

Staffing Committee

Agenda

Date: Monday 20th February 2012
Time: 9.30 am
Venue: Committee Suite 1, Westfields, Middlewich Road,
Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda

3. **Public Speaking Time/Open Session**

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to the work of the Committee.

Individual members of the public may speak for up to 5 minutes but the Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given. It is not required to give notice of the intention to make use of public speaking provision, however, as a matter of courtesy, a period of 24 hours notice is encouraged.

4. **Pay Policy Statement** (Pages 1 - 26)

To consider the Pay Policy Statement for 2012/13

CHESHIRE EAST COUNCIL

STAFFING COMMITTEE

Date of Meeting: 20 February 2012
Report of: Head of HR and Organisational Development
Subject/Title: Pay Policy Statement 2012/2013

1.0 Report Summary

- 1.1 Section 38/11 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for 2012/2013 by 31 March 2012 and for each financial year thereafter. Regard is to be had to any guidance from the Secretary of State in producing this statement.
- 1.2 The Pay Policy Statement being recommended for adoption is attached at Appendix A.

2.0 Decision Requested

- 2.1 That the Pay Policy Statement 2012/13 be recommended to Council for approval.

3.0 Reasons for Recommendations

- 3.1 A pay policy statement is required to be produced annually from 2012-2013 under section 38 of the Localism Act. Local Authorities must have their Pay Policy Statement approved by full Council and published on their web site no later than the 31st March prior to the financial year to which they relate.

4.0 Wards Affected

- 4.1 None

5.0 Local Ward Members

- 5.1 N/A

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 None

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 None

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Council is required to produce and publish a Pay Policy Statement, agreed by Council, for 2012/13 and for each subsequent year, under section 22 of the Localism Act.
- 8.2 This report and accompanying Pay Policy Statement, once approved and adopted, ensures that we comply with this requirement.

9.0 Risk Management

- 9.1 None

10.0 Background and Options

- 10.1 The Localism Act and supporting guidance provides details of matters that must be included in this statutory pay policy, but also emphasises that each local authority has the autonomy to take its own decisions on pay and pay policies.
- 10.2 Any decisions relating to the pay and remuneration of Chief Officers must comply with the Pay Policy Statement in place at the time for that financial year and whilst the Statement can be amended in year should the need arise, any changes must be subject to the approval of full Council.
- 10.3 The provisions in the Act do not apply to the employees of local authority schools and therefore teachers and schools based employees have not been brought within the scope of the pay policy.
- 10.4 The definition of Chief Officers, for the purposes of this report and the Pay Policy Statement, includes the Head of Paid Service and Statutory Officers as well as those who report directly to them (non-statutory Chief Officers) and their direct reports (deputy chief officers). This definition is in line with the guidance and includes all of the Extended Management Team, our most senior managers, whose salaries start at £55,067 (grade 15) which is just below the level required to be published under the Code of Practice on Data Transparency (£58,200).

10.5 What is in the Pay Policy Statement:

- 10.6 A pay policy statement must set out the Authority's policies for the financial year relating to:
- The level and elements of remuneration for each Chief Officer
 - Remuneration of Chief Officers on recruitment
 - Increases and additions to remuneration for each Chief Officer
 - The use of performance related pay for Chief Officers
 - The use of bonuses for Chief Officers
 - The remuneration of the lowest paid employees
 - The relationship between Chief Officer's remuneration and that of other Officers (see section 10.10 below).

- The approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the Authority, and
- The publication of and access to information relating to remuneration of Chief Officers.

10.7 For clarity, the term 'remuneration' includes the following:

- Basic salary or, in the case of Chief Officers engaged by the Authority under a contract for services, payments made by the Authority to the chief officers for those services
- Any bonuses payable by the authority to the Chief Officers
- Any charges, fees or allowances payable by the Authority to the Chief Officers
- Any benefits in kind to which the Chief Officers are entitled as a result of the Chief Officer's office or employment
- Any increase in or enhancement of the Chief Officer's pension entitlement where the increase or enhancement is as a result of a resolution of the Authority, and
- Any amounts payable by the Authority to the Chief Officers on the Chief Officers ceasing to hold office under or be employed by the authority, other than amounts that may be payable by virtue of any enactment.

10.8 A pay policy statement must also set the Authority's policies for the financial year relating to the other terms and conditions applying to the Chief Officers.

10.9 The Pay Policy Statement confirms that changes to existing posts or additional posts created, with a salary above £100,000, will be subject to a vote by full Council prior to appointment.

