

Pay Policy Statement 2019-2020

1. Definition and Scope

This Pay Policy Statement sets out the Councils' policies towards a range of issues relating to the pay of the workforce, in particular Chief Officers, Assistant Chief Officers and the lowest paid staff.

In accordance with the requirements of the Localism Act 2011, the Pay Policy Statement will be agreed by the Council for each financial year and will be published on the Councils' website. This statement can be amended during the financial year, providing any changes are approved by Full Council.

All decisions on pay and reward for Chief Officers and Deputy Chief Officers will comply with this Pay Policy Statement.

Cherwell District Council have commenced some joint working arrangements at the Chief Officer level with Oxfordshire County Council and further joint working arrangements are to be explored. Councillors of Cherwell District Council and Oxfordshire County Council will be given the opportunity to vote before salary packages are offered in respect of any new appointment to a joint role where the annual salary package is £100,000 or over. In the event that the relevant post is not joint with Oxfordshire County Council the Councillors of Cherwell District Council will be given this opportunity.

"Chief Officers" is defined as the Chief Executive Officer and all Directors. Deputy Chief Officers are officers who report to a Chief Officer other than in a purely administrative role.

This comprises:

Role	Grade
Chief Executive (Head of Paid Service)* ^	CEX
Chief Operating Officer (Deputy CEO)	Executive Director
Executive Director – Finance (Interim) ^	Executive Director
Executive Director – Place & Growth (Interim)	Executive Director
Executive Director – Law & Governance (Interim)** ^	Executive Director
Director – Customers and Service Development *	Director
Assistant Director – HR, OD and Payroll	Assistant Director – Level 1
Assistant Director – Performance and Transformation	Assistant Director – Level 1
Assistant Director – Wellbeing	Assistant Director – Level 1
Assistant Director – Property, Investment and Contract Management	Assistant Director – Level 2
Assistant Director – Planning and Economy	Assistant Director – Level 2

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Assistant Director – Regulatory Services and Community Safety **	Assistant Director – Level 2
Assistant Director – Environmental Services	Assistant Director – Level 2
Assistant Director – Social Care Commissioning and Housing *	Assistant Director – Level 2

* Salary cost for post and duties required of post are shared with Oxfordshire County Council

** Post holder is employed/engaged by Oxfordshire County Council but works across both authorities.

^ Statutory appointments which the Councils' are required to have in the interests of effective corporate governance.

It should be noted that the organisations are currently implementing a senior management restructure, several of the chief officer or assistant chief officer posts are vacant and therefore the detail above may change during 2019/2020.

At a time when the Councils and the wider economy are facing financial pressure and uncertainty, it is understandable that there are high levels of interest in, and scrutiny of, the Council's senior management pay and reward structures.

In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive (and being seen as such).

2. Determination of pay levels

Following a job evaluation and benchmarking exercise, conducted under the Hay Group Job Evaluation Scheme ('Hay Scheme') in 2017 and completed as part of a senior management restructure, the Councils formally adopted a salary scale for Chief Officers. The 'Hay Scheme' is a systematic process for ranking jobs logically and fairly by comparing job against job or against a pre-determined scale to determine the relative importance of jobs to an organisation. The salary scale for the Councils' Chief Officers is published on our websites.

The salary scale for the Chief Executive post was considered when recruitment was undertaken in 2017.

Any subsequent new posts will be evaluated using the Hay Scheme and paid in accordance with the published salary scale.

3. Determination of individual pay levels within grade

(a) On appointment

The Chief Executive and other Chief Officers are appointed to a salary within a range as below. The Chief Executive post has been further reviewed in 2018 due to the joint working arrangement with Oxfordshire County Council. Salary costs for this role are shared between the two authorities.

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Table 1: Chief Officers' Pay Structure

Chief Executive	CEX	£137,919
Executive Director	ED6	£94,852
	ED7	£96,959
	ED8	£100,121
	ED9	£104,838
Director	ED1	£83,626
	ED2	£84,720
	ED3	£85,813
	ED4	£86,907
	ED5	£88,001

Assistant Director - Level 2	AD6	£75,479
	AD7	£76,573
	AD8	£77,667
	AD9	£78,761
	AD10	£79,855
Assistant Director - Level 1	AD1	£66,728
	AD2	£67,822
	AD3	£68,916
	AD4	£70,010
	AD5	£71,104

For Chief Officers the point at which officers are appointed to the scale is determined by the Appointments and Personnel Committee when the offer is made. Factors taken into account are:

- Skills and experience
- Current salary
- Market factors

Where the conditions of the scheme are met, new appointments may also access financial support for relocation up to the amount specified within the policy which is published on the Councils' website.

The Council does not currently operate a system of 'earn-back' pay for Chief (or Deputy Chief) Officers, where an element of their pay is 'at risk' and has to be earned back each year through meeting pre-agreed objectives.

(b) Progression through the pay scales

The Chief Executive is employed on a pay scale where progression is subject to increased effectiveness and performance as agreed by the Appointments and Personnel Committee. The salary is also subject to pay awards as agreed by the Appointments and Personnel Committee.

Progression through the Chief Officer pay scale each year for Executive Directors, Directors and Assistant Directors is subject to the overall organisation objectives being met as detailed within the

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corporate plans and subject to there being no individual performance issues. In the latter case incremental progression can be withheld pending improvement. For individuals who perform exceptionally well there is discretion to accelerate progression within the scale. This discretion is delegated to the Chief Executive in consultation with the Leaders of the Councils. In the event that organisational objectives are not met there is no incremental progression.

