

1. Purpose of the Policy

1.1 The council is required by section 38 to 43 of the Localism Act 2011 to produce an annual pay policy statement. It must be approved by Full Council each year and must then be published on the council's website.

1.2 The statement sets out the council's policy with regards to:

1.2.1 The remuneration of chief officers (as defined in 4.1);

1.2.2 The remuneration of the lowest paid employees (as defined in 6.2); and

1.2.3 The relationship between chief officers' remuneration and that of officers' (who are not chief officers).

1.3 Remuneration includes salary or payment under a contract for services, bonuses, performance related pay and severance payments.

1.4 The objectives of this policy are:

1.4.1 To set remuneration at a level sufficient to attract and retain adequately experienced, trained and qualified individuals to deliver the council's priorities,

1.4.2 To reflect fairness and equality of opportunity, and

1.4.3 To set out the council's approach to remuneration in a fair and transparent manner.

2. Pay Framework s

2.1 The Council's main pay framework was implemented in April 2007 in line with national joint council (NJC) guidance, with the grade for each role being determined by a job evaluation process. This followed a national requirement for all local authorities, and a number of other public sector employers, to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer. As part of this the council determined a local pay framework for NJC posts, up to spinal column point 54. Changes to the grading structure were required from 1 April 2019 to take account of the revised pay points agreed nationally.

2.2 In exceptional circumstances, basic pay for any officer may be supplemented by a market supplement if market evidence on demand for these skills supports it. The process and terms of these payments is clearly detailed within the council's Market Supplement policy.

2.3 This pay policy statement does not relate to:

- staff of local authority schools
- contractors
- companies wholly or partially owned by the council
- The receipt or distribution of any payments received by the Chief Executive in their role as Returning Officer.

3. Pay Awards

3.1 The council's policy on pay awards for all employees, including chief officers, has been to follow national negotiations. During the year, the following pay awards were implemented:

Table One - Pay Awards made during the year.

Terms and Conditions type	Increase awarded	Date effective
Joint Negotiating Committee for Chief Executives of Local Authorities	An increase of 3.5 per cent	1 April 2023
Joint Negotiating Committee for Chief Officers	An increase of 3.5 per cent	1 April 2023
National Joint Council Single Status	An increase of £1,925 (pro rata for part time employees) is to be paid as a consolidated, permanent addition on all National Joint Council pay points 2 to 43 inclusive An increase of 3.88 per cent on pay points SCP 44 to 54 inclusive An increase of 3.88 per cent on all NJC allowances.	1 April 2023
NHS	Spinal column point increase to those who had not reached the top of their grade only. The NHS pay award was not paid.	Variable dates depending on anniversary date of job holder.
Youth & Community JNC	An increase of £1,925 (pro-rata for part time employees) on all spinal column points An increase of 3.88 per cent on Sleeping-In-Duty Allowance	1 September 2023
Soulbury	An increase of 4 per cent on all pay points An increase of 3.88 per cent on all allowances	1 September 2023
Centrally employed Teachers	An increase of 7.1 per cent for Point 1 An increase of 6.5 per cent to all other pay points and allowances.	1 September 2023

3.2 Where staff have been transferred into the council their contractual terms and conditions will be static at the point of transfer. This will apply in all cases excluding those where the council has the

possibility of participating in the negotiation process of such collective agreements concluded after the date of the transfer. This will mean that any pay award negotiated after transfer will not be paid (*providing the council had no possibility of participating in the negotiation process*).

3.3 There is incremental progression for NJC evaluated posts where increments are paid in accordance with agreed council policy, usually on an annual basis. Incremental progression for NJC evaluated jobs is automatic within the pay range for the job and takes place until the maximum incremental point within the pay range is achieved. Thereafter the employee is only eligible for any annual cost of living award negotiated by the appropriate bodies. Centrally employed Teachers incremental pay progression is governed by the national performance related pay scheme and is not automatic.