10.10 The policy complies with the requirement to explain the relationship between the remuneration of its chief officers and its employees who are not chief officers, under Section 10, Pay Multiples on page 12. As a means of illustrating this relationship, the policy states:

- The ratio between the highest paid employee, the Chief Executive (£173,000) and the average earnings across the Council (£21,798 FTE) is 7.94. It also identifies:
- The multiple between the lowest paid employee (£12,145) and average Chief Officer salary (£81,573), which is 6.72.

10.11 The Pay Policy includes the Council's approach to remuneration of its employees, including the lowest paid employees and, as required by the Act, the Council provides its definition of what it considers to be the "lowest paid" for these purposes (see section 3 Pay Structure and Section 10, Pay Multiples).

10.12 The Council complies with the requirement to explain the severance payment(s) to Chief Officers as part of a decision to terminate a contract for any reason. These same policies apply to all employees; including Chief Officers (see section 8 Redundancy, Severance and Termination Payments).

- 10.13 The Pay Policy also complies with the requirement to explain the Council's approach towards the reward of employees previously employed by the authority who, on ceasing to be employed, are in receipt of a severance or redundancy payment from that authority. As stated in section 12, the Council has in place a policy not to reemploy former Cheshire East/ Legacy Authority employees who left their employment on grounds of voluntary retirement or severance, in any capacity, except in truly exceptional circumstances, and subject to the agreement of the Head of Human Resources and Organisational Development.
- 10.14 In determining pay and as part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable Local Authorities.
- 10.15 Staffing Committee are asked to note that the salaries of the Strategic Director Places, Organisational Capacity and Strategic Director People (Children, Families and Adults) are both due to be reviewed following the Senior Management Team restructure in 2011. An additional report will follow shortly with further detail.

10.16 Links with other published data

- 10.17 The Policy confirms the Council's commitment to publishing data on senior salaries in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) requirements (Section 9, Publication and Access to Information, page 12).
- 10.18 The Secretary of State has also published 'The Code of recommended Practice for Local Authorities on Data Transparency' on 29 September 2011. The Code enshrines the principles of transparency and asks councils to follow three principles when publishing data they hold;
- responding to public demand;
 - releasing data in open formats available for re-use; and,
 - releasing data in a timely way.
- 10.19 This recommendation includes publishing data on senior salaries (above £58,200) and organisational charts, which are included in the Pay Policy Statement. However, the Council will seek to develop this further and will consider publishing the job descriptions, responsibilities and the structure of their workforce for its Chief Officers over the coming months.

10.20 Consultation

- 10.21 There is no formal requirement to consult but the policy will be shared with the Trade Unions prior to the Council meeting.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Background Papers

Localism Bill – Part 1 Local Government – Chapter 5 Standards

The Code of Recommended Practice for Local Authorities on Data Transparency

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PAY POLICY STATEMENT 2012/13

1. INTRODUCTION AND PURPOSE

Under section 112 of the Local Government Act 1972, 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 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding teaching staff and employees working in local authority schools) by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior employees i.e. ‘Chief Officers’, as defined by the relevant legislation;
- the Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

“Remuneration” for the purposes of this statement includes three elements - basic salary, pension and all other allowances arising from employment.

Additionally, the definition of “Chief Officers”, for the purposes of this statement and in line with recommendations from the Secretary of State, includes the Head of Paid Service and Statutory Officers as well as those who report directly to them (non-statutory Chief Officers) and their direct reports.

Under this definition, the Council regards the following as its “Chief Officers”:

Head of Paid Service

Chief Executive (also Returning Officer)

Statutory Chief Officers

Director of Finance and Business Services (151 Officer)

Strategic Director (Children, Families and Adults)

Borough Solicitor and Monitoring Officer

Non-Statutory Chief Officers

Strategic Director (Places and Organisational Capacity)

Head of HR and Organisational Development

Deputy Chief Officers

Services Manager - Strategy Planning and Performance
Head of Service - Safeguarding and Specialist Services
Head of Care4CE
Head of Integrated Strategic Commissioning
Head of Local Delivery and Independent Living Service
Head of Performance, Customer Services and Capacity
Head of Development
Head of Service - Early Intervention and Prevention
Head of Community Services
Finance Manager
Head of Highways and Transport
HR Strategy Manager
HR Delivery Manager
Head of Business Management Performance and Standards
Principal Manager Safeguarding & Quality Assurance
Democratic and Registration Services Manager
Head of Health Improvement
Shared Services and Procurement Manager
ICT Manager
Head of Streets and Open Spaces (Vacant)

The senior management structure and relevant grades for these posts (including any vacancies) is attached at Appendix 2.

Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31st March each year.

