



## Pay Policy Statement 2019/20

### Scope

This pay policy statement covers the posts of the chief executive, strategic directors and heads of service.

The Council is an accredited real Living Wage Employer and this statement incorporates the Council's policy on the real Living Wage. This statement also incorporates the Cambridge Weighting which is paid as a pay supplement to bring the minimum pay rate to £10.00 per hour.

The Council has a number of apprenticeship opportunities and there is a statement relating to apprenticeships.

### Salary

The salary scales for the chief executive, strategic directors and heads of service, following the nationally agreed pay award with effect from 1 April 2019, are shown below.

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>	£115,299	120,197	125,086	130,013
<b>Strategic Director</b>	£88,942	92,455	95,963	99,476
<b>Head of Service</b>	£69,043	71,394	73,710	76,062

## **Review of Salary levels**

The Council has an agreement that senior officer pay scales will be reviewed every three years in line with current median level pay.

The next review of senior officer salaries will be undertaken in 2019.

## **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.

In 2018 two year national pay awards were agreed for Chief Executive's and Chief Officers (relating to Strategic Directors and Heads of Service), covering the period 1 April 2018 to 31 March 2020. Both awards were for 2% in 2018 and 2% in 2019.

## **Terms and Conditions of Employment**

The terms and conditions of employment for the chief executive, strategic 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 recognised by the Council and by the rules of the Council.

## **Remuneration on Recruitment**

Recruitment to the posts of chief executive and strategic 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 strategic 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.

There may be occasions when due to recruitment and retention difficulties within a specific service area or role, it may be more appropriate to use a recruitment and retention package approach than a market supplement. Such an approach offers a fixed lump sum payment for new appointments or to the staff in identified roles at a given date. The payment is tied to a defined retention period (two years) and must be repaid in full if the

person leaves the employment of the Council within the designated period. The aim of this approach is to recruit new staff and retain existing staff where there is evidence of both types of difficulty and a market supplement approach is assessed as less effective.

Rules governing the recruitment of the chief executive, strategic 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, strategic 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 strategic 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 strategic 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, strategic directors and heads of service is published on the council's website, in the Open Data, Transparency in local government, senior salaries or Senior Council Officers sections.

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 strategic 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
- 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 weekly pay. 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 meet the two years vesting period in the Local Government Pension Scheme (LGPS)

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 9.9% and 11.4% of their pensionable pay to the scheme.

The employer contribution rate is currently 17.4% i.e. the council contributes 17.4% of pensionable pay to the pension of a member of staff within the pension scheme. The rate of 17.4% is the same for all staff. The rate is reviewed every 3 years following a valuation of the fund by the appointed actuaries. The next review will be in 2019, with the outcome effective for 2020/21.

The Council's discretions on enhancement of pension are set out in the Pensions Discretion Statement 2014. This policy was approved by the Civic Affairs Committee on the 25 June 2014. The policy is currently being 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 will go before Civic Affairs in January 2019 for approval.

## **Pay Ratios**

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

The lowest paid staff within the Council's pay structure are on Band 1. For this reason we have chosen staff employed on Band 1 as our definition of the 'lowest paid' for the purposes of this policy. The current lowest pay point is £16,755 but with effect from 1 April 2019 this will be £17,711.

Cambridge City Council is an accredited real Living Wage employer and also pays a Cambridge Weighting supplement. This means that the minimum pay level for employees is £10.00 per hour, equivalent to £19,294.

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-imbursment for travel and subsistence
- overtime/enhanced rates
- standby and callout arrangements
- one professional subscription per annum
- payments under the eye sight tests scheme
- Travel scheme (where applicable)

The highest paid officer of the council is the chief executive, with a current salary of £127,464 (£130,013 on 1.4.19). With effect from 1 April 2019 the chief executive's salary scale will run from £115,299 to £130,013.

