



*Cherwell*

DISTRICT COUNCIL  
NORTH OXFORDSHIRE

## **Cherwell District Council Pay Policy Statement**

This policy statement will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective. It is effective from 1<sup>st</sup> April 2021

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## 1. Introduction, Overview and Purpose

Under Section 112 of the Local Government Act 1992, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38-43 of the Localism Act 2011 and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013 and guidance issued under the Local Government Transparency Code 2015.

The purpose of this statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees, excluding employees working in alternative service delivery models.

Thus, this statement details the methods by which salaries for all roles are determined, and the detail and the level of remuneration of its most senior employees. This statement will be published on the Council’s public website and will be available in other formats upon request.

Procedural and approval requirements set down in the Council’s Constitution will be applied as required.

In determining the pay and remuneration of all its employees, the Council takes account of the need to ensure value for money in respect of the use of public expenditure.

The Council also aims to develop and implement reward systems and structures which meet the following requirements.

- Allow the Council to recruit and retain high calibre employees to provide high quality services
- Maintain levels of pay which are in line with the Council’s financial policies and provide value for money
- Are open, transparent and accountable
- Are fair and consistent

Once approved, this policy statement will come into effect on the 1<sup>st</sup> April 2021 superseding the 2020/21 statement and will continue to be reviewed on an annual basis.

## 2. Definitions

To support the transparency of the Pay Policy Statement, below are definitions for common words/phrases that are used throughout.

## 2.1. Remuneration

For the purposes of this statement remuneration includes three elements – basic salary, pension and all other allowances arising from employment.

## 2.2. Chief Officers

The definition of Chief Officers is defined as the officer designated as the Head of the Authority's Paid Service; a statutory chief officer – which under the Local Government and Housing Act 1989 means the Section 151 Officer and Monitoring Officer.

The definition of a non-statutory officer which under section 2 (7) of the 1989 Act means direct reports of the Head of Paid Service (HOPS), a person for whom the HOPS is directly responsible; a person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to the HOPS; and any person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority.

In the case of the Council these posts are:

- Chief Executive (Head of Paid Service)

### Statutory Chief Officers

- Director of Finance and Section 151 Officer
- Director of Law and Governance and Monitoring Officer

### Non-Statutory Chief Officers

- Corporate Director of Customers, Organisational Development and Resources
- Corporate Director of Commercial Development, Assets and Investment
- Corporate Director of Environment and Place
- Corporate Director of Adult Services and Housing
- Corporate Director of Public Health and Wellbeing

## 2.3. Lowest Paid Employees

According to the pay scales, the lowest pay that employees receive is on Grade 1, Spinal Point 1 which is the lowest standard pay point. The salary on this grade is currently payable to staff carrying out cleaning roles. Lowest paid employees exclude apprentices due to their trainee status and exclude staff who may have transferred into the Council under TUPE protected rates.

## 2.4. Pay Multiples

The pay multiples is the relationship between two different pay amounts, showing the number of times one value is contained within another value. The relationships will be shown between:

- the highest paid taxable earnings (including base salary, variable pay, bonuses, allowances and cash value of any benefits in kind) and the lowest paid taxable earnings.
- the highest paid taxable earnings (including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind) and the median earnings figure of the whole workforce.
- the average median salary of Chief Officers and the median earnings figure of the whole workforce.

## 3. Pay Strategy

We undertake a comprehensive review of the remuneration of all staff each year, taking into consideration hourly pay rates and other significant benefits such as annual leave above the statutory requirements, employer pension contributions and training and development. We believe that taking a holistic view to remuneration ensures that our staff are rewarded fairly and encourages us all to think of total reward packages rather than a single component such as base pay.

When annual leave above the statutory minimum requirements and employer pensions contributions are added to our lowest pay rates, the hourly rate equates to £10.07 this is currently 5.66% above the UK Living Wage of £9.50 (2020/2021).

## 4. Pay Design

There is a single pay scale in operation at CDC. This was developed in 2018 by external reward specialists as part of a harmonisation process and in conjunction with a review of the job evaluation schemes in use. The harmonisation process was subject to a full consultation process with the trade unions.

The Council ensures that all pay arrangements can be objectively justified through the use of Job Evaluation methods. These are:

- GLPC scheme for roles that score under 560 points when evaluated.
- Roles that score 560 points and above are subject to HAY evaluation.
- All roles within the Council were subject to external review in 2018 when the Council undertook the harmonisation of pay, terms and conditions.