4. Definition of Chief Officer

Definition of Chief Officer

4.1 As is required by the Localism Act, for the purpose of this policy, chief officers are defined as:

Statutory Chief Officers: (*designated officers with personal duties to discharge*)

- Head of Paid Service (Chief Executive)
- Monitoring Officer (Director of Legal & Governance)
- Section 151 Officer (Executive Director of Corporate Service)
- Executive Director of Adult Services - *statutory duties*
- Executive Director of Children & Young People's Services – *statutory duties*
- Director of Public Health - *statutory duties*

Non-Statutory Chief Officers:

- Executive Director Place & Economy. Any post that reports directly to the Chief Executive (other than administrative posts)
- Deputy Chief Officers: anyone who reports directly to a statutory or non-statutory chief officer (other than administrative posts)

A list of posts and officers is attached at Appendix A. The Deputy Chief Officers included are as defined by part 4 section 9 of the council's constitution.

5. Policy relating to remuneration of Chief Officers

5.1 In respect of Chief Officers pay

- Senior manager role profiles are evaluated independently using the Hay scheme, which is the council's chosen job evaluation system for senior managers.
- There are five points within each pay band allowing for progression as appropriate.
- Application of the council's Market Supplement policy will be considered in cases where the market dictates a rate that is above the grade.
- Pay protection would be applied to those who saw a reduction in their salary in accordance with the council's existing Redundancy Policy pay protection arrangements.
- 5.2 Full Council is responsible for approving the appointment and dismissal of the Head of Paid Service (Chief Executive), Monitoring Officer and s151 Officer
- 5.3 Employment Committee is responsible for approving the appointment (including remuneration) or dismissal of all other Chief Officers and Deputy Chief Officers.

5.4 Full Council is responsible for approving salary grades of £100,000. The Employment Committee, under its delegated powers will determine the point the salary is to be paid within the grade approved by Council.

Full Council is responsible for approving severance packages beyond £100,000 for staff leaving the organisation.

5.5 The council operates a performance related progression scheme for senior officers. To progress through the pay grades, their manager sets out the rationale for progression, which includes examples of exceptional performance. Once reviewed requests are then approved as appropriate by the relevant Executive Director.

5.6 Information relating to the remuneration of senior officers is published annually in the statement of accounts, and also in accordance with the Department for Levelling Up, Housing and Communities (formerly DCLG) Transparency Code. The council will continue to follow these requirements when determining disclosure for Chief Officers. Information in relation to payments made under a contract for services (*for example if a Chief Officer is paid through a third party*) will be published in accordance with the Transparency Code requirements.

5.7 Where roles remain shared between Peterborough City Council and Cambridgeshire County Council, the salary costs (*including on costs*) of all roles are shared by both authorities and this practice also applies when sharing additional posts which are not chief officer or deputy chief officer roles.

6. Policy relating to remuneration of the council's lowest paid employees

6.1 The Localism Act requires the council to determine who its lowest paid employees are. It may adopt any definition which most appropriately fits local circumstances, providing it explains in the policy why that definition has been adopted. For the purpose of this policy, the council defines its lowest paid employees as those in the bottom 10% of employees by remuneration. Salaries within the report are based on 31st December 2023 payroll data and applied to staff in post on 1st January 2024.

6.2 There were 1359 staff on the data reporting date. The bottom 10% (136 people) earned a full-time equivalent (FTE) salary of between £16,551 and £25,991. The average remuneration package for those 136 employees is in the region of £23,528. For employees who work part-time, their salary is calculated pro rata to the full-time equivalent rate. The minimum figure, and the average salary have increased since last year. This is because there are less staff employed on the lower grades this year than last. For example, in 2023 there were 38 people earning between £15,000-£19,999, whereas in 2024 this figure had reduced to 4 people earning between £15,000-£19,999. Therefore, although the minimum salary of the staff was higher at £16,551, there were less people on the lower grades this year.

6.3 The definition used to define the lowest paid workers is the same as the definition applied in the 2014/15 Pay Policy and all subsequent policies. This definition has been selected because it captures a meaningful number of employees and avoids the distortions that might occur with a very small group, or the excessive averaging that would be required if a larger group was used, such as the lowest quartile. This definition was previously agreed with the relevant trade unions.

6.4 Former council employees who have transferred to external contractors with whom the authority has contracted to perform services and apprentices are excluded from this policy.

