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PAY POLICY STATEMENT 2026/27

Effective from 1st April 2026

1. Introduction

Cambridge City Council is committed to operating consistent, transparent and equitable pay arrangements.

This statement details the pay policy and approaches applied to all staff within Cambridge City Pay bands in addition to all Statutory and Non-Statutory Chief Officers, as defined under the Council's constitution, to fulfil the Council's statutory requirements under Chapter 8 of the Localism Act 2011 ("the Act")

DRAFT: To be agreed at Full Council

2. Senior Salaries from 1st April 2026

The salary scales for the Chief Executive, Directors and Assistant Directors following the nationally agreed pay award with effect from 1 April 2025 are shown below.

Progression through the pay grade (a three or four-point scale) is subject to a range of criteria that are assessed via an annual performance review.

Pay Grade	Point 1 (£)	Point 2 (£)	Point 3 (£)	Point 4 (£)
Chief Executive	139,349	144,932	150,557	156,140
Director	107,673	111,678	115,689	119,702
Assistant Director 2	94,374	97,205	100,122	n/a
Assistant Director 1	86,270	88,956	91,625	n/a

The Council has an agreement that senior officer pay scales will be reviewed every three years in line with the current market median level pay, this includes Chief Executive, Director and Assistant Director pay grades. The last review was undertaken in 2023 whereby a full redesign of the grades took place. There will be a pay review during 2026. The effectiveness of these scales will continue to be reviewed annually.

3. Annual Pay Awards

For the Chief Executive pay grade, pay awards are nationally determined in accordance with the Joint Negotiating Committee (JNC) for Chief Executives. For Directors and Assistant Director grades, the Joint Negotiating Committee (JNC) for Chief Officers is applied, and the National Joint Council (NJC) determines the pay awards for City Pay Grades 1 – 11.

Pay points within the grades are subject to nationally negotiated pay awards with effect from 1 April 2026 and will increase in line with any nationally agreed award.

4. Chief Officer Terms and Conditions of Employment

The terms and conditions of employment for the Chief Executive, Directors and Assistant Directors 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.

5. Chief Officer Remuneration on Appointment

Rules governing the recruitment of the Chief Executive, Directors and Assistant Directors are set out in the council's constitution in section; Part 4i, Officer Employment Procedure Rules.

Recruitment to the posts of Chief Executive and Director is undertaken by a committee of Councillors appointed by Council. In the case of the Chief Executive, the appointment is made by Full Council, following a recommendation from the Employment (Senior Officer) Committee.

Appointment to fixed term Director roles that do not form part of the Leadership Team is the responsibility of the Head of Paid Service or their nominee.

Recruitment to posts of Assistant Director will be undertaken by the Chief Executive or a Director. The salary on recruitment will be within the salary range for these posts at that time.

6. Market Supplements

There are occasions when the salary determined by the grading for a post result 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. This is more challenging in the Cambridge area due to the high demand for labour, the high number of vacancies and high cost of housing.

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.

7. Retention Payments

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 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.

8. Bonuses

There are no bonus arrangements payable to our Chief Officers or any Council staff.

9. Performance Related Pay

Performance and progression through the pay band is assessed annually for all staff in line with the Council's performance review schemes.

The performance review for Directors is undertaken by the Chief Executive and for the Chief Executive by the Leader and an independent advisor. Performance reviews for all other Officers are undertaken by their line manager.

10. Senior Salary Pay Data

In accordance with the Government's Code of Recommended Practice for Local Authorities on Data Transparency, the Council publishes information on all employees earning £50,000 or above.

Following approval at Full Council of the Draft Pay Policy Statement this updated pay policy statement is published on the Councils website.

11. Expenses

The expenses which may be payable to all Officers, including the Chief Executive, Director and Assistant Directors include:

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

12. 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 week's pay will be calculated on the basis of actual weekly pay. Cambridge City Council will not apply the statutory week's pay definition.

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.

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.

The Chief Executive, Monitoring Officer and Chief Finance Officer can only be dismissed by the Full Council. All other Directors and Assistant Directors can only be dismissed in accordance with the Councils constitution, Part 4i, Officer Employment Procedure Rules.

13. Pension and Pension Enhancements

All employees are entitled to and receive pension contributions under the Local Government Pension Scheme (LGPS). This is a contributory scheme and employees currently contribute between 5.50% and 12.50% of their pensionable pay to the scheme. Chief Officers contributions currently range from 9.90% to 12.50%

The Council's discretions on enhancement of pension are set out in the Pensions Discretion Statement. This policy was approved by the Employment Committee on 24 February 2026. The policy is reviewed 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).

The next review of the Pensions Discretion Statement is scheduled to take place in 2028.

14. Lowest Paid Staff: Real Living Wage & Cambridge Weighting

Cambridge City Council is an accredited Real Living Wage employer and also pays a Cambridge Weighting supplement. This means that the current minimum pay level for any member of staff is £13.45 per hour (Real Living Wage set in November 2025).

The Council's pay structure starts at Band 1, with the lowest pay point at £24,423 (£12.65 per hour) (April 2025). In practice therefore, any employee starting on band 1 is paid the Real Living Wage until their pay point reaches a higher amount.

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.

14.1 Real Living Wage

The Council is accredited with the Living Wage Foundation which means it has adopted a Real Living Wage policy for staff, agency workers and contractors engaged through the Council's Procurement processes.

The implementation date for Real Living Wage increase is usually November for staff engaged on city council terms and conditions of employment, following the annual announcement. With effect from November 2025 the Real Living Wage increased to £13.45 per hour.

The Council will pay the Real Living Wage rate for staff engaged on city council pay rates by way of a supplement to pay rates.

The Council will require contractors engaged through the Council's procurement processes to pay at least the Real Living Wage to all their staff who work on the Council's premises (or land maintained by the Council) for two or more hours on any day of the week for eight or more consecutive weeks. 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.

14.2 Cambridge Weighting

The Council pays a Cambridge Weighting to employees on city council terms and conditions of employment and related agency workers earning less than the approved rate per hour. The weighting is paid in addition to salary and the Real Living Wage supplement. With effect from 1 April 2026 the Cambridge Weighting rate is £13.69 per hour.

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.

15. Apprentices

Apprentices are appointed on permanent contracts of employment within Cambridge City Council unless there is a justifiable reason why there is a requirement for a fixed term post.

Apprentices are paid on a salary proportionate to the role that they have been employed to undertake, or the recognised Real Living Wage/Cambridge Weighting rate of pay, whichever is the highest.

The Council also offer apprenticeships to current employees who are paid in accordance with their existing pay arrangements during the apprenticeship.

16. Pay Ratios

The table below shows a number of pay ratios. The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff. The highest paid officer of the council is the Chief Executive. The highest pay point on this scale is currently £156,140 (April 2025).

	Annual Salary	Ratio to Chief Executive highest pay point	Explanation
Real Living Wage Rate of £13.45 (Nov 2025)	£25,949	1:6.0	Highest pay point and 2025/6 Real Living Wage rate.
Lowest council pay scale point (£)	£24,413	1:6.4	Highest pay point and lowest council pay scale point
Cambridge Weighting of £13.69	£26,410	1:5.9	Highest pay point and £13.69 Cambridge Weighting
Median Average salary	£39,862	1:3.9	Highest pay point and current median average salary

17. 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 role of 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 (mindful of neighbour district council fees) and were last reviewed 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.

18. 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.

19. Re-engagement of ex City Council staff

Re-engagement of any ex City Council staff will be carried out by following the Council's usual recruitment policy and procedures, or for interim arrangements via the Council's procurement policies and the provisions for contract for services.