

CHESHIRE EAST COUNCIL

Audit & Governance Committee

Date of Meeting:	19 th March 2015
Report:	Chief Operating Officer
Subject/Title:	Disclosure of Officers' Remuneration in the Statement of Accounts
Portfolio Holder:	Councillor Peter Raynes

1.0 Report Summary

- 1.1 This report provides details of the disclosure requirements for Officers' Remuneration both in terms of the Financial Statements and the recommended practice on Data Transparency.
- 1.2 The Audit Findings report considered by members at the September 2014 meeting included a recommendation from the External Auditors' Grant Thornton that there was scope for the Council to reduce the length of its disclosure in the Statement of Accounts on Officers' Remuneration.
- 1.3 At the September meeting it was agreed to provide a report to members and consider the scope of the disclosure prior to the production of the 2014/15 Statement of Accounts.

2.0 Recommendations

- 2.1 That the Committee:
- consider the requirements under the Accounts and Audit (England) 2011 regulations and the Local Government Transparency Code on the level of disclosure on Officers' pay details.
 - note the decision of the Chief Operating Officer to continue to disclose Officers' Remuneration to tier 3 to meet the requirements of the Accounts and Audit (England) 2011 regulations and the Local Government Transparency Code

3.0 Reasons for Recommendations

- 3.1 To ensure compliance with the Accounts and Audit Regulations 2011 and the requirements under the Local Government Transparency Code 2014.

4.0 Wards Affected

4.1 Not applicable.

5.0 Local Ward Members

5.1 Not applicable.

6.0 Policy Implications

6.1 None

7.0 Implications for Rural Communities

7.1 None

8.0 Financial Implications (authorised by the Chief Operating Officer)

8.1 As covered in the report.

9.0 Legal Implications (authorised by the Head of Legal Services)

9.1 Regulation 4 of the Accounts and Audit (Amendment Number 2) (England) Regulations 2009 (SI2009 No. 3322) first introduced a legal requirement for reporting remuneration of senior employees to increase transparency and accountability in Local Government.

9.2 The disclosure requirements on Officers' Remuneration for the financial statements are governed by the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817) Part 3.

9.3 The Department for Communities and Local Government (DCLG) published the Local Government Transparency Code in October 2014. The Local Government (Transparency Requirements) (England) Regulations 2014 regulates the Code which sets out key principles for local authorities in creating greater transparency through the publication of public data, this includes a number of themes including staff salaries.

10.0 Risk Management

10.1 There is a risk that the Council will not meet its statutory reporting requirements if this report is not considered.

11.0 Background

Disclosure Requirements for the Financial Statements

11.1 There are two related disclosures required by the Accounts and Audit (England) 2011 regulations:

- figures for the number of officers whose remuneration was £50,000 or more, grouped in £5,000 bands; and
- the individual remuneration of senior employees.

For the second disclosure senior employees are defined as all those:

- a) whose salary is £150,000 or more; and
- b) whose salary is £50,000 and meet the criteria of being a:-
 - Statutory Chief Officer;
 - non Statutory Chief Officer, who for all or most of the duties report directly to the Head of Paid Service;
 - person who has responsibility for the management of the authority, to the extent that the person has power to direct or control the major activities of the authority (in particular activities involving expenditure of money), whether solely or collectively.

11.2 The definition means that it is possible for some highly paid officers to be excluded from the note. Unless they report directly to the chief executive or to members, their lack of involvement in the major activities of the authority would lead to them being excluded. For example, head teachers are not included in the note.

11.3 Where the senior employee's salary is £150,000 or more per year, they must be identified by name and job title. Where the senior employee's salary is less than £150,000, only their job title should be disclosed.

11.4 Details of the 2013/14 disclosure are provided in Appendix A. Applying the above criteria the following tiers of employees were included:

1. Chief Executive - Head of Paid Service
2. Direct reports to Chief Executive; Statutory and Non Statutory Officers (Corporate Leadership)
3. Direct reports to the Corporate Leadership (3rd tier)

11.5 As the management restructure was underway in 2013/14 there were a number of instances where more than one person held a relevant post during the financial year. As a result the note was longer than it would usually have been.

11.6 Having compared the content of the Council's disclosure to other local authorities, some choose to limit the disclosure to officers at tier 2. When comparing the Council's disclosure with its *nearest statistical neighbours* only four out of fourteen report to the tier 3.