Any decision under powers delegated in the Council's Constitution with regard to remuneration to be taken during 2012/13 will be bound by and must comply with this Statement.

The Head of Human Resources and Organisational Development must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement

2. OTHER LEGISLATION RELEVANT TO PAY AND REMUNERATION

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favorable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

3. PAY STRUCTURE

The Council evaluates all Chief Officer roles, including the Chief Executive, using the HAY evaluation scheme. This ensures that different jobs having the same value are paid at the same rate i.e. the rate or pay scale linked to the “job score”. Up to Grade 18 (SCP 73) there is provision for progression by annual increments until the top of the pay scale is reached and most pay scales have 5 increments.

The Council uses the nationally negotiated pay spine(s) i.e. a defined list of salary points, as the basis for its local pay structure up to Spinal Column Point (SCP) 73 at grade 18. There is a small exception to this at SCP 38, which deviates from the national pay spine slightly due to local arrangements. This defined pay structure then determines the salaries of all employees on NJC (National Joint Council for Local Government Services) and JNC (Joint Negotiating Committee for Chief Officers) terms and conditions, including Chief Officers, up to SCP 73 / Grade 18.

The Chief Executive and Chief Officers above grade 18 (SCP 73), are paid a fixed spot salary with no provision for incremental progression. These posts are detailed below and the salaries for each grade are detailed in appendix 1:

- Chief Executive (Returning Officer)
 - Director 3
- Strategic Director Places and Organisational Capacity
 - Director 2
- Strategic Director (Children, Families and Adults)
 - Director 1
- Director of Finance and Business Services (151 Officer)
- Head of Human Resources and Organisational Development

For these posts, the Council will normally use external advisers such as the Hay Group and the North West Employers Organisation when determining salary. The external advisor(s) would then provide information and advice as to the appropriate level at which to pitch the salary to be successful in recruiting. This statement and future benchmarking would also inform part of the process by which these salaries are reviewed.

Employees outside of this local pay and grading structure include the following groups of employees:

Soulbury - Education Psychologists and Advisers. Their pay is determined by the National Soulbury Committee.

NHS/Nurses - Occupational Health Nurses. Their pay is determined in accordance with NHS Agenda for Change Pay Bands

Craft - Electricians, Mechanics etc. Their pay is determined by the Joint Negotiating Committee for Local Authority Craft & Associated Employees

In addition, there will from time to time be employees that have TUPE transferred into the authority on different pay and conditions.

The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national and local pay spine, for example through any agreed annual pay increases negotiated with joint trade unions.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

In addition, progression through the incremental scale of the relevant grade for NJC and JNC employees (including Chief Officers) is subject to completing satisfactory service, which is reviewed on an annual basis.

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service', particularly where this relates to a statutory post. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals. The Council does not currently have any Chief Officers engaged under such arrangements.

4. RECRUITMENT OF CHIEF OFFICERS

The Council's policy and procedures with regard to recruitment of Chief Officers is set out within the ***Recruitment Policy and Procedure*** (refer to Staffing Committee Sharepoint or link in Appendix 3) and as set out in [the Staff Employment Procedure Rules in Part 4.

When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own ***Recruitment Policy and Procedure, Disability at Work Commitment, Mindful Employer, Redeployment Policy and Procedure*** and ***Equality in Employment Policy*** (refer to Staffing Committee Sharepoint or link in Appendix 3)

The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and in line with this Pay Policy Statement.

New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied on an exceptional basis where necessary to secure the best candidate. Where the appointment salary is above the minimum point of the pay scale and is not affected by other council policies, for example promotion, redeployment or flexible retirement, this is approved in accordance with the **Pay and Allowances Policy** and will take into account the appointee's existing pay and their relevant experience and qualifications taking account of equal pay within the Council.

From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Any such payments will be reviewed at regular intervals to ensure their ongoing suitability and appropriateness.

Any temporary supplement to the salary scale for the grade is approved in accordance with the guidance document **Payment of Market Supplements** as a recruitment/retention incentive (refer to Staffing Committee Sharepoint or link in Appendix 3)

Currently one Chief Officer, the Head of Service, Early Intervention & Prevention, receives a market factor supplement of £3,500 per annum. This will be reviewed annually in line with the Council's policy on Market Supplements.

5. CHIEF OFFICER REMUNERATION

With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory service, which is reviewed on an annual basis, currently, the level of remuneration is not variable dependent upon the achievement of defined targets. However, the Council expects high levels of performance from its employees and intends to move to a contribution based progression scheme linked to the annual performance and development review process from November 2012 onwards. In developing this scheme and future arrangements for setting Chief Officer remuneration, the Council will consider the Hutton Review's proposal for "earn back" (ie withholding a specified proportion of existing pay if performance is unsatisfactory) alongside any performance related pay scheme as a future model.

