

## CARDIFF COUNCIL

### PAY POLICY STATEMENT 2022/23

#### INTRODUCTION

1. Since 2012 the Council has complied with the statutory requirement under the Localism Act 2011 to prepare a Pay Policy Statement on an annual basis. This Pay Policy Statement and covers the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. It was approved by Council on (insert Date and link to Minute). Agreement (and subsequent publication) of the 2022/23 Pay Policy Statement ensures continued compliance with legislation.
2. This Pay Policy Statement provides the framework for decision making on pay, and in particular, decision making on senior officer pay within the Council. It complements other information published on the Council's website which is linked at appropriate points in this Pay Policy Statement.
3. Cardiff Council recognises the importance of managing pay fairly and consistently in a way that motivates employees to make a positive contribution to the Council's business of delivering public services and administering local government in the Capital City of Wales.
4. The Council has also been accredited as a Living Wage Employer by the Living Wage Foundation and is committed to ensuring that our lowest paid employees are paid, as a minimum, in accordance with the 'Real' or Voluntary Living Wage, which is calculated annually by the Resolution Foundation and overseen by the Living Wage Commission.
5. The decisions that are taken by the Council regarding pay are crucial to maintaining equality across the organisation. The production of an annual Pay Policy Statement supports this approach and assists in providing both transparency and accountability.

#### SCOPE

6. In accordance with the requirements of the Localism Act 2011 this Pay Policy Statement covers all aspects of Chief Officer remuneration (including on ceasing to hold office), and that relating to the 'lowest paid' employees in the authority. The relationship between the remuneration for Chief Officer posts and other employee groups employed by the Council is explained.
7. In the interests of transparency and accountability the Council has chosen to take a broader approach than that required by legislation and therefore this Pay Policy Statement covers all employee groups, with the exception of teachers, (as the remuneration for this latter group is set by the Welsh Government and therefore not in local authority control).

8. This Pay Policy Statement does not apply to Members of the Council as they are not employees and are governed by separate legislation and the requirements of the Independent Remuneration Panel for Wales.

## **KEY PRINCIPLES**

9. This Pay Policy Statement aims to ensure that all employees are rewarded fairly and without discrimination for the work that they do. It reflects fairness and equality of opportunity, the need to encourage and enable employees to perform to the best of their ability and the commitment to operate a transparent pay and grading structure.
10. The Council recognises that pay is not the only means of rewarding and supporting employees and offers a wider range of benefits, such as flexible working arrangements, access to learning and development, a Health and Wellbeing Charter and an Employee Assistance Programme.
11. To ensure these principles are embedded the Council will ensure that there are clear and transparent processes for setting and reviewing salaries for all employees, and that there is sufficient flexibility to take into account the pay market and recruitment and retention factors.
12. Any policy statement on pay has to be affordable and support the provision of high quality public service.

## **LEGISLATION**

13. In determining the pay and remuneration of all its employees, the Council will comply with all relevant legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Agency Workers Regulations 2010 and where relevant the Transfer of Undertakings (Protection of Employment) Regulations 2006.
14. With regard to the Equal Pay requirements contained within the Equality Act, the Council will ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

## **DEFINITIONS**

15. The Localism Act 2011 sets out the requirements for Pay Policy Statements and as part of this there are certain terms that are used to define different employee groups and in particular senior officers. This section explains these definitions and how they apply in this authority.

## **Chief Officer**

16. The Localism Act 2011 defines 'Chief Officer' as Head of Paid Service, Monitoring Officer, Statutory Chief Officers and Non Statutory Chief Officers.
17. Cardiff Council's Chief Officers are as follows:
- Head of Paid Service - Chief Executive
  - Monitoring Officer – Director of Governance & Legal Services
  - Statutory Chief Officers:-
    - Director for Education and Lifelong Learning,
    - Corporate Director for People and Communities who undertakes the role of Director of Social Services
    - Corporate Director Resources who undertakes the role of Section151 Officer
  - Non-statutory Chief Officers – this refers to non-statutory posts that report directly to the Head of Paid Service
    - Director for Economic Development
    - Director for Planning, Transport and Environment

