Envelopes;
- 6: Phone calls made from home or mobile phones; and
- 7: Any party political affiliation fees or expenses.

## **5: Changes.**

Entitlements will be payable on a part-year basis in any given year where:

- 1: The scheme is amended;
- 2: A Councillor either is elected to or leaves the Council; or
- 3: A Councillor takes on, or gives up, a position for which a special responsibility allowance is payable.

**6: Co-optee's Allowance.**

A co-optee's allowance of the minimum wage for hours served, plus out of pocket expenses, is available.

**7: Back-dating.**

There is no backdating to the beginning of the financial year of the allowances scheme in the event of the scheme being amended.

**8: Adjustment.**

There is no annual adjustment of allowance levels by reference to an index.

**9: Pension Entitlement.**

There is no entitlement to a pension for any member under its Allowances Scheme.

**10: Advice.**

Members may receive advice on the impact of receiving allowances and expenses on their tax and benefit position by contacting Karl Tattam in the Council's Finance Department (458161).

**11: Timeliness.**

Please make all claims **within two months** on the Council's official claim form. Claims which are received no later than 5 p. m. on the 5th calendar day of each month will be paid on the 24th day of that month.

**12: Foregoing.**

Finally, any member of the Council may, by notice in writing given to the Director of Resources, elect to forego any part of his/her entitlement to any Allowance under this scheme.



## CAMBRIDGE CITY COUNCIL

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REPORT OF: Democratic Services Manager

TO: Civic Affairs Committee

29/1/2014

WARDS: None directly affected

### **MEMBERS' ALLOWANCES-MUNICIPAL YEAR 2014/15**

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#### **1 INTRODUCTION**

The Committee is asked to consider whether the existing Members' Allowances Scheme be retained for 2014/15.

#### **2. RECOMMENDATION**

To recommend to Council (on 27 February 2014) that the existing Members' Allowances Scheme be continued for the 2014/15 Municipal Year (as appended).

#### **3. BACKGROUND**

3.1 A Members' Allowances Scheme is set by the Council. If any changes are to be made to an existing scheme, it can only be done following consideration of the changes by the Independent Remuneration Panel.

3.2 This Council has chosen to agree its Allowance Scheme annually and has agreed to keep allowances at the level set for 2007/08 and retaining the Scheme for 2014/15 would mean for the eighth successive year the Basic Allowance for all Members would be £3,199. It is not known if the continuation of the Scheme first adopted in 2007/08 has proven to be an impediment to anyone standing for office or seeking re-election.

#### **4. OPTIONS**

The Committee could choose to review the existing Allowances Scheme which could either result in a budget bid via the mid-year

financial review or a re-allocation of existing allowances - depending on the Scheme recommended for consideration by the Independent Remuneration Panel.

## 5. **IMPLICATIONS**

### (a) **Financial Implications**

There is £262,850 in the 2014/15 budget (to be considered by Council on 27 February) for Members' Allowances. This could be reviewed once the details are known of appointments by the Leader/Council following local elections this May.

### (b) **Staffing Implications - none**

### (c) **Equal Opportunities Implications**

An equalities impact assessment was not undertaken as the proposal is for no change. The implications of continuing with the existing scheme are referred to in paragraph 3.

### (d) **Environmental Implications**

### (e) **Procurement**

### (f) **Consultation and communication**

### (g) **Community Safety**

## **BACKGROUND PAPERS: None**

The author and contact officer for queries on the report is Gary Clift 01223 457011 [gary.clift@cambridge.gov.uk](mailto:gary.clift@cambridge.gov.uk)

Report file:

Date originated: 20 January 2014

Date of last revision: 20 January 2014

## CAMBRIDGE CITY COUNCIL

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REPORT OF: Head of Human Resources  
TO: Civic Affairs Committee  
WARDS: All wards

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### **Report title: Pay Policy Statement 2014/15**

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#### **1 INTRODUCTION**

- 1.1 This report sets out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31<sup>st</sup> March each year.
- 1.2 The pay policy statement covers posts designated 'chief officer'. For Cambridge City Council this includes the chief executive, directors and heads of service. The areas to be covered in the statement are: salary, expenses, bonuses, performance-related pay, severance payments, how election fees are paid and the pay policy on re-engagement of ex-employees. The Localism Act also requires the statement to define the lowest paid employees and the ratio to the highest earning employee.
- 1.3 Government guidance issued since the Council approved its pay policy statement for 2013/14 contains additional recommendations regarding salary and severance packages over £100,000. The guidance recommends that Full Council should be given the opportunity to vote before salary packages of £100,000 or more are offered in respect of a new appointment, and that this should be articulated in the pay policy statement. The proposed pay policy for 2014/15 has been amended to follow the guidance. In practice, this provision would only apply currently to appointment at Chief Executive level.