In addition and in preparation for the move towards a contribution based progression scheme, the Council currently has in place a 12 month freeze on incremental progression, this commenced in November 2011.

To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration relating to temporary additional duties are set out in section 10 of the Pay and Allowances Policy (refer to

Staffing Committee Sharepoint or link in Appendix 3) Where the full duties and responsibilities of a higher graded post are being undertaken, the payment will be the salary in the higher job that would apply were the employee acting-up to be promoted to that job. If the full duties and responsibilities are not being undertaken or if they are undertaken by more than one employee, the amount of payment should be calculated with reference to the salary of the higher graded post by the Head of Service in consultation with HR. It may consist of a monthly addition to salary or one or more lump sums to be paid at the end of, or during, the acting-up period.

Any changes to existing posts or additional posts created, with a salary above £100,000, will be subject to a vote by full Council prior to appointment / confirmation.

If the need arises to provide agency or interim cover the policy is to seek to cap the cost of that appointment at no more than that of the permanent appointment taking into account additional employment costs – pension contributions, national insurance, paid leave etc. However, where necessary a higher “market rate” will be paid to secure a suitable individual and market rate will be established by reference to soft market testing, external advice and dialogue with peer authorities.

6. ADDITIONS TO SALARY OF CHIEF OFFICERS

- **Fee for acting as the Returning Officer and Deputy Returning Officer(s)**

Cheshire East Council is required to appoint a Returning Officer by virtue of section 35 of the Representation of the People Act 1983. In Cheshire East the Chief Executive has been appointed as the Returning Officer. This is a personal appointment, separate from their other duties. In this capacity they are the Returning Officer for elections to the Council and to Parish Councils within this Borough. For Borough and Parish Council elections, the Returning Officer fee is calculated in accordance with an agreed Scale of Fees. The Scale of Fees is agreed between and used by the four Cheshire Authorities.

The Returning Officer fee is payable for the substantial additional duties undertaken, and leadership required of the Returning Officer in planning, delivering and undertaking the elections and recognises the personal nature and personal responsibility of the role of the Returning Officer. The agreed scale of fees is used to determine the fees of the Deputy Returning officers, who are appointed from time to time and other elections employees.

The Returning Officer for Cheshire East is very involved in the electoral process and exceeds the Performance Standard set by the Electoral Commission for “skills and knowledge of the Returning Officer”. There are no scheduled Borough or Parish elections during the 2012/13 financial year.

The Cheshire Scale of Fees is currently under review.

- **Travel Allowances and Expenses**

In addition to pay, National Agreements cover other terms and conditions such as annual leave and allowances for use of private vehicles on council business. The Council recently reduced these travel allowances and rates and, whilst they continue to be in accordance with these national scales (which are the same for the Chief Executive, Chief Officers and other employees) the Council no longer pays the highest band. The current rates (which were last increased in April 2009) are:

	Engine Size	Engine Size
REGULAR USERS	451 -999cc	1000cc+
Lump Sum	£846	£963
Per mile first 8,500	36.9p	40.9p
Per mile after 8,500	13.7p	14.4p

	Engine size	Engine Size
OCCASIONAL USERS	451 -999cc	1000cc+
Per mile first 8,500	46.9p	52.2p
Per mile after 8,500	13.7p	14.4p

The Council has recently reviewed the assessment criteria for determining regular car users and as a result of this review has significantly reduced the number of employees in receipt of the Regular User lump sum. Chief Officers are required to complete the same assessment criteria as all other employees and currently no Chief Officers are in receipt of the regular user lump sum.

- **'Green' Salary Sacrifice Lease Car Scheme**

The Council has recently introduced a 'green' salary sacrifice lease car scheme. This is a new and innovative employee benefit, born out of the Government's introduction of a 10% band for benefit in kind taxation on low emission vehicles. The scheme enables employees to drive a brand new, fully maintained and insured car, but at a significantly reduced cost and offers savings in tax (employee only) and national insurance for both the employer and the employee. As such, it is a very attractive proposition for both.

The Green Car Scheme is underpinned by a salary sacrifice arrangement. Salary sacrifice is a contractual arrangement whereby an employee gives up the right to receive part of their cash remuneration, usually in return for their employer's agreement to provide some form of non-cash benefit, in this case a car.