(c) Additional pay

Bonus/performance related pay

Chief Officers do not receive any bonus payments or performance related pay.

Cost of living pay awards (annual)

The Councils conduct their own local annual pay negotiations with Unison to determine whether an annual cost of living pay award will be applied and what the value/terms may be.

The Councils' Chief Officers are not subject to these arrangements. Chief Officers' cost of living pay awards are considered separately by the Appointments and Personnel Committee annually following settlement or decision (as appropriate) in relation to the cost of living pay award's for mainstream staff and takes into account a range of factors including national agreements, local agreements, the economy, affordability and so on. This approach ensures that any cost of living pay award for Chief Officers is set in the context of the annual cost of living pay award for mainstream staff of the organisation.

Returning Officer fees

The Chief Executive is also appointed by Cherwell District Council as their Returning Officer. This is a separate appointment to the Chief Executive's substantive employment.

The Returning Officer's fee is paid separately from and in addition to the Chief Executive's salary. The Returning Officer's fee is set by the Council for district and parish elections but determined either by central government or another determining body e.g. the County Council, European Parliament or Electoral Commission for other elections.

Elections fees

Election duties performed by Chief Officers' are separate to their substantive employment by the Council and are paid separately from their salary at levels determined by Returning Officer. This reflects the very significant additional duties undertaken by staff volunteering to carry out election duties over and above their normal contractual council responsibilities. Such staff are employed by the Returning Officer and not the Council for these duties. In setting fee levels, the Returning Officer takes into account a range of factors, including levels of responsibility and expertise required.

4. When employment ends

A Chief Officer who ceases employment with the Council may be entitled to a severance payment if they are being dismissed either on grounds of redundancy or in the interests of the efficient exercise of the Councils' functions. The procedure applicable in these circumstances is governed by the Councils' Organisational Change Policy.

The Councils' Pensions Discretion Policy sets out the discretions which the Council are able to exercise in the case of Chief Officers (and all other employees). The procedure for approving the application of any pension discretion is contained within this policy.

The Pensions Discretion Policies of the Council make clear that the abatement provisions of the Local Government Pension scheme will apply if an employee, who is in receipt of a LGPS pension, is re-employed by the Council at a rate that results in their new pay plus pension being higher than the pay in the job from which they retired.

Officers who have received a redundancy payment and/or early access to their pension may only be re-employed by the Council on an exception basis, for a specific purpose and explicit agreement of the Chief Executive in consultation with the Leader of the Council, must be given.

5. Terms and conditions of employment

The Chief Executive's terms and conditions of employment are agreed locally taking into account a number of factors including national and market context.

All other Chief Officers' terms and conditions of employment are also agreed locally. These may be amended from time to time by the Councils and agreements made with the Appointments and Personnel Committee and employee representative bodies.

6. Remuneration of the lowest paid employees

The remuneration of the lowest-paid employees at Cherwell District Council changed with effect from 1 April 2018. The grading structure of lower level officers runs from Grade A to M. All roles are initially evaluated using the Greater London Provincial Council Job Evaluation Scheme ('GLPC Scheme'). Where roles are evaluated using the GLPC scheme and score 560 points or more they are then evaluated using the Hay evaluation scheme. Grades A to I are based on GLPC points only and grades J to M are based on Hay points. The aim of both schemes is to operate grading arrangements based on principles of fairness, transparency, and consistency.

The following roles are jointly funded between Cherwell District Council and Oxfordshire County Council.

- Chief Executive (Head of Paid Service)
- Monitoring Officer
- Assistant Chief Executive / Director of Customer and Service Development

The relationship between the remuneration of Chief Officers and other officers

The Pay Policy Statement provides transparency as to senior officer salaries. For the above posts, the funding for those salaries is shared with Oxfordshire County Council pursuant to the partnership arrangements and the agreed costs sharing principles set out in the Section 113 Agreement.

In the Pay Policy Statement the pay multiple calculation between the lowest paid salary and the highest paid officer reflects the Cherwell District Council contribution to that salary and, for ease of reference, is set out immediately below.

	2019/20
Highest Paid	£104,800
Lowest Paid	£15,637
Pay Multiple between lowest paid & highest	1:6.7
Median Salary	£39,983
Pay Multiple between median & highest paid	1:2.62

Although the highest salary is that of the Chief Executive, the role that is paid the most is an Executive Director role. The Chief Executive role is shared across Cherwell District Council and Oxfordshire County Council therefore costs are split between the authorities and Cherwell does not incur 100% of this cost. The highest paid amount in the table relates to an Executive Director role which is not shared.

(a) National living wage

With the exception of Apprentices Cherwell District Council will be compliant with the national living wage.

7. Relationship between the remuneration of the Councils' Chief Officers and other Officers

The Councils' policies in respect of Chief Officer pay and other mainstream employees vary only in the application of allowances for additional working hours.

Chief Officers are expected to work the number of hours required to properly perform their duties including out of hours and emergency cover. No additional allowances are paid in respect of these duties.

Chief Officers' incremental progression is dependent on achievement of corporate objectives and individual performance and may be withheld or accelerated on this basis.