- 1.4 Similar guidance is given regarding severance packages of £100,000 or more. The guidance says that “salary packages” include “salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment”. “Severance packages” should include “salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid”. It is recommended that salary or severance packages of £100,000 or more may only be authorised by Full Council after consideration by the Employment (Senior Officer) Committee. This entails an amendment to the terms of reference of the Employment (Senior Officer) Committee, set out in the recommendations in 2.0 below.
- 1.5 On the 20<sup>th</sup> January 2014 the Strategy and Resources Scrutiny Committee will be considering a report on the review of the payment of the Living Wage to agency workers. The Civic Affairs Committee are asked to note that the Pay Policy Statement 2014/15 has been updated to reflect the recommendation to continue with the Living Wage policy in respect of agency workers, to remove the previous reference to the 12 month review of the payment of the Living Wage to agency workers and to make explicit reference to paying the Living Wage at the current national rate, i.e including any revised rate.

## **2 RECOMMENDATIONS**

### **The Civic Affairs Committee is asked to:**

- 2.1 Recommend that only full Council may authorise salary or severance packages of £100,000 or more, following consideration by the Employment (Senior Officer) Committee.
- 2.2 Recommend that the terms of reference of the Employment (Senior Officer) Committee are amended by the addition of:  
  
“To make recommendations to Council with regard to proposals for salary or severance packages of £100,000 or more.”
- 2.3 Note the recommendations of the Strategy and Resources Scrutiny Committee in relation to review of the Living Wage Policy for agency workers (to be circulated following the Strategy and Resources Scrutiny Committee).
- 2.4 Consider and recommend to Council the draft Pay Policy Statement 2014/15 attached as Appendix 1.

### **3.0. IMPLICATIONS**

#### **(a) Financial Implications**

There are no financial implications arising from this the report.

#### **(b) Staffing Implications**

This report relates to the pay, terms and conditions of staff.

#### **(c) Equal Opportunities Implications**

An EQIA has not been prepared for this report.

#### **(d) Environmental Implications**

The proposal has no climate change impact.

#### **(e) Community Safety**

This report relates to the pay, terms and conditions of staff and does not impact directly on community safety matters.

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

- Pay Policy Statement 2013/14
- Provisions of the Localism Act relating to chief officer pay statements
- Strategy and Resources Scrutiny Committee Report on the Review of the Living Wage 20 January 2014
- Communities and Local Government Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012 and Supplementary Guidance February 2013.
- Local Government Association Localism Act: Pay Policy Statements Guidance (November 2011) and Supplementary Notes 1 and 2.

The author and contact officer for queries on the report is Deborah Simpson, Head of HR on extension 8101.

Report file:

Date originated: 20 January 2014

Date of last revision: 20 January 2014

## Pay Policy Statement 2014/15

### Scope

This pay policy statement covers the posts of the chief executive, all directors and all heads of service within the JNC 1 and JNC 2 grades.

### Salary

The current salary scales for the chief executive, directors and heads of service are shown below. The pay scales were revised in 2012 as part of the Council's review of pay, terms and conditions.

Progression through the pay band (a four point scale) is subject to a range of criteria that are currently assessed via the annual performance review.

<b>Chief Executive</b>	108639	113252	117859	122503
<b>Director</b>	82161	85406	88646	91891
<b>Head of service</b>				
<b>JNC1</b>	63778	65951	68090	70263
<b>JNC2</b>	55120	57293	59466	61605

### Pay Awards

Pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives and the Joint Negotiating Committee (JNC) for Chief Officers.

### Terms and Conditions of Employment

The terms and conditions of employment for the chief executive, directors and heads of service within the scope of this pay policy statement are determined in accordance with collective agreements, negotiated from time to time, by the JNC for Chief Executives and the JNC for Chief Officers, as set out in the Scheme of Conditions of Service. These are supplemented by local collective agreements reached with trade unions recognized by the Council and by the rules of the Council.

