

CAMBRIDGE CITY COUNCIL

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

Report title: Pay Policy Statement 2013/14

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 31st 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 The Strategy and Resources Scrutiny Committee considered a report including proposals for the adoption of a Living Wage policy for staff and agency workers. The Civic Affairs Committee are asked to consider the recommendations of the Strategy and Resources Scrutiny Committee and to include the relevant provisions within the Pay Policy Statement 2013/14.

2 RECOMMENDATIONS

The Civic Affairs Committee is asked to:

- 2.1 Consider the recommendations of the Strategy and Resources Scrutiny Committee in relation to adoption of a Living Wage Policy for staff and agency workers (to be circulated following the Strategy and Resources Scrutiny Committee), and to recommend the Living Wage proposals for approval by Council as part of the Pay Policy Statement 2013/14.
- 2.2 Consider and recommend to Council the draft pay policy statement 2013/14 attached as Appendix 1, with the inclusion of proposals relating to the Living Wage as agreed by this Committee.

3.0. IMPLICATIONS

(a) Financial Implications

The financial implications arising out of this report relate to the consideration of adoption of a Living Wage Policy, as set out in the Strategy and Resources Scrutiny Committee report. There are no financial implications arising from the sections of the report reporting on current policies.

(b) Staffing Implications

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

(c) Equal Opportunities Implications

An Equality Impact Assessment (EQIA) was prepared in relation to the Living Wage. An EQIA has not been prepared in relation to the sections of the report reporting on current policies.

(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 2012/13
- Provisions of the Localism Act relating to chief officer pay statements
- Strategy and Resources Scrutiny Committee Report on the Living Wage
- Communities and Local Government Openness and accountability in local pay: Guidance under section 40 of the Localism Act
- 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: 22 January 2013

Date of last revision: 22 January 2013

Pay Policy Statement 2013/14

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.

Chief Executive	108639	113252	117859	122503
Director	82161	85406	88646	91891
Head of service				
JNC1	63778	65951	68090	70263
JNC2	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 Appointment 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.

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-imbusement of travel and subsistence
- one professional subscription per annum
- payments under the eye sight tests 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 (currently Head of Legal Services) and chief finance officer (currently Director of Resources) 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.

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. The employer contribution rate is currently 18.6%, i.e the council contributes 18.6% 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.

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 21st 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 £13,589 to £15,725 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 £122,053.

The current ratio between the highest and lowest pay points on each scale is - 1:9.0

The ratio of the current chief executives salary and the lowest pay point is 1:8.7

The median average salary of all Cambridge City Council staff is £27,052.

The ratio of the current chief executives 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 proposes to adopt a Living Wage policy for staff and agency workers.

The Living Wage is currently £7.45 per hour (£14,411 per annum).

If a policy of adopting the Living Wage for staff and agency workers is agreed by Council it would change the pay ratios as follows:

The current ratio between the highest salary and a salary equivalent to £7.45 per hour is - 1:8.5

The ratio of the current chief executives salary and a salary equivalent to £7.45 per hour is 1:8.2

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.

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 2013