## **Deputy Chief Officers**

18. The Localism Act 2011 defines 'Deputy Chief Officers' as those officers that report directly to statutory or non-statutory Chief Officers. In Cardiff Council this includes:
- Director Adult, Housing and Communities
  - Director Children's Services
  - Assistant Director for County Estates
  - Assistant Director for Education and Lifelong Learning
  - Assistant Director for Street Scene
  - Programme Director for School Organisation Planning
  - Head of Service for Finance
  - Head of Performance and Partnerships
  - Head of Democratic Services – statutory role which reports to the Monitoring Officer
  - Chief HR Officer
  - Chief Digital Officer
19. The Council's senior management arrangements include Operational Manager posts. In addition to the posts identified above, there are also some Operational Managers that report directly to statutory or non-statutory Chief Officers (Corporate Director Resources, Directors of Economic Development; Governance and Legal Services; Planning, Transport and Environment) and so for the purposes of this policy these posts are included within the definition of Deputy Chief Officer. Operational Managers are employed on the same terms and conditions as the Council's Chief Officers as indicated in paragraph 26.
20. The Council's senior management arrangements also include the posts of Assistant Director for Adult Services, and Assistant Director of Housing and Communities, that report to a Deputy Chief Officer.

## **Lowest Paid Employees**

21. The Localism Act 2011 requires the Council to define its 'lowest paid employee' within the Pay Policy Statement. Within the Council the lowest paid employees are those appointed on Spinal Column Point (SCP) 1 of the National Joint Council for Local Government Services' nationally agreed pay scale. However to support the Council's lowest paid employees, with effect from 1st September 2012 the Council adopted the Voluntary Living Wage. In practice this means that the pay for the lowest paid employees is kept under review to ensure that either the Voluntary Living Wage hourly rate is paid, or the relevant Spinal Column Point, whichever is the greatest.
22. As at 1<sup>st</sup> April 2021 the SCP 1 of the NJC pay scale equated to an hourly rate of pay of £9.50. As the Voluntary Living Wage equates to £9.90 this is the rate that is actually paid. In accordance with the Council's commitment to the payment of the Voluntary Living Wage this will be further reviewed once the 2022 National Pay Agreement is finalised.

## **Pay**

23. The Localism Act 2011 defines 'pay' remuneration as 'salary, bonuses, charges, fees or allowances payable, any benefits in kind, increase or enhancement of pension entitlement. This definition is applies in this Pay Policy Statement.

## **ROLE OF THE CHIEF EXECUTIVE**

24. The Chief Executive fulfils the statutory role of Head of Paid Service as defined by the Localism Act 2011. The Local Government and Elections (Wales) Act 2021, Section 54 makes provision to codify the role of the chief executive in a principal council (county and county borough councils), including, but not exclusively, the functions currently undertaken by the head of paid service as designated under section 4 of the Local Government and Housing Act 1989. As a result, on 5 May 2022, all principal councils will be required to appoint a chief executive. This will replace the current requirement to designate an existing officer as head of paid service under section 4 of the Local Government and Housing Act 1989. This change will not affect arrangements in Cardiff as the Council already has an appointed Chief Executive.
25. As the most senior officer the Chief Executive is responsible for a wide range of services with a total budget of £683 million (2021/22) and for the employment of 13,319 employees (as at December 2021). The services are provided to a total population of 369, 200 (rounded to the nearest 100) according to the Office for National Statistics' latest (mid-2020) population estimates. The Council was recorded as having a Council housing stock of 13776 and in October 2021 there were 55,920 pupils enrolled in our schools.
26. The role of Chief Executive is a full time and permanent appointment. Post holders are selected on merit, against objective criteria, following public advertisement. They are appointment by the Appointments Committee of the Council, comprising elected members.

27. As Head of Paid Service, the Chief Executive works closely with elected members to deliver the administration's policy statement – 'Capital Ambition' – a programme of action to create opportunity, manage growth and reform public services, whilst ensuring that the benefits of success are felt by all residents.
28. The Chief Executive routinely works outside of the standard Monday to Friday business week, The Chief Executive also heads the Gold Command 'on call' arrangements particularly to cover emergency planning requirements.

## **PAY DETAILS**

### **Chief Executive**

29. The Chief Executives is employed on Joint National Committee for Chief Executives of Local Authorities (JNC for Chief Executives) terms and conditions. The JNC for Chief Executives negotiates on national (UK) annual cost of living pay increases, and any award of the same is determined on this basis. These pay awards are effective from 1<sup>st</sup> April each year however they are not normally confirmed in advance of this date.

