

**PAY POLICY STATEMENT 2017/18**

*To:* **Staffing and Appeals Committee**

*Date:* **21st March 2017**

*From:* **Chief Executive**

*Purpose:* **The purpose of this report is to review the data currently published on senior employee remuneration to ensure compliance with both the Local Government Transparency Code 2015 and Chapter 8 of the Localism Act 2011.**

*Recommendations:* **Staffing and Appeals Committee is asked to recommend that Council agree the Pay Policy Statement 2017/18 (Appendix 1) including the pay multiple.**

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## **1.0 BACKGROUND**

- 1.1 In February 2015, the Secretary of State for Communities and Local Government issued The Local Government Transparency Code 2015. The code sets out the key principles in making local authorities more transparent and accountable to local people. The Council has been proactive in its compliance with this code.
- 1.2 In addition, under the Localism Act 2011, Local Authorities are required to prepare a Chief Officer Pay Policy Statement for each financial year. This policy statement must be approved by a resolution of the authority, i.e. full Council, and is required to be published by 31 March.

## **2.0 CURRENT POSITION**

- 2.1 In accordance with the Local Government Transparency Code 2015, we publish on the Council's website:
- The names of employees paid £150,000 and above.
  - The post title, team, grade, salary range, (in £5000 brackets) and salary ceiling point for the top 3 tiers of the organisation, along with details of whether the appointments are permanent or temporary.
  - The post title, team, grade and salary range of employees earning £50,000 and above.
  - The 'pay multiple' – the ratio between the highest paid salary and the median salary of the authority's workforce (Teachers are not included).
  - Details of vacancies via the jobs portal.

## **3.0 SENIOR OFFICER PAY DATA**

The senior manager pay data is provided in **Appendix 2**.

- 3.1 There is currently one post in the organisation that is paid more than £150,000. This is the Chief Executive Gillian Beasley with a salary for 2017/2018 of £173,596. This post is shared with Peterborough City Council on a 50/50 basis therefore Cambridgeshire pay 50% of this salary.
- 3.2 There are currently 90 senior officers earning £50,000 or above. This compares to 82 senior officers that were earning £50,000 or above in 2016/2017. The figure given this year includes 5 Public Health Employees who were not included in the previous year's data.
- 3.3 The current mean salary for the organisation is £25,683 this compares to a mean salary of £24,838 in 2016.
- 3.4 The ratio of the Chief Executive's full salary to the median salary in the organisation is 1:7 based on a median salary of £23,166. The ratio in the previous year was also 1:7. The Fair Pay Review 2010 recommended that the pay ratio should be not more than 1:20. The Council falls well within this range.

## **4.0 Chief Officer Pay Policy Statement**

A copy of the Chief Officer Pay Policy Statement is provided in **Appendix 1**.

- 4.1 The Chief Officer Pay Policy Statement has been updated to reflect changes in job titles and responsibilities

Source Documents	Location
The Local Government Transparency Code 2015  Chief Officer Pay Policy Statement	Martin Cox HR Director, LGSS Cambridgeshire County Council Box No: OCT 1106 Shire Hall Cambridge CB3 0AP  MCox@Northamptonshire.gov.uk

## **Chief Officer Pay Policy Statement – 2017/2018**

**Effective 01 April 2017**

### **1. Introduction**

We are committed to operating consistent, transparent and equitable pay arrangements for employees and are committed to ensuring equal pay in employment.

This Chief Officer Pay Policy Statement fulfils the Council's statutory requirements under Chapter 8 of the Localism Act 2011 ("the Act") and was agreed by full Council on 28 March 2017.

The Chief Officer Pay Policy applies to all Statutory and Non-Statutory Chief Officers, (including Deputies), of Cambridgeshire County Council.

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.

### **2. Scope**

This Statement details the pay policy and practice in relation to all Statutory and Non-Statutory Chief Officers, (including Deputies) as defined under our constitution.

### **3. Basic Pay Determination**

The pay grade and the terms and conditions that are applied to each post are determined through the process of HAY job evaluation. This is an analytical scheme, which measures the relative size of jobs across the organisation. The key principles underlying our application of job evaluation are:

- Consistently applied across the authority to ensure fairness.
- Applied by appropriately trained and experienced employees.
- Quality assured to ensure that standards are maintained.
- Open and transparent and accessible for employees and their representatives.
- About the relative size of jobs and not about people or pay.
- Wholly dependent on job role, function and accountability.

## **4. Chief Officer Pay (Corporate Leadership Team)**

### **4.1 Pay Scale**

The pay scale for the Corporate Leadership Team is available on our website.

### **4.2 Staffing and Appeals Committee**

The Staffing and Appeals Committee determines, on behalf of full Council, application of the pay policy regarding the remuneration of Statutory and Non Statutory Chief Officers (including Deputies), of the organisation. The Staffing and Appeals Committee comprises 11 members of the Council.

