
PAY POLICY STATEMENT 2019/20

Committee: Full Council

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[T207]

1.0 **ISSUE**

1.1 To present the Council's Pay Policy Statement 2019/20, a requirement under the Localism Act 2011.

2.0 **RECOMMENDATION**

2.1 It is recommended that Members approve and adopt the 2019/20 Pay Policy Statement.

3.0 **BACKGROUND**

3.1 The Localism Act 2011 requires the Council to prepare a Pay Policy Statement for each financial year. The Statement must be prepared and approved by the end of March each year.

3.2 The Council's Pay Policy Statement for 2019/20 is attached at Appendix 1.

3.3 The statement must include the pay and remuneration for all posts on the Council's establishment designated as 'Chief Officer' in accordance with the Local Government and Housing Act 1989 (see Section 2.3 of the Pay Policy Statement).

3.4 The Pay Policy Statement has to include:

- The level and elements of remuneration for each Chief Officer;
- The remuneration of the lowest paid employee; and
- The relationship between the remuneration of Chief Officers and other Officers.

3.5 Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and other discretionary payments.

4.0 **FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT**

4.1 The Council's Pay Policy Statement draws together existing policies relating to pay and reward and the financial implications of these policies were taken into account at the time they were established. There are no further financial implications arising from the policy proposals in this report.

4.2 An Equality Impact Assessment (EIA) is not required.

5.0 APPENDICES

5.1 Appendix 1 Draft Pay Policy Statement 2019/20

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Local Government and Housing Act 1989	Room 118	Nicole Pema
The Local Government Transparency Code (Feb 2015)	The Grange Ely	HR Manager (01353) 616325 E-mail: nicole.pema@eastcambs.gov.uk
Openness and Accountability in Local Pay: Guidance under the Localism Act 2011		

EAST CAMBRIDGESHIRE DISTRICT COUNCIL
PAY POLICY STATEMENT 2019/20

a) INTRODUCTION

- 1.1 The Localism Act 2011 (Sections 38 to 43) requires Local Authorities to produce a Pay Policy Statement for each financial year.
- 1.2 The Act and supporting statutory guidance provides details of matters that must be included in the Pay Policy Statement but also recognises that each Local Authority has the autonomy to determine its own pay structure and pay policies. The Pay Policy Statement must be formally approved by Full Council by the end of March each year (although it can be amended in-year), must be published on the Council's website and must be complied with when setting terms and conditions for Chief Officers as defined in the Act.

2. SCOPE

- 2.1 This Pay Policy Statement includes a policy on:
- a) The level and elements of remuneration for each Chief Officer;
 - b) The remuneration of the lowest paid employee;
 - c) The relationship between the remuneration of Chief Officers and other Officers; and
 - d) Other specific aspects of Chief Officer remuneration such as fees, charges and other discretionary payments.
- 2.2 Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and other discretionary payments.
- 2.3 Under the Local Government and Housing Act 1989, a 'Chief Officer' is defined as:
- The Head of Paid Service, as designated under Section 4(1);
 - The Monitoring Officer, as designated under Section 5(1);
 - A Statutory Chief Officer, as detailed in Section 2(6);
 - A Non-Statutory Chief Officer, as detailed in Section 2(7); and
 - A Deputy Chief Officer, as detailed in section 2(8).
- 2.4 At East Cambridgeshire District Council, this would apply to the following posts:
- Chief Executive
 - Director (Operations)
 - Director (Commercial)
 - Finance Manager (S.151 Officer)
 - Legal Services Manager (Monitoring Officer)

3. CHIEF OFFICER SALARIES

- 3.1 The current salary scales for the staff in 2.4 are as presented in the table below.
- 3.2 Incremental progression through the salary scale will be determined each year as part of the annual appraisal and will be dependent on the individual being awarded a rating of either 'excellent' or 'outstanding' in accordance with the Council's Performance Management Scheme.

POST	SALARY SCALE £'S*				
	MINIMUM			MAXIMUM	
Chief Executive	121,663	124,702	127,744	130,787	133,827
Director (Operations)	78,269	82,181	86,965	90,604	95,662
Director (Commercial)	78,269	82,181	86,965	90,604	95,662
Legal Services Manager (Monitoring Officer)	56,562	59,388	62,845	65,476	69,130
Finance Manager (S151 Officer)	56,562	59,388	62,845	65,476	69,130

* Figures as at 1st January 2019.