### Remuneration on Recruitment

Recruitment to the posts of chief executive and director is undertaken by a committee of councillors appointed by Council, but in the case of the chief executive, the appointment is made by Full Council, following a recommendation from the Employment (Senior Officer)

Committee. The salary on recruitment will be within the current salary range for these posts at that time.

Recruitment to posts of head of service is undertaken by the chief executive or a director and is subject to notification to Executive Councillors before a job offer can be made. The salary on recruitment will be within the current salary range for these posts at that time.

There are occasions when the salary determined by the grading for a post results in an inability to successfully recruit to or retain staff in particular posts or specific occupational areas, due to fluctuations in the labour market supply. These recruitment and retention problems can affect ability to deliver services. In such cases it may be appropriate to pay a market supplement in addition to the salary where there is evidence to justify that market factors are the “material reason” for the post attracting a higher rate of pay than other posts graded similarly. Any additional market supplement will be made in accordance with the Market Pay Policy.

Rules governing the recruitment of the chief executive, directors and heads of service are set out in the councils constitution in section; Part 41, Officer Employment Procedure Rules

### **Bonuses**

There are no bonus arrangements payable to the chief executive, directors or heads of service.

### **Performance Related Pay**

Performance and progression through the pay band is assessed annually in line with the Council’s performance review schemes. For the chief executive and directors, performance is assessed by a panel of councillors, the Chief Officer Performance Review Working Party. For heads of service, performance is assessed by their director.

There is no performance related pay scheme outside of the performance review scheme, which determines the salary point of an officer, within the salary scale set out above.

### **Salaries over £100,000**

The post of chief executive is the sole post which carries a salary range of over £100,000.

### **Publication of salary data**

Salary data for the chief executive, directors and heads of service is published on the councils website, in the Open Data, Senior Council Officers section.

For the chief executive and directors this includes name, job description and actual salary, and for the chief executive, expenses and any election fees paid. For the heads of service this includes salary by post title.

This pay policy statement once approved by Full Council will be published on the Councils website.

## **Expenses**

The expenses which may be payable to the chief executive, a director or head of service include:

- car/bicycle/motorcycle allowances at HMRC rates
- re-imburement of travel and subsistence
- one professional subscription per annum
- payments under the eye sight tests scheme
- relocation assistance in accordance with the Relocation Scheme

## **Severance Payments**

Severance payments are made in accordance with the council's employment policies and are the same for all staff.

Employees with more than two years service will be entitled to redundancy pay in line with local government guidelines and statutory provisions. Redundant employees may receive the following elements in their final pay:

- Normal pay up to the agreed leaving date
- Where applicable, payment in lieu of outstanding notice
- Severance payment (where entitled).

Under the council's redundancy scheme a weeks pay will be calculated on the basis of actual contractual pay. Additional benefits are not included. Cambridge City Council will not apply the statutory weeks pay definition.

Employees in the pension scheme and who are over age 55 are entitled to immediate onset of pension benefits based on actual reckonable service if:

- They are over 55 at the termination date
- They have 3 or more months membership in the Local Government Pension Scheme (LGPS) or have brought in a transfer from another pension scheme

Once an employee is in receipt of early payment of pension benefits, if their total pay and pension benefits together (if reemployed by another employer covered by the Local Government Modification order) exceeds their salary as at the leaving date, the difference may be claimed back from pension payments.

An employee will lose their entitlement to redundancy pay if they take up a post with another body covered by the Redundancy Payments (Local Government) (Modification) (Amendment) Orders within 4 weeks of the date of the redundancy and the offer of the new job has been made before the end of the original contract.

The chief executive, monitoring officer and chief finance officer can only be dismissed by the full council. All other directors and heads of service can only be dismissed in accordance with the Councils constitution, Part 41, Officer Employment Procedure Rules.

Any proposals with a salary or severance package with a total value over £100k will be reported by the Employment (Senior Officer) Committee to Full Council for decision.



## **Pension and Pension Enhancements**

The employees within the scope of this pay policy are entitled to and receive pension contributions from the Local Government Pension Scheme (LGPS). This is a contributory scheme and they currently contribute between 7.2 and 7.5% of their pensionable pay to the scheme (to rise to between 8.5 to 11.4 % when the LGPS 2014 comes into effect in April 2014).

