



PAY POLICY STATEMENT 2023/24 (Updated)

Scope

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

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 council pay rate to £11.00 per hour with effect from 1 April 2023.

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

Salary (from 1 April 2022)

The salary scales for the chief executive, directors and heads of service, following the nationally agreed pay award with effect from 1 April 2022 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.

Post	Point 1	Point 2	Point 3	Point 4
Chief Executive	£122,172	£127,280	£132,379	£137,517
Director	£94,684	£98,348	£102,006	£105,670
Head of Service	£73,931	£76,382	£78,798	£81,251

Review of Salary levels

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 heads of service salaries. The review looks at the relative pay position of the Council's pay bands when compared to other councils.

The last review was undertaken in 2019 and the outcome reported in the 2020 Pay Policy Statement. No changes to the pay bands were made at that time. The next three year review and a separate review of the senior management structure and associated salary levels, were scheduled for 2022. National pay awards have been applied during this time.

The Council is undertaking an ambitious transformation programme, Our Cambridge, which includes a review of the senior management structure. The final restructure proposals were agreed by Full Council on 2 March 2023.

The new senior management structure contains fewer posts, reduces cost per annum and replaces heads of service posts.

The 2022 pay review included proposals to change the pay bands and salary ranges for Chief Executive and Director posts. It did not include any changes to their existing pay.

The table below shows the new pay band structure for the Chief Executive level post and for new appointments to Director and Assistant Director posts in the new senior structure. The existing Director and Head of Service posts will be deleted as the new structure replaces existing posts.

Post	Existing Point	Point 1	Point 2	Point 3	Point 4	Point 5	Point 6
Chief Executive (from 1 April 2023)	£122,172 Delete Point	£127,280	£132,379	£137,517	£142,617 New Point	-	-
Existing Director posts (To be deleted)	£94,684	£98,348	£102,006	£105,670		-	-
New Director Posts	-	£98,348	£102,006	£105,670	£109,334	-	-
Existing Head of Service posts (To be deleted)	£73,931	£76,382	£78,798	£81,251	-	-	-
New Assistant Director (Level 1 and 2 with bar)	-	£78,798 Level 1	£81,251 Level 1	£83,689 Level 1	£86,200 Progression subject to Bar Level 2	£88,786 Level 2	£91,450 Level 2

The next three-year review of senior management pay is scheduled for 2025 but it is recommended this is kept under review following the full implementation of the proposed senior management structure.

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.

Pay points within the senior management grades are subject to any nationally agreed pay awards with effect from 1 April 2023 and would increase in line with any nationally agreed award.

Terms and Conditions of Employment

The terms and conditions of employment for the chief executive, directors and heads of service/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.

Remuneration on Recruitment

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. Recruitment to posts of director is subject to notification to Executive Councillors before a job offer can be made. The salary on recruitment will be within the salary range for these posts at that time.

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.

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. 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.

It is anticipated that the proposed changes to pay bands as a result of the 2022 pay review will bring the salary levels in line with current market salary levels.

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.

Rules governing the recruitment of the chief executive, directors and heads of service/assistant director are set out in the council’s constitution in section; Part 4i, Officer Employment Procedure Rules.

Bonuses

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

Performance Related Pay

Performance and progression through the pay band is assessed annually 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.

In line with the changes to the senior management structure, for heads of service/assistant directors the performance review will be undertaken by the line manager, whether the chief executive or relevant 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 posts of chief executive and director have salary ranges which include pay points of over £100,000.

Publication of salary data

Salary data for the chief executive, directors and heads of service/assistant director is published on the council's website, in Open Data, Transparency in local government, senior salaries.

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

Expenses

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

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.

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 heads of service/assistant director can only be dismissed in accordance with the Councils constitution, Part 4i, Officer Employment Procedure Rules.

Pension and Pension Enhancements

The employees within the scope of this pay policy are entitled to and receive pension contributions under 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 17.6% i.e., the council contributes 17.6% of pensionable pay to the pension of a member of staff within the pension scheme. The rate of 17.6% 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 2022. This policy was approved by the Civic Affairs Committee on 21 September 2022. 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 2025.

Pay Ratios, Real Living Wage, Cambridge Weighting and Apprenticeships

Set out below are the Council's pay arrangements with regard to the Real

Living Wage, the Cambridge Weighting, apprenticeships, and the highest paid council staff. The Council does not have a policy on maintaining or reaching a specific pay ratio between the lowest and highest paid staff.

- **Apprentices**

The Council has engaged a number of apprentices in apprenticeship roles where these roles provide development opportunities and do not replace existing posts. They are outside of the Real Living Wage and Cambridge Weighting policies and where we pay apprentices in line with the National Living Wage/Minimum Wage Rates in their first year of apprenticeship.

The current lowest rate for an apprentice is £9.45 and this pay rate has been used in the ratios.

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

- **Lowest paid staff**

The lowest paid staff within the Council's pay structure are on Band 1. We have chosen staff employed on Band 1 as our definition of the 'lowest paid' for the purposes of this policy. The lowest pay point is £20,441 (£10.60 per hour) (April 2022).

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 staff is £10.90 per hour, equivalent to £21,028. This will increase to £11.00 per hour from 1 April 2023, equivalent to £21,222.

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)

- **Median average of employees**

The median average salary is £35,411 (December 2022).

- **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 October 2022 the Real Living Wage has increased to £10.90 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 pay the minimum of the relevant 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 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.

- **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, the Real Living Wage supplement, to bring the hourly rate to an equivalent of £10.00 per hour (£19,294) and with effect from 1 April 2023 it is increasing to £11.00 per hour (£21,222). 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.

- **Chief Executive**

The highest paid officer of the council is the chief executive. The highest pay point on this scale is currently £137,517 (April 2022).

The table below shows a number of pay ratios.

- **Pay Ratios**

	Annual Salary	Ratio to Chief Executive salary/Highest pay point	Explanation
Apprentice rate of £9.45	£18,238	1:7.54	Chief Executive pay scale highest pay point and lowest apprenticeship rate
Real Living Wage Rate of £10.90 (October 2022)	£21,028	1:6.54	Chief Executive pay scale highest pay point and real Living Wage rate of £10.90
Lowest council pay scale point (£10.60)	£20,441	1:6.73	Chief Executive pay scale highest pay point and lowest council pay scale point
Cambridge Weighting – minimum £10.00 and £11.00*	£19,294	1:7.13	Chief Executive pay scale highest pay point and £10.00 hour/£11.00* Cambridge Weighting
Median Average salary	£21,222*	1:6.48*	
	£35,411	1:3.88	Chief Executive pay scale highest pay point and current median average salary
Chief Executive Highest pay point	£137,517	-	Chief Executive's pay band highest pay point

- Increasing to £11.00 with effect from 1 April 2023.

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

These fees will be reviewed taking into account information from Government which is currently in the process of reviewing fees at the national level.

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.

March 2023