- 3.3 The salaries shown include the 2018/19 Pay Award of 2% (determined by the National Joint Council for Local Government Services). The salaries will continue to be updated each year in accordance with the agreed NJC pay award.

4. REMUNERATION OF EMPLOYEES

- 4.1 All staff below Chief Officer level are employed on terms and conditions in accordance with the NJC National Agreement on Pay and Conditions of Service (commonly known as the "Green Book"). The Council currently uses a pay spine that commences at Spinal Column Point (SCP) 6 and ends at SCP 57. The pay spine currently in use is divided into 13 pay scales, which contain various incremental points. Scale 1 is the lowest scale and Scale 13 is the highest of these pay scales. Posts are allocated to a scale through a job evaluation process. The values of the SCPs are increased by the pay award notified from time to time by the National Joint Council for Local Government Services.
- 4.2 Incremental progression through the salary scale is determined each year as part of the annual appraisal and will be dependent on the individual being awarded a rating of either 'excellent' or 'outstanding' in accordance with the Council's Performance Management Scheme.
- 4.3 For the purposes of this Pay Statement, "Green Book" employees on Scale 1 are defined as our lowest paid employees as there are no employees of the Council paid at a SCP that is lower than a point contained in Scale 1. The bottom of Scale 1 is currently SCP 6 and the top is SCP 11. At 1st April 2018 (following the

implementation of the pay award), the full-time equivalent (FTE) annual values of these two SCPs were £16,394 (SCP 6) and £17,007 (SCP 11).

- 4.4 The Council will continue to meet or exceed the National Living Wage which will increase to £8.21 per hour from 1st April 2019. The lowest point on the Council's pay scale (SCP 6) currently equates to £8.50 per hour and this will increase with the April 2019 pay award to £9.00 per hour.

5. ENGAGEMENT OF WORKERS THROUGH INTERMEDIARIES

- 5.1 Where individuals are working for the Council through an intermediary such as their own limited company or a consultancy firm, or an employment agency, and are working in the same way as our own employees, the payer will be liable to pay associated income tax and National Insurance Contributions (NICs). Genuinely self-employed workers will not be covered by this requirement (commonly known as IR35) and will continue to make their own assessment and payment arrangements for income tax and NICs.

6. TERMS AND CONDITIONS OF EMPLOYMENT

- 6.1 The terms and conditions of employment for the Chief Executive is in accordance with the Joint Negotiating Committee for Chief Executives, Scheme of Conditions of Service and as varied by local agreement.
- 6.2 The terms and conditions of employment for the two Directors are in accordance with the Joint Negotiating Committee for Chief Officers, Scheme of Conditions of Service as varied by local agreement.
- 6.3 The terms and conditions of employment for all other staff (including the remaining posts set out in 2.4) are in accordance with the National Joint Council for Local Government Services as varied by local agreement.
- 6.4 The Chief Executive (Head of Paid Service), Legal Services Manager (Monitoring Officer) and Finance Manager (S.151 Officer) occupy statutory positions and specific rules on termination apply (as set out in the respective Scheme of Conditions of Service Handbook).

7. REMUNERATION ON APPOINTMENT AND RE-EMPLOYMENT

- 7.1 Recruitment of Chief Executive and 'Chief Officer' (as defined by the Localism Act) posts are as set out in the Council's Constitution Part 4, Section 6, Officer Employment Procedure Rules.
- 7.2 The starting salary of all newly appointed officers will be in accordance with the principles set out in the Council's Recruitment and Selection Policy and Handbook designed to avoid inequality.

8. BONUSES AND OTHER ADDITIONAL PAYMENTS/ALLOWANCES/BENEFITS PAYABLE TO CHIEF OFFICERS

- 8.1 There are currently no bonus payments in place.