Grading structures for all groups of employees are implemented in line with agreed published pay scales and agreed relevant local terms and conditions of employment where applicable.

## 5. Joint Working

All Chief Officer, Statutory Chief Officers, non-statutory Chief Officers and many Deputy Chief Officer appointments are shared appointments with Oxfordshire County Council. Cherwell District Council and Oxfordshire County Council have been joint working since 1<sup>st</sup> October 2018.

## 6. Appointments

The Joint Shared Services and Personnel Committee (JSSPC) is the appointing body for shared statutory appointments to the roles of Head of Paid Service, the Monitoring Officer and the s151 Officer with recommendations to full council. If a role is exclusive to Cherwell District Council, the Personnel Committee (PC) is the appointing body for the Head of Paid Service, the Monitoring Officer and the s151 Officer with recommendations to full council.

The JSSPC is the appointing body for shared non-statutory Chief Officers. If a role is exclusive to Cherwell District Council, the appointing body will be the PC.

Post	Regulatory Description	Appointment under Constitution
Head of Paid Service	Head of Paid Service	JSSPC or PC
Corporate Director of Adults and Housing	Non -Statutory Chief Officer	JSSPC
Corporate Director of Public Health and Wellbeing	Non- Statutory Chief Officer	JSSPC
(s151 Officer) Director of Finance	Statutory Chief Officer	JSSPC or PC
Monitoring Officer	Statutory Chief Officer	JSSPC or PC
Corporate Director Customers, Organisational Development and Resources	Non-statutory Chief Officer	JSSPC or PC
Corporate Director of Commercial Development, Assets and	Non-statutory Chief Officer	JSSPC or PC

Investment		
Corporate Director of Environment and Place	Non-statutory Chief Officer	JSSPC or PC

It still remains that the Executive consultation procedure would be utilised as required by regulations for Chief Officer posts.

Any pay or grading changes for Cherwell only Chief Officers are considered and, if agreed, approved by the PC.

Salary packages for new posts in excess of £100,000 per annum will be subject to formal approval by the PC.

## 7. Pay Structures

### 7.1. Pay Grades and Progression

Most jobs have a grade with at least four and a maximum of five incremental points. When an employee is appointed to a new role it is typically at the bottom of the grade, unless they have significant experience in a similar role.

Annually and usually with effect from 1<sup>st</sup> April, pay awards are implemented following local negotiation with the trade unions and are broadly in line with national recommendations.

Employees also progress to the next incremental point within their pay scale subject to completion of satisfactory probation periods. This system recognises their increasing experience and performance progression continues until they reach the top of the grade.

High levels of performance are expected from all employees and where standards are non-satisfactory prompt managerial action will be taken to improve performance. This may include disciplinary/capability action in accordance with agreed procedures.

### 7.2. Pay Supplements

From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract where specific circumstances require this and where it can be justified in accordance with Council policies. The Council uses the following:

- Market Supplements in order to attract and retain employees with particular experience, skills and capacity, for example when there are skills shortages locally or nationally. Market supplements must be agreed by the relevant Corporate Director, Director of Finance and the Director of Human Resources.

- Honoraria are paid where an employee has taken on additional duties and responsibilities for a defined period, for example covering a vacancy due to maternity leave or other staff absence.

The Council will ensure that the requirement for additional allowances or supplements is objectively justified by reference to clear and transparent evidence and where market supplements are considered, that this is with reference to data available from within and outside the Local Government sector.

Pay Supplements are subject to reviews as appropriate

## **8. Other Employment Related Arrangements**

### **8.1. Local Government Pension Scheme (LGPS)**

Subject to qualifying conditions, employees have a right to belong to the LGPS.

The Employee contribution rates which are defined by statute, currently range between 5.5% and 12.5% of pensionable pay depending on actual salary levels.

The Employer contribution rates are set by actuaries and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current average rate is 15.9%.

The Council will not at any time augment the pension or membership of employees nor award or fund additional pension to employees unless required to do so by the LGPS Regulations.

### **8.2. Benefits Schemes**

As part of the Reward Strategy to recruit and retain high calibre employees, the Council provides a wide range of benefits including the Cycle Scheme and Childcare Voucher salary sacrifice schemes.

A full review of the benefits offered by the council is continuing in 2021.

### **8.3. Expenses**

Subsistence and out of pocket expenses are based on national joint council rates. Car mileage is based on the HM Revenue & Customs approved rate, currently 45 pence per mile falling to 25 pence, for miles travelled in excess of 10,000 per annum.