7. Policy relating to remuneration of all employees

7.1 The council's policy is to differentiate between remuneration of its employees by setting different levels of basic pay to reflect differences in responsibility, and in respect of certain allowances that are only paid to the lower grades, but not to differentiate on other allowances, benefits and payments it makes. The council has separate policies relating to travel and subsistence, redundancy, relocation, and other entitlements, and does not differentiate between chief officers and those who are not chief officers in respect of entitlement to these benefits. Similarly, all officers who work on elections are entitled to payment for specific roles such as count supervisor or count assistant, at rates agreed each year by the Returning Officer. When undertaking election duties officers are not employed by the council for the purposes of this work. The rates agreed relate specifically to the election role undertaken, and not to the grade or employment status of the officer undertaking the role.

7.2 Equipment

Officers (including chief officers) are entitled to be provided with a laptop, and/or other personal data

device if it is necessary to carry out their duties. Personal use is permitted, but must be reimbursed in accordance with council policies, so this is not classified as a benefit in kind for tax purposes.

7.3 Policy on receipt of salary & pension

The Local Government Pension Scheme (LGPS) does not allow current employees to receive their pension at the same time as their salary unless it is under a flexible retirement arrangement. New starters may join who are already in receipt of a pension from previous service in the LGPS or another pension provider. It is also the council's policy not to re-engage within twelve months officers who have left the council on a redundancy basis, (*except in exceptional circumstances where the Chief Executive considers it necessary for continuity of an essential service*).

7.4 Enhancement of pension benefits

Most employees are eligible to join the Local Government Pension Scheme, which in certain circumstances provides for the exercise of discretion that allows retirement benefits to be enhanced. Pension regulations require the council to issue a written policy statement on how it will exercise the various discretions provided within the scheme, and this is published as a separate document entitled "Local Government Pension Scheme Discretionary Policy". That policy was approved by Employment Committee in March 2015. Under the policy, the council will consider each case on its merits, but its usual policy is not to enhance benefits for any of its employees, with no distinction made between chief officers and those who are not chief officers. Different rules apply to those in the Teacher's Pension Scheme and the NHS Pension Scheme.

7.5 Termination of employment

In relation to the termination of employment, the council will have due regard to the making of any appropriate payments where it is in the council's best interests. Any such payments will have regard to the government guidance on public sector exit payments. The council will have specific regard to the legal requirements which apply to the termination of employment of the Head of Paid Service (Chief Executive), the s151 Officer (Executive Director of Corporate Service), and the Monitoring Officer (Director of Legal & Governance).

7.6 Other adjustments to pay

Various changes were introduced on 1 April 2017 to employee terms and conditions which affected pay.

Christmas shutdown - Employees at Grade 12 and above (£44,428) (or equivalent) have three day's pay deducted to cover the close down period between Christmas and New Year annually. Normally, those below this level have the choice to take annual leave instead of unpaid leave. These deductions are not included in the figures within this policy.

Car Parking - Employees who wish to park their car at work must pay for their car parking. For those staff who opt for an annual staff car parking permit, the amount is dependent on their salary level. Staff also have an option to pay for an occasional car parking permit on a 'pay as you go' basis at a flat rate for all staff. Car parking charges have not been deducted from salaries in this policy.

8. Relationship between the remuneration of the council's chief officers and non-chief officers

8.1 The Localism Act requires the council to state the relationship between the remuneration of chief officers and those who are not chief officers and leaves the council the flexibility to determine how to express this. This was considered in the Hutton report, which was asked to explore the case for a fixed limit on pay dispersion in the public sector through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. Hutton concluded that this was not helpful, and that the most appropriate metric is the top to median earnings.

The council would not expect that the remuneration of its highest paid officer would exceed 20 times the remuneration paid to its lowest paid employees, except in exceptional circumstances.

The Chief Executive's remuneration is currently 8.36 times the remuneration of the lowest paid employees (*for a definition of the comparator see 6.2 above*). This has slightly decreased

since last year's figure of 8.5 times. This may be due to a decrease in the quantity of staff in the lower pay bands, despite there having been an increase in the salary of the Chief Executive.

Table two - Ratio of Chief Executive’s salary to lowest salary

	January 2023	January 2024
Chief Executive’s salary	£179,742	£196,744
Lowest salary package (using average of bottom 10%)	£21,143	£23,528
Ratio	8.5:1	8.36:1

8.2 Hutton considered that the most appropriate metric to track the pay dispersion across the organisation is the multiple of the remuneration of the Chief Executive to the average remuneration of the organisation’s workforce. The table below shows both the mean and the median average salary.

