



## Pay Policy Statement 2020/21

### 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 council pay rate to £10.00 per hour.

Following the transfer of staff from Cambridge Live to the Council on 1 April 2019 under TUPE (Transfer of Undertakings (Protection of Employment) Regulations) we have two implementation dates for the Real Living Wage and two sets of employment terms and conditions. This is referred to below in the section on the real Living Wage, Cambridge Weighting and pay ratios.

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.

Post	Point 1	Point 2	Point 3	Point 4
<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. A review of senior officer salaries has been undertaken in 2019.

The outcome of this review is the recommendation that the current pay levels for the posts of Chief Executive, Director and Heads of Service remain unchanged.

The pay points within the grades are however still subject to nationally agreed pay awards with effect from 1 April 2020 and would increase in line with any nationally agreed percentage.

The Head of Human Resources will undertake a further review of the Chief Executive pay level in 2020.

The next three-year review will be in 2022

### **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. At the time of drafting this pay policy there have been no pay awards with effect from April 2020.

### **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. 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 strategic director 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.

Recruitment to posts of head of service is undertaken by the chief executive or a strategic director. 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 council's constitution in section; Part 4i, 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 Open Data, Transparency in local government, senior salaries.

This pay policy statement once approved by Full Council will be published on the Council's 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-imbursment 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 4i, 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 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 17.4% 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. Review has been undertaken 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 2019. This policy was approved by the Civic Affairs Committee on the 30 January 2019. 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).

### **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 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.

- **Apprentices**

The Council has engaged a number of apprentices in apprenticeship roles. These roles provide development opportunities and do not replace existing posts. They are outside of the Real Living Wage and Cambridge Weighting policies.

We pay apprentices in line with the National Living Wage/Minimum Wage Rates in their first year of apprenticeship.

The current lowest rate for apprenticeships is £7.70 and this pay rate has been used in the ratios.

The apprentice rates with effect from 1 April 2020 will be: for apprentices under 18 to £4.55; apprentices aged 18-20, £6.45; apprentices aged 21-24, £8.20 and for apprentices aged 25 and over, £8.72.

- **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 current lowest pay point is £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 staff engaged on Cambridge City terms and conditions of employment 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-imbusement 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 current median average salary is £29,636.

- **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.

There are currently two implementation dates for the Real Living Wage; November (for staff engaged on city council terms and conditions of employment) and April (for staff engaged on Cambridge Live terms and conditions of employment).

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.

With effect from November 2019 the Real Living Wage has increased from £9.00 per hour to £9.30 per hour.

- **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 on city council terms and conditions 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 engaged on city council equivalent posts 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.

We are currently investigating the potential for payment of the Cambridge Weighting (£10.00 per hour) to staff and agency workers engaged on Cambridge Live terms and conditions of employment.

- **Chief Executive**

The highest paid officer of the council is the chief executive, with a current salary of £130,013.

- **Pay Ratios**

	<b>Annual Salary</b>	<b>Ratio to Chief Executive salary/Highest pay point</b>	<b>Explanation</b>
Apprentice rate of £7.70	£14,855	1:8.76	The Chief Executive/Highest pay point and lowest apprenticeship rate
Real Living Wage Rate of £9.00	£17,362	1:7.49	The Chief Executive/Highest pay point and real Living Wage rate of £9.00
Lowest council pay scale point (£9.18)	£17,711	1:7.34	The Chief Executive/Highest pay point and lowest council pay scale point
Real Living Wage Rate of £9.30	£17,943	1:7.25	The Chief Executive/Highest pay point and real Living Wage rate of £9.30
Cambridge Weighting – minimum £10.00	£19,294	1:6.74	The Chief Executive/Highest pay point and £10 hour Cambridge Weighting
Median Average salary	£29,636	1:4.39	The Chief Executive/Highest pay point and current median salary
Chief Executive/Highest pay point	£130,013	-	Chief Executive's current salary and highest pay point

## **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 2020**