### **Chief Officers and Operational Managers**

29. Posts at Operational Manager and above are employed on Joint National Committee (JNC) Chief Officer terms and conditions, and pay levels for these posts have been evaluated using the Korn Ferry Hay (formerly Hay) Job Evaluation Scheme since 1999.
30. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. These pay awards are effective from 1<sup>st</sup> April each year, however they are not normally confirmed in advance of this date.

### **Chief Officer Pay Decisions**

31. Although the annual cost of living pay increases referred to in paragraphs 28 and 30 above are part of the nationally agreed terms and conditions, the Council's Constitution Employment Procedure Rules states that any decision to determine or vary the remuneration of Chief Officers (or those to be appointed as Chief Officers) must be made by full Council.
32. Therefore, in accordance with these rules, the Council's decision to agree this Pay Policy Statement constitutes agreement to implement the cost of living pay increases determined by the relevant negotiating body effective from 1<sup>st</sup> April 2022, as accounted for in the Budget set and agreed by Council on 3rd March 2022.
33. Any additional financial implications arising from the national pay agreements determined after this date that cannot be met within the Council's agreed Budget will be referred to Council for consideration and decision.

## Chief Officer and Operational Manager Pay

34. The following table shows the current pay rates for Chief Officers and Operational Managers, as at 1<sup>st</sup> April 2021:

Post	Salary
<b>Chief Officers – Spot Salary</b>	
Chief Executive	£188,166
Corporate Director for Resources Corporate Director for People and Communities	£143,891
Directors	£132,822
Chief Digital Officer	£106,628
Chief Officers, Assistant Directors	£90,320
<b>Operational Managers – 5 Point Range</b>	
Operational Manager – Level 1	£59,322 - £72,292
Operational Manager – Level 2	£48,549 - £58,646

35. The salary level for Chief Officer and Operational Managers is determined by an independent external evaluation process based on an assessment of relative job sizes and benchmarking against market comparisons for posts of similar size and complexity, using the Korn Ferry (previously Hay) Job Evaluation Scheme.
36. For Chief Officer positions, any report from the external evaluators on grading of new posts or changes to salary levels is presented to the Council's Employment Conditions Committee (ECC) which has the following functions delegated to it under the Council's Constitution:
- (i) *To consider and determine policy and issues arising from the organisation, terms and conditions of Chief Officers and Deputy Chief Officers (as defined in the Local Authorities (Standing Orders) (Wales) Regulations 2006), together with any other category of employee specified in Regulation from time to time where this is necessary, subject to the approval of Council in respect of any determination or variation of the remuneration of Chief Officers.*
- (ii) *To decide requests for re-grading of Chief Officers and Deputy Chief Officers (as defined in the Local Authorities (Standing Orders) (Wales) Regulations 2006), except for Operational Managers deemed to be classed as Deputy Chief Officers, whose applications may be determined under Chief Executive officer delegation within the remuneration framework for Operational Managers, together with any other category of employee specified in Regulation from time to time, whether by way of appeal by an employee against a decision to refuse a re-grading application or to decide applications for re-grading which are supported, subject to the approval of Council in respect of any determination or variation of the remuneration of a Chief Officer.*

37. Where an Operational Manager, who falls within the statutory definition of a Deputy Chief Officer, submits a request for regrading, this is dealt with by the Chief Executive under delegated authority, within the remuneration framework for Operational Managers (delegation reference CE8). It has been agreed that any such decisions shall be reported in this Pay Policy Statement for transparency. During 2021/22, the Chief Executive's delegation has been exercised in relation to one Operational Manager post which is deemed as a Deputy Chief Officer.
38. In addition to the above, the Independent Remuneration Panel in Wales (IRP) has specific functions concerning the salary of the Chief Executive (Head of Paid Service). Before making a change to the salary of the Chief Executive, which is not commensurate with a change to the salaries of the Council's other employees, the local authority must consult the IRP about the proposed change and have regard to any recommendation received from the IRP when deciding whether or not to proceed with making the change.
38. In the year ending 31<sup>st</sup> March 2022 the local authority has not had the need to make a referral to the IRP.
39. Since 2009/10, the Council has published pay details for Chief Officer posts on its website. Previous to this, the number of officers at each salary band over £60,000 were set out. The information can be found in the 'Statement of Accounts' which is accessed via the tab 'Your Council' and then the link to 'Council Finance' <https://www.cardiff.gov.uk/ENG/Your-Council/Council-finance/Managing-the-Councils-Finances/Pages/default.aspx>. The Chief Executive pay has been published on the website since 2010.