Whilst the scheme operates at no cost to the employer, in fact generating a saving overall, because it is being provided as a benefit by the Council it attracts a 'Benefit in Kind' (BiK) tax for employees on the scheme.

The scheme is open to all employees of the Council, subject to meeting the criteria set out in the scheme rules.

The level of CO2 emissions on the car chosen is important as it determines the benefit in kind tax to pay on the car (the non-cash benefit). The more environmentally friendly the car is, the greater the savings will be.

- **Relocation Expenses**

Where it is necessary for a newly appointed employee to relocate to take up appointment the Council may make a contribution towards relocation expenses, in accordance with the Relocation Expenses Policy (see link at Appendix 3). Under this policy, the Chief Executive, or their nominee, has discretion to agree relocation financial assistance for any external candidate appointed, up to a maximum of £10,000. The details of any such payment must be agreed at the time of making a job offer/during initial appointment. The relocation must bring the employee nearer to their workbase and, as such, support will not normally be given to employees who already live within 30 miles of the workbase. This discretion covers all items for which assistance may be given, which must be directly related to a home relocation within two years of appointment, for example removal expenses, legal and estate agents fees.

Travel Assistance may also be agreed for expenditure arising from a move from temporary accommodation to permanent home, (as well as for the initial move to temporary accommodation), normally provided that the second move takes place within the maximum two year period. Both sets of assistance are subject to the overall limit of £10,000 and the policy is very clear that an employee must not make a net financial gain from the assistance.

The same policy applies to chief executive, Chief Officers and other employees.

- **Professional Fees and Subscriptions**

The Council will reimburse professional fees only for those employees where it is a legal requirement of their employment (subject to the employee paying the first £50) or, where employees are undertaking a training course and the membership of a professional body it is a requirement of the course. In those circumstances it will be paid for the period of study only. The Council has one policy and does not differentiate between Chief Officers and other employees.

7. LOCAL GOVERNMENT PENSION SCHEME

The Local Government Pension Scheme and policy with regard to the exercise of discretions in Pension provision is an important part of the remuneration package.

All employees under the age of 75 and who have a contract of employment which is for 3 months or more are eligible to join the statutory Local Government Pension Scheme (LGPS). There are no restrictions on the minimum number of hours an employee must work to be eligible to join. All Cheshire East employees are

automatically entered into Scheme membership, and have to elect to opt out if they so wish.

Contribution bands are determined on full time equivalent pay on 1 April each year. The bands are shown below.

Annual Rate of Pay	Rate of Contributions
More than £81,100	7.5%
More than £43,300.01	7.2%
More than £32,400.01	6.8%
More than £19,400.01	6.5%
More than £15,100.01	5.9%
More than £12,900.01	5.8%
Up to £12,900	5.5%

This is the banding rate applicable at 1st April 2011, and these rates will go up in line with the Consumer Price Index (CPI) each April.

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council must make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Cheshire Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current rate is set at 21.3% and this will increase to 21.8% with effect from 1 April 2012. These rates were set following the 2010 triennial valuation.

For more comprehensive details of the Local Government Pension Scheme and Cheshire Pensions Fund see <http://www.cheshirepensionfund.org/>

Neither the Scheme nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to the Chief Executive, Chief Officers and other employees alike.

The Scheme also provides for the exercise of discretions that allow for retirement benefits to be enhanced. The Council will consider each case on its merits but has determined that its usual policy is not to enhance benefits unless early release of pensions is agreed on compassionate grounds. However, the Council has agreed to adopt the provision to enable redundant employees to purchase additional service with the non statutory part of their redundancy payment (additional redundancy payment) if employees are in receipt of such a non statutory payment.

The ***Pensions Discretions Policy*** (refer to Staffing Committee Sharepoint or link in Appendix 3) details the Council's agreed Pensions Discretions and applies equally to the Chief Executive, Chief Officers and other employees.

The Pension Scheme also provides for flexible retirement. In applying the flexible retirement provision no distinction is made between the Chief Executive, Chief Officers and other employees. Employees aged 55 and above may apply to have their hours and/or their pay grade reduced and to seek agreement to early release to some or their entire pension.

The request can be considered if;

Either

- their substantive grade reduces by a minimum of 2 grades (e.g. Grade 6 to Grade 4)

And / Or

their contract hours reduce by a minimum of 1/5

And

- at the same time, the employee requests early release of their pension.

Any consequential fund strain payments to the pension fund are recoverable in three years with the discretion to extend the three years in exceptional circumstances. The Council's Staffing Committee will consider requests from the Chief Executive or a Chief Officer in respect of other employees.