When determining application of the pay policy, the Committee is advised by the Head of Paid Service and Director of HR (LGSS) (or his/her nominees). The Committee may, having sought the advice of the above, choose to be advised by an external independent advisor as appropriate.

### **4.3 Pay Award**

There is no automatic cost of living increase. The Chief Executive determines the level of increase, if any, to be applied to the published pay rates for Chief Officers, by reference to our performance against Key Measurable Targets and overall affordability given the prevailing budget decision. In addition, the national award<sup>1</sup> is used as a benchmark for the cost of living award. Any such recommendation is reported to the Staffing and Appeals Committee.

### **4.4 Flexibility for Non-Consolidated Payments**

The Staffing and Appeals Committee has the flexibility to award one off non-consolidated performance awards. These are applied in exceptional circumstances only, where individuals have performed above and beyond their job role. Again this will be dependent on clear performance criteria and evidenced outcomes as well as affordability. Any non-consolidated performance award will be a one-off temporary award for a maximum of one year and based on the development points within each Director pay grade boundaries and will not exceed the "Absolute Ceiling" of these pay and grade boundaries.

### **4.5 Individual Salary Progression**

There is no automatic progression through the development points. Personal development in role may be recognised by the award of discretionary consolidated pay movements each year, in accordance with the locally agreed step values, through the pay/development points. Application of individual development points will be determined each year by the Chief Executive, taking into consideration the individual's performance, as evidenced by the Performance Appraisal and Development Programme (PADP) rating and overall affordability given our prevailing budget position. Awards may be considered only on completion of Personal Development Plans and where contribution and competence have been suitably evidenced and assessed via the appraisal scheme. Progression will not go beyond the "Absolute Ceiling" set for each grade.

### **4.6 Acting Up / Partial Acting Up and Honorarium Payments**

Where an officer is required to Act-Up into a higher level Chief Officer/Deputy Chief Officer post he/she will normally be remunerated at the bottom of the higher graded post's development point range. The decision to Act an officer up into a Chief Officer/Deputy Chief

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<sup>1</sup> The award agreed by the National Employers to be applied to the National Joint Council (NJC) Local Government Pay Spine.

Officer post will be within the remit of the Staffing and Appeals Committee. Where a Chief Officer/Deputy Chief Officer is required to take on temporary additional responsibilities the Staffing and Appeals Committee may consider awarding an honorarium payment based on the difference of his/her current salary and the additional partial role he/she is required to carry out. There will be no flexibility to award above the "Absolute Ceiling" for the role. Any honorarium payments made to the Chief Executive will be subject to Full Council approval as would any payment made to the Returning Officer. In election years, full Council will be asked to agree any payment to be made to the Returning Officer at the same time as agreeing the Pay Policy.

#### **4.7 Market Premium Payments**

Where a business case is put forward to pay a Market premium, this will be presented to the Staffing and Appeals Committee advised by the HR Director, LGSS (or his/her nominees) and Chief Executive for consideration. Any Market premium rate would be based on a detailed business case that demonstrates some or all of the following:

- Evidence of repeated unsuccessful recruitment campaigns
- Evidence of comparable roles paid at higher levels in benchmark authorities
- Significant evidence of higher than normal turn over/attrition rates
- Significant business continuity/service delivery risks

Any Market premium rate would be temporary for a maximum period of 12 months. Market premiums would be made only in exceptional circumstances and subject to affordability. Any proposed Market premiums payments made to the Chief Executive would be subject to the above and Full Council approval.

### **5. Pay Equity – The Pay Multiple**

The Council monitors the relationship between the remuneration of its Chief Officers and Deputies and the remuneration of its lowest paid employees.

From 01 April 2017 the Council will define its 'lowest paid employees' as those paid on spinal column point 6 (SCP 6) of the National Joint Council (NJC) pay spine for Local Government Services employees.

The rate of pay applied to employees on SCP 6, as of the 01 April 2017, is £15,014. The current ratio of the Chief Executive's full salary to the median salary in the organisation is 1:8 based on a median salary of £23,166.

The Fair Pay Review 2010 recommended that the pay ratio should not be more than 1:20 - the Council falls well within this range.

The Council commits to calculating the pay ratio on an annual basis.

### **6. Termination of employment**

On ceasing to be employed by the Council, employees will be paid contractual payments due under their contract of employment. Our Redundancy Policy details the conditions under which redundancy payments can be made. We calculate redundancy payments based on an individual's actual pay, length of continuous service and age.

### **7. Review**

This pay policy statement will be reviewed annually and recommended to Full Council for approval.

We may by resolution of the Full Council, amend this Pay Policy Statement during the course of the year to which it relates.