

## Pay Policy Statement 2020-2021

### 1. Definition and Scope

This Pay Policy Statement sets out the Council’s 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 Council’s 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 (CDC) have commenced some joint working arrangements at the Chief Officer and Assistant Chief Officer level with Oxfordshire County Council (OCC) and further joint working arrangements are to be explored. Councillors of CDC and OCC 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 more. In the event that the relevant post is not joint with OCC the Councillors of CDC 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:

<b>Role</b>	<b>Joint/Sole</b>	<b>Grade</b>
Chief Executive (Head of Paid Service) * ^	Joint	CEX
Corporate Director – Customers and Organisational Development *	Joint	ED 6-9
Director of Finance * ^ This post holder is employed by Oxfordshire County Council but works across both authorities	Joint	OCC Grade
Corporate Director - Communities* This post holder is employed by Oxfordshire County Council but works across both authorities	Joint	OCC Grade
Director - Law and Governance*^ This post holder is employed by Oxfordshire County Council but works across both authorities	Joint	OCC Grade
Corporate Director – Commercial Development, Investment and Assets *	Joint	OCC Grade
Corporate Director - Public Health and Wellbeing	Joint	OCC Grade
Corporate Director – Adults & Housing Services	Joint	OCC Grade

Date: February 2020

Corporate Director – Children’s Services	County Council Director	OCC Grade
Corporate Director - Place and Growth *	Joint	ED 6-9
Director of HR * Salary costs for roles which are shared are funded jointly between Cherwell and Oxfordshire County Council	Joint	AD
Director - Customers and Cultural Services * Salary costs for roles which are shared are funded jointly between Cherwell District and Oxfordshire County Council	Joint	AD
Director - Digital and IT * Salary costs for roles which are shared are funded jointly between Cherwell and Oxfordshire County Council	Joint	OCC Grade
Director - Communications, Strategy and Insight * Salary costs for roles which are shared are funded jointly between Cherwell and Oxfordshire County Council	Joint	OCC Grade
Assistant Director – Social Care Commissioning and Housing *	Joint	AD
Assistant Director – Regulatory Services *	Joint	OCC Grade
Assistant Director – Wellbeing	Sole	AD
Assistant Director – Planning and Development	Sole	AD
Assistant Director - Growth and Economy	Sole	AD
Assistant Director – Environmental Services	Sole	AD
Assistant Director of Finance (Interim)	Sole	AD
Assistant Director – Property, Investment and Contract Management	Sole	AD

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

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

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, CDC 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

Date: February 2020

scale to determine the relative importance of jobs to an organisation. The salary scale for the Council's 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 CDC 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

For CDC appointments only (excluding roles that are shared with OCC), the Chief Executive and other Chief Officers are appointed to a salary within a range as below.

Table 1: Chief Officers' Pay Structure

<b>Chief Executive</b>	CEX	£150,930
<b>Executive Director</b>	ED6	£94,852
	ED7	£96,959
	ED8	£100,121
	ED9	£104,838
<b>Director</b>	ED1	£83,626
	ED2	£84,720
	ED3	£85,813
	ED4	£86,907
	ED5	£88,001

<b>Assistant Director - Level 2</b>	AD6	£75,479
	AD7	£76,573
	AD8	£77,667
	AD9	£78,761
	AD10	£79,855
<b>Assistant Director - Level 1</b>	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 Joint Shared Services Personnel Committee when the offer is made. Factors taken into account are:

- Skills and experience
- Current salary
- Market factors

Date: February 2020

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 Council's 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 Joint Shared Services 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 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 Council conducts 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 Council's Chief Officers are not subject to these arrangements. Chief Officers' cost of living pay awards are considered separately by the Joint Shared Services Personnel Committee annually following settlement or decision (as appropriate) in relation to the cost of living pay awards 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.

##### **Staff Working in Joint Roles**

Where CDC staff are working in joint roles and there is a material change to the working arrangements of the post holder, an allowance may be paid. A material change might include the requirement for the post holder to have a significant presence at a partner organisation.

Where these joint working arrangements cease, the payment of the allowance will be reviewed accordingly.

It would be expected that the partner organisation would contribute to the post holder's salary in an appropriate proportion.

Date: February 2020

CDC will never be in a position where its salary contribution to a joint role is greater than the remuneration that the role would be paid as a sole CDC post.

### **Returning Officer fees**

The Chief Executive is also appointed by CDC 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.

### **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 the 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 Council's functions. The procedure applicable in these circumstances is governed by the Council's Organisational Change Policy.

The Council's 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 Policy 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 Council and agreements made with the Appointments and Personnel Committee or Joint Shared Services Personnel Committee and employee representative bodies.

## **6. Remuneration of the lowest paid employees**

Date: February 2020

The remuneration of the lowest-paid employees at CDC changed with effect from 1 April 2019. 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 relationship between the remuneration of Chief Officers and other officers**

The Pay Policy Statement provides transparency as to senior officer salaries. For the shared posts identified earlier in this statement, the funding for those salaries is shared with OCC 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 CDC salary and, for ease of reference, is set out immediately below.

### **7. Pay Multiples and Medians as of 1<sup>st</sup> January 2020**

Bearing in mind the above-mentioned shared pay arrangements for senior managers, the following tables show the pay multiples and medians of all salaries paid by the council first in Table 1 **excluding** and in Table 2 **including** the jointly funded posts.

**Table 1:** Data based on salaries **only** paid by CDC

Pay Multiples <b>excluding</b> the jointly funded Chief Executive post	2020/21
Highest Paid	£104,838
Lowest Paid	£16,012
Pay Multiple between the lowest paid and the highest paid	1:6.5
MedianSalary	£45,287
Pay Multiple between median and highest paid	1:2.3

Date: February 2020

**Table 2:** Data based on salaries **including** the jointly paid Chief Executive

Pay Multiples <b>including</b> the jointly funded Chief Executive post	2020/21
Highest Paid	£194,560
Lowest Paid	£16,012
Pay Multiple between the lowest paid and the highest paid	1:12.1
MedianSalary	£45,287
Pay Multiple between median and highest paid	1:4.3

NB - The highest paid figure in **Table 1** of this report relates to the highest paid salary of a sole employee of CDC.

The highest paid figure in **Table 2** of this report relates to the jointly funded salary of the Chief Executive. At the time of writing, the post holder is working in a joint arrangement with Oxfordshire County Council and receives an allowance for this activity. Furthermore, OCC jointly funds the salary of the Chief Executive and other shared roles. Therefore, currently the cost to CDC is less than £194,560 with the Council's contribution to the Chief Executive's salary being £60,313 and the rest funded by OCC.

#### **(a) National living wage**

With the exception of Apprentices, CDC will be compliant with the national living wage.

### **8. 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.

Date: February 2020

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

Date: February 2020