## 9. Pay Arrangements for Senior Management

All Chief Officer, Statutory Chief Officers, Non-Statutory Chief Officers and many Deputy Chief Officer appointments are shared appointments with Oxfordshire County Council. Cherwell District Council and Oxfordshire County Council have been joint working since 1<sup>st</sup> October 2018. The funding for these salaries is shared between both authorities and is pursuant to the partnership arrangements and the agreed costs sharing principles set out in the Section 113 Agreement.

The following roles are jointly funded roles as at 1<sup>st</sup> April 2021:

### 9.1. Statutory and non-statutory Chief Officers

- The Chief Executive (Head of Paid Service)
- Director of Law and Governance (Monitoring Officer)
- Director of Finance (s151 Officer)
- Corporate Director of Customers, Organisational Change and Resources
- Corporate Director of Commercial Development, Assets and Investment
- Corporate Director of Environment and Place
- Corporate Director of Adults and Housing
- Corporate Director of Public Health and Wellbeing

The Council does not apply any bonuses or performance related pay to its Chief Officers.

Where Officers receive fees for undertaking elections duties, these will be shown separately to salary. Election fees are reviewed by the Returning Officer.

## 10. Pay Multiples and Medians as at 1<sup>st</sup> January 2021

Cherwell District Council is required to report on the pay multiples between its lowest and highest paid members of staff.

**Table 1** The Chief Executive is a joint role with Oxfordshire County Council. The table below details the salary contribution made by Cherwell District Council.

Role	Joint Salary for OCC and CDC	Cherwell District Council contribution
Joint Chief Executive Officer	£199,910	£77,965

**Table 2** shows the ratio between the lowest paid and the highest paid and the ratio between the median salary of the workforce and the highest paid. **The highest paid salary in table 2 is the joint salary which is funded by both councils.**

Pay Multiples including the <u>jointly funded</u> Chief Executive salary with Oxfordshire County Council	2020
Highest Paid - <u>Joint</u> Chief Executive (Cherwell District Council and Oxfordshire County Council)	£199,910
Lowest Paid	£16,452
Pay Multiple between the lowest paid and the highest paid	1:12
Median Salary	£49,261
Pay Multiple between median and highest paid	1:4.

**Table 3** shows the ratio between the median salary of the workforce and the average salary of its Chief Officers all of which are joint roles with Oxfordshire County Council and are jointly funded.

Pay Multiples using the average salary of Chief Officers all of which are <u>jointly funded</u> with Oxfordshire County Council	2020
Average Salary of Chief Officers	£143,667
Lowest Paid	£16,452
Pay Multiple between the lowest paid and the Average Salary of Chief Officers	1:9
Median Salary	£49,261
Pay Multiple between Median salary and Average salary of Chief Officers	1:3

## 11. Payments on Termination of Employment

The Cherwell District Council Redundancy Scheme applies to all employees and is one week's statutory entitlement based on actual pay for employees under the

age of 41 years and one and half week's statutory entitlement based on actual pay for those aged 41 years and above where redundancy payments are due.

All employees who have received a redundancy payment in relation to the termination of their contracts of employment will be subject to the provisions of the Redundancy Modification Order and will be subject to Local Government Pension Scheme (LGPS) Regulations.

Where severance payments are appropriate such payments will be approved by the Director of Law and Governance and the Director of Finance and will be the subject of a Settlement Agreement for the purpose of compromising any compensation for which the Council may otherwise be legally liable. Severance payments will be discussed with legal advisors and a 'Best Value' note obtained based on the merits of the individual case.

The Council is subject to and will comply with The Small Business, Enterprise and Employment Act 2015, as amended by the Enterprise Act 2016, whereby HM Treasury has made regulations implementing a £95,000 cap on exit payments made to staff leaving the employment of the Council.

At the time of writing, the necessary changes to the Local Government Pension Scheme (LGPS) have not been made in time to align with the Exit Cap Regulations, as those changes are currently the subject to the Ministry of Housing, Communities and Local Government consultation on further exit pay reforms in the local government sector. The consultation on these proposals did not close until 9 November 2020, and the associated consultation on the proposed implementing legislation did not close until 18 December 2020. It is anticipated that it will not be until January or February 2021 that the necessary changes will be made to align the LGPS rules with the cap on exit payments.

## **12.Publication of Senior Salaries Statement**

In accordance with publication requirements, a table showing information on the current pay of the Chief Executive, Statutory and Non-statutory Chief Officers, Deputy Chief Officers and other officers earning over £50,000 per annum will be published on the Council's website. All allowances and other payments will be shown.

Karen Edwards  
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January 2021