#### **'National Joint Council (JNC) (Green Book)' and 'Joint National Council (JNC) Craft' Employees**

40. The pay grades for all former NJC Green Book and JNC Craft positions within the Council are evaluated using a job evaluation (JE) process using the Greater London Provincial Council (GLPC) scheme. The JE process uses a consistent set of criteria which ensures that the Council's grading structure is fair, transparent and equitable, and that men and women receive equal pay for work of equal value. The Council has Collective Agreements in place with UNISON, GMB and Unite (NJC Green Book), and GMB, and Unite (JNC Craft) which set out the pay ranges for each grade and also relevant terms and conditions.
41. The Council's pay and grading structure links the scores from the job evaluation process directly to the NJC pay structure. On the 1<sup>st</sup> April 2019 this national pay structure changed from 49 spinal column points (SCP) to 43. The national pay structure with effect from 1<sup>st</sup> April 2021 ranges from spinal column point (SCP) 1 to 43 which equates to £18,333 to £47,665 .
42. Cardiff Council has in place a locally agreed pay scale which has 10 grades that span across SCPs 1- 40 of the national pay structure. As a result of the changes effective from 1<sup>st</sup> April 2019, the Council reviewed its locally agreed pay scale and in order to minimise the impact of transition to the new scale SCPs 10, 13, 16, 18 and 21 of the national pay structure are no longer used. Overall, the Council's pay scale equates to

£18,333 to £44,624, at 1<sup>st</sup> April 2021. Each grade has a number of incremental points. More information about the GLPC Scheme and the grades of the Council can be found in the Council's Single Status Collective Agreement. The agreed grades and associated salaries at 1<sup>st</sup> April 2021 can be seen at Annex1.

### **Employees other than Chief Officer and previous 'Green Book' and 'Craft' employees**

43. The Council also has employees whose pay, terms and conditions are determined by other national agreement, i.e. JNC Youth and Community, Soulbury, and School Teacher terms and conditions. Pay for these employees is based on the relevant nationally agreed rates of pay. Pay rates are included in Annex 1 for information.

### **Pay Differentials**

44. The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee (£17,942) and the Chief Executive (£185,385) as [1:10] and; between the lowest paid employee (£17,942) and median Chief Officer (£88,895) as [1:5].
45. The multiple between the median full time equivalent earnings (£25,481) and the Chief Executive (£185,385) is [1:7] and; between the median full time equivalent earnings (£25,481) and median Chief Officer (£88,985) is [1:3].
46. The Council does not use performance related pay or bonuses for Chief Officers

### **Incremental Progression – all employees**

47. Incremental progression for 'Green Book', 'Craft' employees and Operational Managers is not automatic but is dependent upon a successful performance review. Following a successful performance review, increments are normally effective from the 1<sup>st</sup> April each year. For 'Green Book' and 'Craft' employees, this requirement is detailed in the relevant Single Status Collective Agreement, and for Operational Managers this is contained within their terms and conditions.

### **Salary on Appointment – all employees**

48. Vacancies are advertised on the agreed grade for the post stating the minimum and maximum salary, or spot point, as appropriate to the post. All Chief Officers are appointed to the spot point. Where salary scales are in place appointments are made at the bottom point of the range, but there is discretion to appoint at a higher point within the range. This would usually be to match a candidate's current level of pay or in particular circumstances.

### **Market Supplements – all employees**

49. It is recognised that there will be exceptional circumstances where the market rate for certain key jobs is higher than that provided for by relevant Council pay and grading



structure. In these circumstances, the grading of the post will be reviewed in accordance with the Council's Market Supplement Scheme agreed as part of the Council's Single Status Agreement. The scheme is applicable to all those covered by the Green book, Craft employees, JNC for Chief Officers, JNC for Youth & Community Workers and those on Soulbury terms and conditions. Proposals to pay a Market Supplement must be supported by a full, evidence based business case, and follow the agreed decision making processes of the Council.