The employer contribution rate is currently 18.6%, i.e the council contributes 18.6% of pensionable pay to the pension of a member of staff within the pension scheme. The rate of 18.6% is the same for all staff. The rate is reviewed every 3 years following a valuation of the fund by the appointed actuaries and is currently being reviewed. The current tri-annual evaluation has identified the need to increase the contribution rate. The anticipated increase in rates which are subject to the actuaries report and will not become final until that time indicate contribution rates of 21.6% for 2014/15, 22.6% for 2015/16 and 24.6% for 2016/17.

The Council's discretions on enhancement of pension are set out in the Pensions Discretion Statement 2012. This policy was approved by the Civic Affairs Committee on the 21<sup>st</sup> November 2012. The policy was reviewed in line with the requirement that Council officers review the statement every 3 years and / or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council), and any recommended changes will go before Civic Affairs for approval.

### **Relationship to lowest paid and median average of employees**

The lowest paid staff within the Council are on Band 1 of the Council's pay structure. For this reason we have chosen staff employed on Band 1 as our definition of the 'lowest paid' for the purposes of this policy.

Band 1 currently ranges from £13,725 to £15,882 per annum.

The terms and conditions of employment for Band 1 staff are in accordance with collective agreements, negotiated from time to time, by the National Joint Council for Local Government Services, as set out in the Scheme of Conditions of Service (commonly known as the Green Book). These are supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council.

Pay policies which apply to Band 1 employees include:

- car/bicycle/motorcycle mileage at HMRC rates
- re-imbusement for travel and subsistence
- overtime/enhanced rates
- standby and callout arrangements
- one professional subscription per annum
- payments under the eye sight tests scheme

The highest paid officer of the council is the chief executive, with a current salary of £117,859. The chief executive's current salary scale runs from £108,639 to £122,503.

The ratio between the highest and lowest pay points on each scale is - 1:8.9

The ratio of the chief executive's current salary and the lowest pay point is 1:8.6

The median average salary of all Cambridge City Council staff is £27,000.

The ratio of the chief executive's current salary to the median average salary is 1:4.4.

The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

### **Living Wage**

The Council has adopted a Living Wage policy for staff, agency workers and contractors engaged through the Council's Procurement processes.

The Council will pay the national Living Wage rate for Cambridge City Council staff, by way of a supplement to pay rates.

The Council will pay the minimum of the national Living Wage rate to agency workers after 4 weeks of their engagement with the City Council.

The Council will encourage contractors to adopt the Living Wage through the Council's procurement processes.

The Living Wage is £7.65 per hour (£14,759 per annum). The pay ratios based on the Living Wage of £7.65 are as follows:

The ratio between the highest and lowest pay points on each scale is – 1:8.3

The ratio of the chief executive's current salary and the lowest pay point is - 1:8.0

The median average salary of all Cambridge City Council staff is £27,000.

The ratio of the chief executive's current salary to the median average salary is – 1:4.4

### **Election Fees**

The Returning Officer is the person who has the overall responsibility for the conduct of elections. The Returning Officer is an officer of the Council who is appointed under the Representation of the People Act 1983. Although appointed by the Council the role of the Returning Officer is one of a personal nature and distinct and separate from their duties as an employee of the Council. Elections fees are paid for these additional duties and they are paid separately to salary.

The Chief Executive is the council's Returning Officer.

The fees for Parliamentary, Police Commissioner and Euro Elections are set by the Electoral Commission. The fees for Parliamentary and European Elections are pensionable.

Fees for local elections are set locally and current fees were agreed by the Civic Affairs Committee in April 2010 as £373 per contested ward and £55 per uncontested ward. Fees for district elections are pensionable.

Other officers, including senior officers within the scope of this policy, may receive additional payment for specific election duties.

### **Tax Avoidance**

The Council takes tax avoidance seriously and will seek to appoint individuals to vacant positions using the recruitment procedures on the basis of contracts of employment and apply direct tax and National Insurance deductions from pay through the operation of PAYE.

Where consultants are recruited the Council will seek to avoid contractual arrangements which could be perceived as being primarily designed to reduce significantly the rate of tax paid by that person, such as paying the individual through a company effectively, controlled by him or her.

These principles will be embedded in contract clauses and guidance for managers when employing consultants.

### **Re-engagement of ex City Council staff within the scope of this policy**

All permanent or fixed term posts are advertised in accordance with the council's recruitment policies and appointment is made on merit.

Interim management appointments are made in accordance with the council's procurement policies and the provisions for contract for services.

The council will not engage an ex city council member of staff within the scope of this policy outside of these arrangements.

**January 2014**

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