- 8.2 The Chief Executive receives:
- a) An Acting-up Allowance of £2,409 per month in recognition of the additional responsibility he is undertaking as Joint Acting Chief Executive for the Cambridgeshire and Peterborough Combined Authority (CPCA). These costs are being met by the Combined Authority.
 - b) An employer contribution to the provision of a leased car of £6,292 per annum. This scheme is now closed to staff.
 - c) BUPA membership at a cost to the authority of £810 per annum. This scheme is now closed to staff.
- 8.3 The Director (Operations) receives:
- a) An Additional Responsibility Allowance of £797 per month in recognition of the additional duties arising from the temporary/part time secondment of the Chief Executive to the Cambridgeshire and Peterborough Combined Authority (CPCA).
 - b) A payment of £3,553 per annum for being an emergency pager holder.
- 8.4 The Director (Commercial) receives:
- a) An Acting-up Allowance of £725 per month in recognition of the additional responsibility she is undertaking as Project Director for the Cambridgeshire and Peterborough Combined Authority. These costs are being met by the Combined Authority.
- 8.5 The other eligible allowances and expenses payable to the posts set out in paragraph 2.4 of this statement are as set out:
- Professional subscriptions
 - Childcare (as per the Council's Childcare policy)
 - Relocation Scheme (where applicable for new staff)
- 8.6 The Council will meet or reimburse authorised (nationally determined) travel, accommodation and subsistence expenses for attendance away from the normal place of work on approved Council business. The Council does not regard such expenses as remuneration but as non-pay operational expenses. The same approach applies to legitimate Health and Safety reimbursements.

9. PENSION CONTRIBUTIONS

- 9.1 All staff who are members of the Local Government Pension Scheme make individual contributions to the scheme in accordance with the following table. The employee contribution tables for 2018/19 are shown below.

Contribution table 2018/19			
Band	Actual pensionable pay for an employment	Contribution rate for that employment	
		Main section	50/50 section
1	Up to £14,100	5.5%	2.75%
2	£14,101 to £22,000	5.8%	2.9%
3	£22,001 to £35,700	6.5%	3.25%
4	£35,701 to £45,200	6.8%	3.4%
5	£45,201 to £63,100	8.5%	4.25%
6	£63,101 to £89,400	9.9%	4.95%
7	£89,401 to £105,200	10.5%	5.25%
8	£105,201 to £157,800	11.4%	5.7%
9	£157,801 or more	12.5%	6.25%

9.2 The Council makes employer's contributions into the scheme, which are reviewed by the actuary. The rate with effect from 1st April 2019 will remain at 17.2%.

9.3 The Council's discretions on pension enhancements are set out in the approved Pensions Discretion Statement.

10. PAYMENT UPON TERMINATION OF EMPLOYMENT

10.1 Senior management who cease to hold office or be employed by the Council will receive payments calculated using the same principles as any other employee, based on entitlement within their contract of employment, their general terms and conditions and existing policies (e.g. Redundancy Policy).

10.2 Redundancy payments are calculated in accordance with the statutory scheme based on actual contractual weekly pay.

10.3 Where there is a business case for doing so, the Council (and/or as delegated) may approve to exceed the level of statutory payments (redundancy) (and pension enhancements) to enable longer-term savings, thereby seeking to achieve best value for the Council.

10.4 Any termination or severance payment (in the interests of efficiency of the service or on grounds of redundancy) will be made in accordance with the statutory terms under the Local Government Pension Scheme (LGPS) or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as applicable.

11. RELATIONSHIP BETWEEN HIGHEST AND LOWEST GRADE OF STAFF

- 11.1 The lowest paid grade for East Cambridgeshire District Council is Scale 1 of the National pay structure. The pay range for Scale 1 is currently £16,394 - £17,007 per annum. The highest paid post is that of Chief Executive with a pay scale of £121,663 - £133,827 per annum.
- 11.2 The ratio between the highest grade and lowest grade at the scale minimum pay point is 1:7.4 and at the scale maximum pay point is 1:7.9. Ratios are based on base salary and do not include other payments.
- 11.3 The Council does not have a specific policy on pay ratios between the highest and lowest graded posts, but will continue to monitor the ratio each year within the Pay Policy Statement.

12. ELECTION FEES

- 12.1 The Returning Officer has overall responsibility for the conduct of elections.
- 12.2 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 Returning Officer is one of a personal nature and is separate and distinct from their duties as an employee of the Council.
- 12.3 Election fees are paid for electoral duties and are separate and additional to basic salary.
- 12.4 The Chief Executive is the Council's Returning Officer.
- 12.5 The fees for local elections are set on a countywide basis through the Association of Electoral Administrators, Cambridgeshire Group.
- 12.6 The fees for all other elections are set by the Electoral Commission.
- 12.7 Other officers, including some of the posts set out in paragraph 2, may receive additional payments for specific election duties.
- 12.8 Only fees for District Council elections are met by this Council.

13. DISCLOSURE

- 13.1 This Pay Policy Statement will be published annually by 31st March and made available on the Council's website. The Council already publishes details of all staff paid above £50,000 on the Council's website.

14. REVIEW

- 14.1 The Pay Policy Statement will be updated annually as required by the Localism Act.