## **ADDITIONAL PAYMENTS**

50. Employees employed under the previous 'Green Book' and 'Craft' terms and conditions are paid on the same terms and conditions and pay scales through Single Status. However, a tool allowance has been retained for relevant craft posts.

### **NJC 'Green Book' and JNC 'Craft' Employees**

51. Additional payments are made as detailed in their respective Collective Agreements. The types of additional payments made include: overtime and Saturday and Sunday working at time and a half, recalls to work attract a minimum payment of 2 hours payment, public holiday payments, car allowances, motorcycle and bicycle allowances, stand by and call out payments, night /evening /unsocial hours payments, shift work allowance, sleeping in duty payment, first aid allowance, relocation payment and payment for professional subscriptions. In order to manage an ongoing budgetary pressure, in the financial year 2022/23 payments for interview expenses, relocation expenses and professional subscriptions (which are not legal requirements of a post) will not be made. This has consistently been applied since the 2014/15 financial year.

### **Chief Officers and Operational Managers**

52. Additional payments made include car, motorcycle and bicycle allowances which have been harmonised for all Council employees using the single rate based on the HMRC arrangements paid for business mileage, i.e. currently 45p per mile.
53. Interview Expenses and Relocation Assistance – Consistent with a decision applied since the 2014/15 financial year, these payments will not be made for the 2022/23 financial year.
54. Professional Subscriptions – For the financial year 2022/23 these will continue to only be paid by the Council where it is an essential requirement of the post.
55. Returning Officer Fees - The appointment of Electoral Registration Officer is required by S8 Representation of the People Act 1983; and the appointment of Returning Officer is required by S35 Representation of the People Act 1983. At the Council meeting on the 28<sup>th</sup> February 2019, the Chief Executive was appointed to the roles of Electoral Registration Officer and Returning Officer, with effect from the 3<sup>rd</sup> April 2019. The roles of Electoral Registration Officer and Returning Officer are part of the job description of the Chief Executive.

56. The Returning Officer fees for parliamentary, Welsh Government, Police and Crime Commissioner Elections and all referenda are set out in statutory fees and charges orders for each election. For these externally sponsored elections, the fee is funded through grant awarded by the Welsh Government in respect of its election, and by Central Government in respect of the other elections. For local elections, the Council must pay the expenditure properly incurred by the Returning Officer in relation to holding the election, for example, for printing of ballot papers and all election stationery and provision of polling stations. The Chief Executive has waived all personal fees associated with the role of Returning Officer.

#### Election Staff to Assist the Returning Officer

57. The Returning Officer has power to appoint all staff necessary to assist in the discharge of the Returning Officer's duties in respect of holding the elections, including Poll Clerks, Presiding Officers and Count Staff. For all externally sponsored elections, staff fees must be set in line with the appropriate statutory fees and charges order and are recoverable on that basis. For local elections, staff fees are based on the scale and type of election and are reviewed to take account of inflation and any other pressures, as appropriate. The fees are set and approved by the Returning Officer prior to the election.

#### **HONORARIA AND ACTING UP SCHEMES**

58. The Council has schemes for payment where an employee acts up into a post at a higher level of pay (Acting Up Scheme) or where they undertake additional duties at a higher level of responsibility (Honoraria Scheme). These schemes are applicable for all Council employees, excluding teachers, however for the financial year 2022/23 the Honoraria Scheme will continue to be withdrawn in order to manage an ongoing budgetary pressure.

#### **ANNUAL LEAVE**

59. Annual leave entitlements are determined by the terms and conditions of the different employee groups. Entitlements to annual leave are pro rata for part time employees

#### **Green Book and Craft employees, Chief Executive, Chief Officers and Operational Managers**

60. The annual leave entitlement is 27 days, rising to 32 days after 5 years' service. In addition there are 8 bank holidays.

#### **Other Employees**

61. The annual leave entitlement for JNC Youth & Community is 30 days, rising to 35 days after 5 years' service. The Soulbury entitlement is 25 days rising to 30 days after 5 years' service. In addition there are 8 bank holidays and 4 extra statutory days for both groups.