8. REDUNDANCY PAYMENTS AND PAYMENTS ON TERMINATION

Where an employee is made compulsorily redundant, they will receive a redundancy payment in accordance with the State formula based on the employee's actual week's pay, plus any payment in lieu of notice where applicable and, payment for any annual leave for employees leaving the Council's employment with accrued leave which, by agreement is untaken at the date of leaving.

The Council also has a voluntary redundancy scheme in place which is applicable to all employees who opt to leave the authority on grounds of voluntary redundancy. Employees who leave on grounds of voluntary redundancy will normally be entitled to receive a redundancy payment in accordance with the State formula based on the employee's actual week's pay plus an additional severance payment of up to the equivalent to the State redundancy payment. This will be reviewed in March 2012 and the Council reserves the right to change all discretionary elements.

However, when considering voluntary redundancy the Council considers: -

- The need for the competency and skill set to meet current commitments

- The uniqueness of that competency and skill set in the organisation compared to the expected demand
- The likely need for that competency and skill set to meet future needs
- The likely timescale of future needs, comparing the cost of retention with the cost of VR and future re-recruitment
- The opportunity to cross skill or retrain remaining staff to fill the gap, and the cost and timescale to achieve this
- The cost of VR

The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within the **Redundancy Policy and Procedure** and for those eligible for retirement, in the **Retirement and Severance Policy** (refer to Staffing Committee Sharepoint or link in Appendix 3) and are in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

The Council uses Compromise Agreements as a matter of course for all voluntary redundancies/severances and this applies to all employees, including Chief Officers. The use of standard compromise agreements on this basis minimises any risk of future claims against the Council.

Occasionally a Compromise Agreement may be used to ensure a smooth departure of an employee (including Chief Officers) in other circumstances. The content of any such compromise agreement and associated termination payment will take into account:

- The individual circumstances of the departure
- Value for Money for the authority
- The age and proximity to retirement of the individual,
- The risk of a potential claim against the authority
- Any entitlement to notice pay
- The need for a speedy departure / 'opportunity lost' cost
- Any other material factors that may be considered

The final decision and approval for any such Compromise Agreement and associated payment rests with the Chief Executive, in discussion with the Leader.

9. PUBLICATION AND ACCESS TO INFORMATION

Upon approval by full Council, this statement will be published on the Council's Website. Additionally, information relating to senior posts (defined as posts with a full time equivalent salary of £50,000 and above) will also be published on the Council's website, in line with the CIPFA Code of Practice on Local Authority Accounting.

The following information is published as part of this:

- Salary;

- Job Title (with the exception of individuals earning over £150,000 who will be identified by name)
- Job description;
- Responsibilities;
- Budgets (including overall salary costs of employees reporting to the senior role)

An organisation chart of the Council's management structure, including salary bands and details of vacant posts is also attached. The current chart is attached at Appendix 2 for information.

Further information about the Council's commitment to transparency can be found at the attached link.

http://www.cheshireeast.gov.uk/council_and_democracy/council_information/transparency.aspx

10. PAY MULTIPLES

The figures below exclude schools based employees and teachers as the Localism Act does not apply to local authority schools. They also exclude casual employees.

The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2012, this is £12,145 per annum, Grade 1 Spinal Column Point (SPC) 4. There are 78 employees (excluding casuals) on this grade and SCP currently.

Separate to the Council's pay and grading structure, we offer one year apprenticeship placements. The Council operates this scheme in line with the National Minimum Wage and the apprenticeship rate guidelines as follows.

There are different levels of National Minimum Wage, depending on your age and whether you are an apprentice. The current rates (from 1 October 2011) are:

- £6.08 - the main rate for placements aged 21 and over
- £4.98 - the 18-20 rate (equivalent to Spinal Column Point 3 –£ 9608)
- £3.68 - the 16-17 rate for placements above school leaving age but under 18

Apprentice Specific Pay: £2.60 - the apprentice rate, for apprentices under 19 or 19 or over and in the first year of their apprenticeship.

Additionally, there are a number of employees on other pay and conditions, as noted above, such as Craft, NHS and Soulbury employees on different pay structures, but none fall below the £12,145 FTE salary at SCP04.

The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement (section 3, Pay Structure).

The current pay levels within the Council define the multiple between the average / mean full time equivalent earnings (£21,798) and the highest paid Chief Officer, the Chief Executive (£173,000) as 7.94.

Additionally, the multiple between the lowest paid employee (£12,145) and average chief officer salary (£81,573) is 6.72.

The Council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required.

The Council is satisfied with its current pay multiples but as part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and may benchmark against other comparable Local Authorities.