Table three - Ratio of Chief Executive’s salary to median and mean average salary

	Jan 23		Jan 24	
	Median	Mean	Median	Mean
Chief Executive's salary	£179,742	£179,742	£196,744	£196,744
Average	£34,723	£37,575	£36,648	£40,102
“Pay multiple” ratio	5.18:1	4.78:1	5.37:1	4.91:1

8.3 The ‘average salary’ is calculated as follows:

Median – where the full-time equivalent salaries of every employee are listed in order of value, and the value of the employee in the middle is used. The council had 1359 employees covered by this pay policy. When all these salaries are listed in order, the total salary package of the 680th employee is £36,648. An increase of £1,925 or 5.54%, from the 2023 median salary.

Mean - where the full-time equivalent salaries of every employee are added together, and then divided by the total number of employees (1359). This rate has increased over the year by 6.72% to £40,102 from £37,575 last year. It should be noted that adding the salaries together is not the same as calculating the total pay bill. This is because full-time equivalent salaries are used for these figures, but in the council a significant number of staff have part time contracts.

8.4 A graph showing pay dispersal across the council is included at Appendix B. It should be noted that if an employee is seconded to another council or to a role as part of a shared service and the rate of pay is higher, then the council is reimbursed the extra pay. The pay dispersal figures fluctuate as the shape of the council changes.

8.5 The median and mean salary in the council have both increased this year. This will be due to more staff employed on higher grades this year than last, less staff being employed on lower grades, staff being awarded pay increments, plus the annual pay award. The salary of the lowest 10% of the workforce has also increased this year.

9. Review of the Pay Policy Statement

9.1 This policy will be kept under review in the light of external best practice and legislation, internal data on recruitment and retention, and external pay data. Any changes will be discussed with all stakeholders including recognised trade unions before being presented to council for approval. Council will approve its Pay Policy Statement at least on an annual basis.

9.2 The transfer of further staff into or out of the council is likely to have an impact on salary differentials in the future.

10. Notes

10.1 This pay policy statement is not intended to be a statement of terms and conditions for a chief officer's employment contract;

10.2 Nothing in this pay policy statement is intended to revoke other council policies related to pay, or terms and conditions of employment;

10.3 This pay policy statement has been prepared having regard to the guidance given by the Secretary of State in relation to sections 38 to 43 of the Localism Act 2011.