## Purchase of Annual Leave

62. The Council has in place an Annual Leave Purchase scheme, whereby employees can purchase up to 10 days annual leave, which is then payable by monthly deductions during the leave year. As at January 2021, 69 employees accessed the scheme in the 2020/21 annual leave year which was the same as the previous year.

## GENDER PAY GAP REPORT

63. The Council has published a Gender Pay Gap report as part of its Annual Equalities Monitoring Report. The report uses data for employees who were paid for the period that covers 31<sup>st</sup> March each year. There will be changes from year to year and these will very much depend on the extent to which changes arise in the number of male and female employees at different grades, the use of salary sacrifice schemes and changes to additional allowances paid to employees. The following Gender Pay Gap information sets out the actual differences in the average pay between employees who are male and those who are female (excluding schools) as at 31<sup>st</sup> March 2021, compared with 31<sup>st</sup> March 2020, and shows the percentage and actual pay gap between men and women:

	2020 Mean Hourly Rate	2020 Median Hourly Rate	2021 Mean Hourly Rate	2021 Median Hourly Rate
<b>Male</b>	14.04 Grade 6	12.85 Grade 5	15.33 Grade 7	14.11 Grade 6
<b>Female</b>	13.68 (£-0.36) Grade 6	11.97 (£-0.88) Grade 5	15.83 (+£0.50) Grade 7	13.21(-£0.90) Grade 6
<b>Pay Gap</b>	<b>2.56%</b>	<b>6.85%</b>	<b>-3.26%</b>	<b>6.38%</b>

*The UK Government's Equalities Office recently stated that women working in the public sector are paid on average 19.0% less than men compared to 23.8% less for women in the private sector*

64. The **mean** average involves adding up all the hourly rates and dividing the result by how many numbers were in the list. The **median** average involves listing all the hourly rates in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers. A positive percentage figure reveals that typically, or overall, employees who are female have lower pay than male employees. According to the national government's Gender Pay Gap information at [www.gov.uk](http://www.gov.uk), this is likely to be the situation for most employers.
65. Using the **mean** method of calculating the average the pay gap shows that the hourly rate for women is higher than that for men, i.e. a pay gap of -3.26%, in favour of women. The **median** average of 6.85% in 2020 has reduced to 6.38% in 2021, and as this is a positive percentage figure this method of calculation indicates that employees

who are female have lower pay than male employees, albeit the gender pay gap has narrowed in 2021.

66. For 2021, the **mean** hourly pay rates for both males and females are within Grade 7 of the Council's Pay & Grading Structure, compared to Grade 6 in 2020. The **median** hourly pay rates for both males and females are within Grade 6, compared to Grade 5 in 2020.
67. When schools are included, the Gender Pay Gap information as at 31<sup>st</sup> March 2021, compared with 31<sup>st</sup> March 2020 there is a significant increase in the median hourly rate. School employees are paid either on NJC Single Status or Teachers' Pay scales. Salary levels of teachers are higher than those of school support staff and the value of allowances for middle and senior school leaders impacts on the pay differentials and ultimately the gender pay gap. In 2021 there was a reduction in the number of employees paid at Grades 1 and 2 ; a 27.81% reduction of female employees at Grade 1 and 2, compared to a 44.31% reduction of male employees; a widening gap in the value of allowances to the benefit of male employees; and of the employees who contributed to salary sacrifice schemes, the higher proportion of them were female.

	2020 Mean Hourly Rate	2020 Median Hourly Rate	2021 Mean Hourly Rate	2021 Median Hourly Rate
<b>Male</b>	15.38 Grade 7	12.96 Grade 5	16.81 Grade 7	14.83 Grade 6
<b>Female</b>	15.20 (-£0.18) Grade 6	12.85 (-£0.11) Grade 5	16.70 (-£0.11) Grade 7	13.32 (-£1.51) Grade 6
<b>Pay Gap</b>	<b>1.17%</b>	<b>0.85%</b>	<b>0.65%</b>	<b>10.18%</b>

68. The quartile table below shows the proportion of male and female full-pay relevant employees (excluding schools) in four quartile pay bands, which is calculated by dividing the workforce into four equal parts. If there are number of employees on the same hourly rate of pay crossing two of the quartiles, males and females are split as evenly as possible across the quartiles. Quartile 1 represents the lowest paid and Quartile 4 represents the highest paid.