11. ACCOUNTABILITY AND DECISION MAKING

In accordance with the Constitution of the Council, the following arrangements are in place in relation to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council, including Chief Officers.

<p>Posts:</p> <ul style="list-style-type: none"> • Head of Paid Service • Statutory Officers (including 151 and Monitoring Officer) • Plus any Chief Officers with salaries over £100,000 which are currently: <ul style="list-style-type: none"> ➤ Strategic Director Places and Organisational Capacity ➤ Strategic Director (Children, Families and Adults) 	<p>Staffing Committee oversee the arrangements for filling the vacancy, including the final selection process. Once a candidate has been selected and agreed, this is then communicated to Cabinet.</p> <p>Cabinet then have the opportunity to put forward any material or well founded objection to the proposed appointment of the successful candidate, prior to it being recommended to Council.</p> <p>Full Council then vote on the appointment of the successful candidate, following the recommendation made by Staffing Committee.</p>
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<ul style="list-style-type: none"> • Non Statutory Chief Officers and Chief Officers with salaries below £100,000 • Deputy Chief Officers 	<p>Staffing Committee oversee the arrangements for filling the vacancy, including the final selection process. Once a candidate has been selected and agreed, this is then communicated to Cabinet.</p> <p>Cabinet then have the opportunity to put forward any material or well founded objection to the proposed appointment of the successful candidate, prior to it being recommended to Council.</p> <p>Subject to no material or well founded objection being put forward, the appointment is then confirmed.</p>
<ul style="list-style-type: none"> • All other posts 	<p>The Chief Executive has the power to appoint all other staff but this authority is usually delegated to the relevant Director / Head of Service.</p>

The Council's Constitution sets out the fuller roles and responsibilities of these groups.

12. RE-EMPLOYMENT/RE-ENGAGEMENT OF EMPLOYEES IN RECEIPT OF A LOCAL GOVERNMENT PENSION (INCLUDING CHIEF OFFICERS)

Any decision to re-employ an individual (including Chief Officers) already in receipt of a Local Government Pension (with same or another local authority) will be made on merit, taking into account the use of public money and the exigencies of the council.

13. RE-EMPLOYMENT/RE-ENGAGEMENT OF FORMER EMPLOYEES (INCLUDING CHIEF OFFICERS)

Former Cheshire East/ Legacy Authority employees who left their employment on grounds of voluntary retirement or severance will not be re-employed or re-engaged in any capacity except in truly exceptional circumstances, and subject to the agreement of the Head of Human Resources and Organisational Development. Reappointment and re-engagement includes all types of contractual relationships whether they be a contract of employment, contract of service, etc and whether the individual is appointed as an employee or engaged as an interim, direct consultancy or via an agency or other supplier.

Prepared by:	HR Strategy and Policy Team
Date:	8 th February 2012
Revisions and reasons:	
Review Date:	January 2013