APPENDIX A: LIST OF CHIEF OFFICERS IN THE COUNCIL

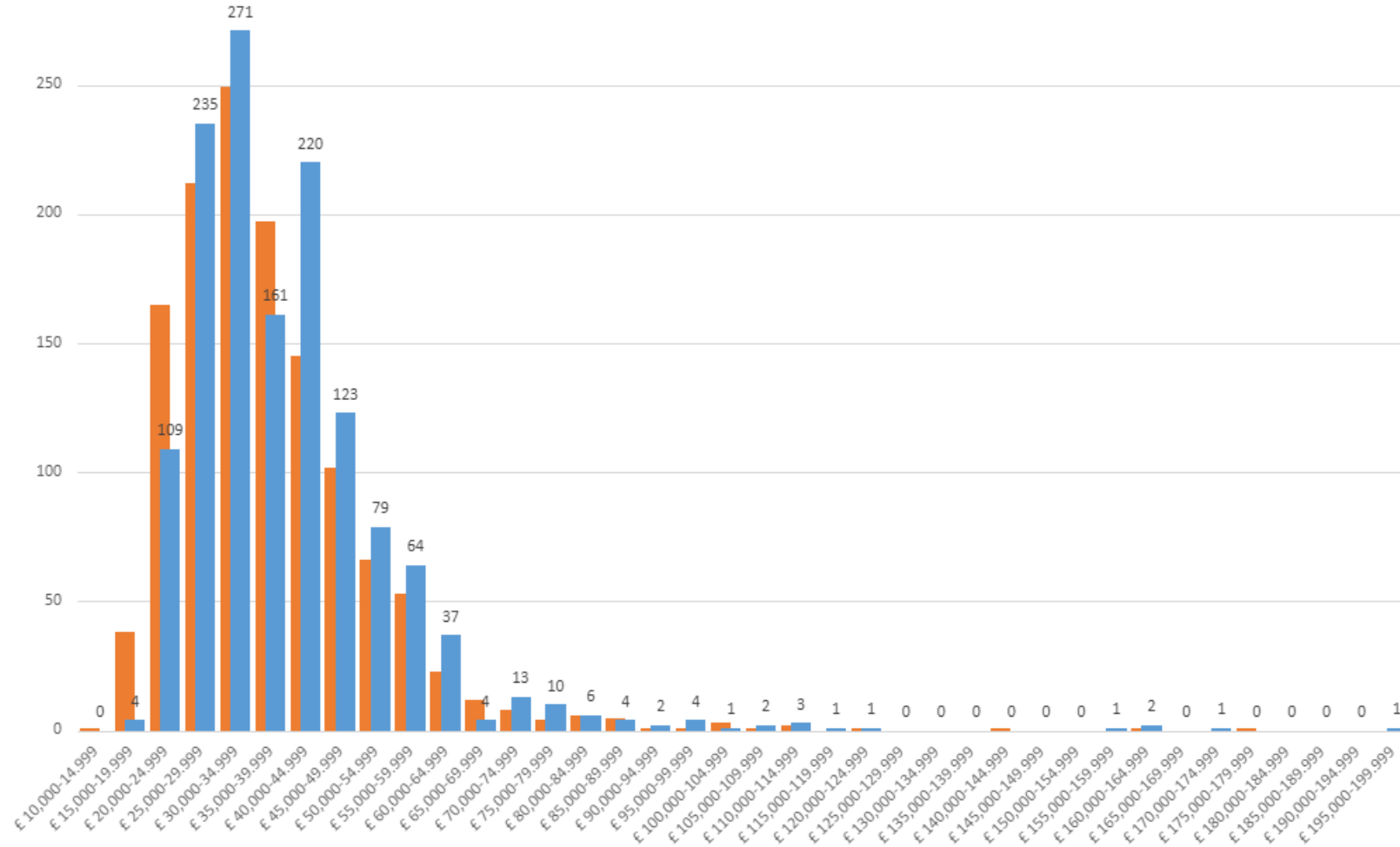
ROLE	OFFICER IN POST	SHARING ARRANGEMENT
<u>Statutory Chief Officers:</u>		
Chief Executive (Head of Paid Service)	Matthew Gladstone	
Director of Legal & Governance (Monitoring Officer)	Adesuwa Omoregie (<i>Interim</i>)	
Executive Director of Corporate Services & Section 151 Officer	Cecilie Booth	
Executive Director for Adult Services	Stephen Taylor	
Executive Director for Children and Young People's Services	John Gregg	
Director of Public Health	Jyoti Atri	Shared from Cambridgeshire County Council
<u>Non-statutory Chief Officers:</u>		
Executive Director Place & Economy	Adrian Chapman	
<u>Deputy Chief Officers</u> (<i>employees who report directly to a Statutory Chief Officer</i>):		
Service Director Financial Management & Deputy S151	Emma Riding	
Service Director Corporate Finance Department & Deputy S151	Jill Russell	
Chief Internal Auditor	Steve Crabtree	
Service Director Commercial Partnerships, Property & Assets	Simon Lewis	
Service Director People Operations, BI & Transformation	Mandy Pullen	
Service Director IT & Digital Services	Julian Patmore (Acting)	
Service Director Adult Services	Debbie McQuade	

ROLE	OFFICER IN POST	SHARING ARRANGEMENT
Service Director Commissioning Service Director Targeted Support & Safeguarding Service Director Quality Assurance and Practice Improvement Service Director for Education Deputy Director of Public Health	Oliver Hayward Gary Jones (<i>Interim</i>) Alison Bennett Chris Baird (<i>Interim</i>) Emmeline Watkins	
Deputy Chief Officers (<i>reports directly to non-statutory Chief Officer as per constitution</i>): Service Director for Growth and Regeneration Service Director for Housing and Communities	Nick Carter (<i>Interim</i>) Rob Hill	

APPENDIX B: DISTRIBUTION OF SALARIES ACROSS THE COUNCIL

Distribution of Employees by Pay Band

Jan-23 No. of Emps Jan-24 No. of Emps



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