Quartiles	2020		2021		Male Difference	Female Difference
	Male	Female	Male	Female		
Q1 Lower hourly pay	38.48%	61.52%	37.42%	62.38%	-1.06%	1.06%
Q2 Lower middle hourly pay	37.74%	62.26%	38.14%	61.86%	0.40%	-0.40%
Q3 Upper middle hourly pay	45.36%	54.64%	47.78%	42.22%	2.12%	-2.21%
Q4 Upper hourly pay	44.55%	55.45%	41.66%	57.33%	-2.89%	2.89%

69. At the 31<sup>st</sup> March 2021, compared to 2020, in Quartiles 1 and 4 the percentage of females compared to male employees increased. In Quartiles 2 and 3 the percentage of female employees compared to male employees reduced.
70. Whilst there is no requirement in Wales to publish Gender Pay Gap information, Cardiff Council has chosen to publish its information on GOV.UK. In terms of the 2021/22 published data, Cardiff Council's position compares well to other Local Authorities, include those core cities that have published their data.

## PENSION SCHEME

71. All Council employees (with the exception of teachers) are entitled to join the local government pension scheme (LGPS) which is offered by the Local Government Employers. If employees are eligible they will automatically become a member of the scheme (to join they must have a contract for at least 3 months duration and be under the age of 75). Employees can decide to opt out of the scheme. The benefits and contributions payable under the Fund are set out in the LGPS regulations.
72. The current level of contribution to the scheme by employees is:

<b>Contribution table 2021/22</b>			
<b>Band</b>	<b>Actual pensionable pay for an employment</b>	<b>Contribution rate for that employment</b>	
		<b>Main</b>	<b>50/50 section</b>
1	Up to £14,600	5.50%	2.75%
2	£14,601 to £22,900	5.80%	2.90%
3	£22,901 to £37,200	6.50%	3.25%
4	£37,201 to £47,100	6.80%	3.40%
5	£47,101 to £65,900	8.50%	4.25%
6	£65,901 to £93,400	9.90%	4.95%
7	£93,401 to £110,000	10.50%	5.25%
8	£100,001 to £165,000	11.40%	5.70%
9	£165,001 or more	12.50%	6.25%

73. Teachers are entitled to join the Teachers' Pensions scheme. As the Teachers Pensions scheme is operated externally further information can be found on [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk).
74. The Council's current published statement relating to pensions was agreed by the Cabinet on 12<sup>th</sup> June 2014 for implementation in 30<sup>th</sup> June 2014. The way redundancy payments are calculated was agreed by Cabinet on 26<sup>th</sup> January 2015 as part of the Voluntary Redundancy Policy, and is detailed below in paragraph 75.

## EXIT (REDUNDANCY/SEVERANCE) PAYMENTS

### Voluntary Severance Scheme

75. The Voluntary Redundancy Policy provides details of the position on making discretionary payments on early termination of employment under Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. The policy also provides details of the Council's policy on increasing an employee's total pension scheme membership and on awarding additional pension under Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008.
76. The arrangements set out in the document referred to in paragraph 73 apply to Chief Officers and all other employees of the Council irrespective of grade or status. The most relevant sections are detailed below:
- (i) **The power to pay lump sum compensation of up to 104 weeks** - the Council's policy for utilising this discretion is that the statutory redundancy table is multiplied by a factor of 1.5 subject to a maximum of 45 weeks from 3<sup>rd</sup> April 2015.
  - (ii) **The power to Increase a Statutory Redundancy Payment** – the Council's policy for utilising this discretion is that redundancy payments to be based on actual week's pay up to a maximum of £571 per week (at 6<sup>th</sup> April 2022) or actual pay whichever is the lesser. The maximum figure to be adjusted by the statutory amount for a week's pay, as announced annually by the Department of Business Innovation and Skills. The maximum redundancy payable is therefore £25,695.
77. The policy effective since 5 April 2015 was amended to take account of the decision of an Employment Appeal Tribunal (EAT) in the case of *University of Sunderland v Drossou (13 June 2017)*. The EAT ruled that employer's pension contributions should be included in the calculation of a week's pay for calculations made under the Employment Rights Act 1996 (ERA). Sections 220-229 of the ERA set out the rules regarding the 'week's pay provisions' and the way a week's pay is used, which includes the calculation of redundancy pay.
78. The EAT held that a week's pay should include remuneration 'payable by the employer under the contract of employment' and that this value should not be limited by what the employee directly receives. The rationale offered by the EAT was that employer's pension contributions formed part of the overall package of 'remuneration' offered to an employee in return for their services. The result of this is that, where appropriate, the employer's pension contributions are included in the calculation of weekly pay, subject to the £538 maximum.