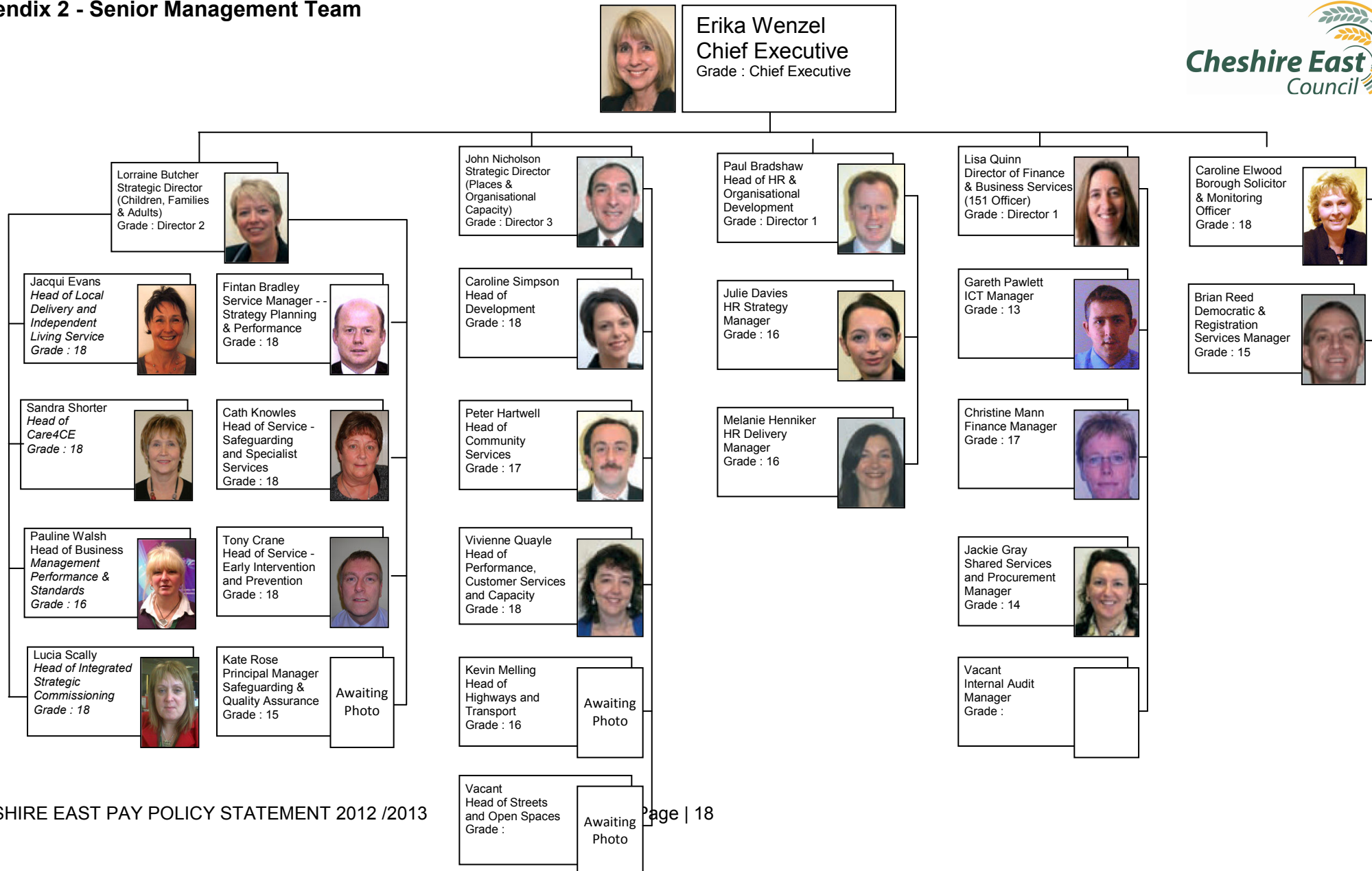
Appendix 1 – Cheshire East Pay and Grading Structure (NJC and JNC)

GRADE	SCP	SALARY			
1	4	12145	11	41	36182
	5	12312		42	37263
	6	12489		43	38342
				44	39544
2	6	12489		45	40741
	7	12787		46	42014
	8	13189		46	42014
	9	13589		47	43294
3	9	13589	12	48	44771
	10	13874		49	46251
	11	14733		50	47227
	12	15039		51	48200
	13	15444			
4	13	15444	JNC Chief Officers		
	14	15725	13	49	46251
	15	16054		50	47227
	16	16440		51	48200
	17	16830		52	48598
5	17	16830	14	53	49631
	18	17161		53	49631
	19	17802		54	50888
	20	18453		55	52144
	21	19126		56	53606
6	21	19126	15	57	55067
	22	19621		57	55067
	23	20198		58	56494
	24	20858		59	57924
	25	21519		60	59508
7	25	21519	16	61	61098
	26	22221		61	61098
	27	22958		62	62695
	28	23708		63	64299
	29	24646		64	66040
8	29	24646	17	65	67782
	30	25472		65	67782
	31	26276		66	69495
	32	27052		67	71212
	33	27849		68	73118
	34	28636		69	75023
9	33	27849	18	69	75023
	34	28636		70	76962
	35	29236		71	78906
	36	30011		72	81073
	37	30851		73	83240
10	37	30851			
	38	32012			
	39	33167			
	40	34501			

	41	36182
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Director 1	90320
Director 2	120000
Director 3	122000
Chief Executive	173000

Appendix 2 - Senior Management Team



Appendix 3

All of the relevant policies and procedures as referred to in the Pay Policy Statement can be found on the Staffing Committee Share Point.

<http://mycheshireteams.ourcheshire.cccusers.com/sites/cecstaffcomm/default.aspx>

Intranet links to the relevant policies and procedures:

[Payment of Market Supplements](#)

[Pay and Allowances Policy](#)

[Pensions Discretions Policy](#)

[Redundancy Policy](#) and **[Procedure](#)**

[Retirement and Severance Policy](#)

[Recruitment Policy](#) and **[Procedure](#)**

[Disability at Work Commitment](#)

[Mindful Employer](#)

[Redeployment Policy](#) and **[Procedure](#)**

[Equality in Employment Policy](#)

[Relocation Expenses Policy](#)

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