The ratio between the highest and lowest pay points on 1.4.19 will be: - 1:7.3

The ratio of the chief executive's current salary (2018) and current the lowest pay point is - 1:7:6

The current median average salary (2018) of all Cambridge City Council staff is - £27,358.

The ratio of the chief executive's current salary to the current median average salary is - 1:4.6

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

## **Real Living Wage**

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

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

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

The Council will require contractors engaged through the Council's procurement processes to deliver services on Council premises to pay their employees/sub-contractor employees who work on the premises for 2 or more hours on any day in a week for 8 or more consecutive weeks in a year at least the real Living Wage rate. The only contracts that will be excluded from the requirement to pay the real Living Wage are:

- contracts where it would be unlawful to require the payment of the real Living Wage
- Contracts where, following evaluation, it is considered inappropriate to impose the requirement.

The real Living Wage is £9.00 per hour (£17,362 per annum).

## **Cambridge Weighting**

The Council implemented a Cambridge Weighting with effect from 1 April 2018, paid to employees and agency workers earning less than £10 per hour. For employees the weighting is paid in addition to salary and the real Living Wage supplement, to bring the hourly rate to an equivalent of £10 per hour (£19,294). For agency workers the weighting applies in addition to current hourly rates and the real Living Wage arrangements. The weighting is variable, depending upon the current hourly rate and the real Living Wage supplement payable at that time.

## **Pay Ratios and the real Living Wage and Cambridge Weighting**

The pay ratios based on a minimum pay rate of £10.00 are as follows:

The ratio between the highest pay point (1.4.19) and the minimum pay rate of £10.00: – 1:6.7

The ratio of the chief executive's current salary and the minimum pay rate of £10.00: - 1:6.6

The current median average salary of all Cambridge City Council staff (including the real Living Wage and Cambridge weighting supplements) is £27,358

The ratio of the chief executive's current salary to the median average salary, including the real Living Wage and Cambridge weighting supplements is -1:4.6

## **Apprentices**

The Council has engaged a number of apprentices in apprenticeship roles. These roles have been created by services as development opportunities, to support the apprenticeship programme. These roles do not replace existing posts and are outside of the real Living Wage and Cambridge Weighting policies.

The national minimum apprenticeship wage is currently £3.70. (£3.90 on 1.4.19)

As a council we pay apprentices in line with the National Living Wage/Minimum Wage Rates in their first year of apprenticeship. For apprentices under 18 this is currently £4.20; apprentices aged 18-20, £5.90; apprentices aged 21-24, £7.38 and for apprentices aged 25 and over, £7.83.

The apprentice rates increase with effect from 1 April 2019: for apprentices under 18 to £4.35; apprentices aged 18-20, £6.15; apprentices aged 21-24, £7.70 and for apprentices aged 25 and over, £8.21.

## **Pay Ratios and Apprenticeships**

The pay ratios based on the lowest pay rate for an apprentice at Cambridge City Council is currently £5.90 (for the first year) are as follows:

The ratio between the highest pay point with effect from 1.4.19 (£6.15) and the apprenticeship rate is - 1:11.0

The ratio of the chief executive's current salary and the apprentice rate is - 1:11.2

The median average salary of all Cambridge City Council staff, including apprentices is £27,358.

The ratio of the chief executive's current salary to the median average salary, including apprentices is -1:4.6

## **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 & Crime Commissioner, Euro Elections and national referenda are set by the Government. The fees for County Council elections are set by the County Council. The fees for the Combined Authority Mayoral election are set by the combined authority. The fees for Parliamentary and European Elections are pensionable.

Fees for district 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 and IR35**

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.

In addition workers employed directly by the Council will be assessed to establish whether they fall within scope of the IR35 legislation using the HMRC employment status tool. Workers that fall within scope will have Income Tax and National Insurance contributions deducted and paid over to HMRC.

The Council will continue to advise employment agencies for each role, whether the role has been assessed to be within scope of IR35, or not.

### **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.

**February 2019**