### Exit Payment Cap

79. Previous Pay Policy Statements have referred to the potential introduction of a cap on exit payments. The Restriction of Public Sector Exit Payments Regulations 2020 came into force across the United Kingdom on 4 November 2020, however, in February 2021 the UK government issued a Treasury Direction to disapply the regulations in order for a formal revocation to take place.

80. It is understood that the UK Government may bring forward further proposals in due course.

## **RE-EMPLOYMENT OF STAFF**

81. Since 1<sup>st</sup> April 2015, the Council has had a policy regarding re-employment of employees (at any level) who take voluntary redundancy from the Council which was agreed at Cabinet on 26<sup>th</sup> January 2015.
82. The Council's agreed policy is that employees requesting voluntary redundancy have to agree to the condition that given the Council's obligation to safeguard public funds, they will be precluded from returning to employment (which includes permanent, temporary, casual and agency) within the Council (including schools) for a period of 12 months from the date of their termination. Casual engagement includes contracts for services.
83. The Council does not believe that it employs any individual in a manner that seeks to avoid tax.
84. Within the Council, under the pension fund discretionary policies there is generally no abatement of pension following re-employment except under the following circumstances:
- (i) Where a person has been awarded compensatory added years (CAY's) under the LGPS Compensation Regulations the pension may be abated. This is a requirement of the compensation regulations, but these will be historical cases as CAY's can no longer be granted.
  - (ii) Where a person has retired under tier 1 ill health provisions and is subsequently re-employed. This is because the certification for tier 1 supposes that the person is permanently unfit for all work. Other tiers of ill health or other retirements would not lead to abatement on re-employment.
85. Abatement, where it applies, would be based on non betterment that is the pension together with the pay in the new employment should not exceed the pay at the point of retirement (adjusted for pension increases). Under (i) the abatement would only apply to the pension from CAY's.

## **NON GUARANTEED WORKING HOURS**

86. In December 2016 the Welsh Government issued principles and guidance on the appropriate use of non-guaranteed hours arrangements in the devolved public services in Wales. These principles and guidance were developed by the Public Services Staff Commission in social partnership with the Welsh Government's Partnership Council and its sector groups.
87. The Council is committed to the principles determined by Welsh Government which apply to those employees who are employed on a relief, casual or sessional basis. These employees are used in services within the Council where there is either a need to bring in an additional workforce in order to cover peaks in workload or where the workload is on a one off basis.

## **ACCOUNTABILITY AND DECISION MAKING**

88. In accordance with the Constitution of the Council the Cabinet are responsible for decision making in terms of pay, terms and conditions and redundancy arrangements in relation to employees of the Council. The exception to this is that the Employment Conditions Committee is responsible for posts at Chief Officer level and above.
89. In accordance with the Localism Act 2011 redundancy packages above £100,000 for Chief Officers must be agreed by full Council. The redundancy package includes any redundancy payment (from 3 April 2015, statutory redundancy pay of 30 weeks plus an additional 15 weeks), contractual notice period and full cost of early release of pension (as required under Regulation 68(2) of the Local Government Pension Scheme).

## **REVIEW OF THE POLICY**

90. This Pay Policy Statement will be kept under review and developments considered in the light of external best practice and legislation. The Pay Policy Statement may also be reviewed as part of the Council's existing Scrutiny arrangements. The Council will ensure the Pay Policy Statement is updated on an annual basis in line with the requirement of the Localism Act 2011. The annual Pay Policy Statement will be submitted to Cabinet, and then full Council by March of each year.
91. In line with legislation, this Pay Policy Statement will be reviewed and updated on an annual basis for consideration and agreement by full Council, with the next Pay Policy Statement to be in place for the 2023/24 financial year.