11.7 Details of the proposed disclosure for 2014/15 are set out in Appendix B, this is comparable to the disclosure in prior years and includes officers at

tiers 1 to 3. If the Council were to reduce the scope of the disclosure, the note would list tiers 1 and 2 only.

Disclosure Requirements under the Local Government Transparency Code 2014.

- 11.8 The Code recognises the information that local authorities are already required to publish on senior salaries under the Accounts and Audit (England) Regulations 2011.
- 11.9 In addition to this requirement, local authorities must publish a link on their website to the published data or place the data itself on the website together with a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and 'benefits-in-kind', for all employees whose salary exceeds £50,000.
- 11.10 The key differences between the requirements under this Code and the Regulations are the addition of the list of responsibilities.
- 11.11 The Code also requires an annual publication of:
- an organisation chart covering staff in the top three levels of the organisation.
 - Details of the pay multiple, defined as the ratio between the highest taxable earnings for the given year and the median earnings figure of the whole of the authority's workforce.
- 11.12 The Information Commissioners guidance on personal data about employees specifies that information relating only to a post, without reference to an identifiable individual who holds that post, can be published as it does not constitute personal data. Only employees whose salaries are more than £150,000 have to be named.
- 11.13 The guidance issued by DCLG under the code specifies the following levels of the organisation to be included:
- 1 for top level (i.e., Chief Executive)
 - 2 for second level (i.e., Director)
 - 3 for third level (i.e., Service manager)
- 11.14 In accordance with the Code, the Council should ensure that the information it publishes gives readers a clear and accurate understanding of the way the workforce is organised and how public money is spent on senior pay and reward.

11.15 In order to meet the requirements of the Local Government Transparency Code and in accordance with the guidance issued by DCLG the Council will continue to disclose Officers' Remuneration to tier 3 of the organisation on both its website and also in its financial statements.

12.0 Access to Information

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

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Appendix A – Disclosure Note as per Statement of Accounts 2013/14

Job Title / Name 2013/14	Salary, Fees and Allowances	Expenses Allowances	Compensation for Loss of Employment	Employer's Pension Contribution	TOTAL
	£	£	£	£	£
Chief Executive - Interim (to 30 June 2013) - Kim Ryley	39,296	113	0	0	39,409
Chief Executive (from 1 Aug 2013) - Mike Suarez	107,500	129	0	22,300	129,929
Director of Strategic Commissioning	134,708	0	0	30,040	164,748
Director of Children's Social Care	97,500	114	0	21,743	119,357
Head of Early Intervention and Prevention	90,020	128	0	20,074	110,222
Corporate Manager Education Strategy	76,969	322	0	17,163	94,454
Head of Integrated Safeguarding	75,005	0	0	16,726	91,731
Head of Environmental Protection and Enhancement	72,606	1,218	0	16,191	90,015
Head of Public Protection and Enforcement	73,295	32	0	16,345	89,672
Director of Adult Social Care and Independent Living	92,209	184	0	20,563	112,956
Principal Manager Care4CE	60,366	82	0	13,462	73,910
Head of Communities (from 16 December 2013)	23,441	28	0	5,227	28,696
Director of Economic Growth and Prosperity	90,206	84	0	20,766	111,056
Head of Development (from 29 April 2013)	73,783	0	0	16,452	90,235
Head of Strategic and Economic Planning	69,087	183	0	15,586	84,856
Corporate Manager Strategic Infrastructure	64,025	97	0	14,277	78,399
Visitor Economy, Culture and Tatton Park Manager	59,896	0	0	13,357	73,253
Principal Manager – Built Environment Protection Planning and Place Shaping Manager	52,905	116	0	11,724	64,745
	39,459	0	0	8,799	48,258
Director of Public Health (from 1 April 2014)	140,993	0	0	18,094	159,087
Head of Strategic Commissioning and Safeguarding	76,962	27	0	17,163	94,152
Corporate Manager Health Improvement	61,098	0	0	13,625	74,723
Principal Manager - Regulatory and Health Protection	52,572	68	0	11,724	64,364
Chief Operating Officer and Section 151 Officer - Interim (to 30 September 2013, contracted-in)	102,600	9,226	0		111,826
Chief Operating Officer and Section 151 Officer (from 1 October 2013)	60,260	74	0	13,380	73,714
Head of Performance Customer Services and Capacity (to 31 October 2013)	49,465	50	0	11,031	60,546
Head of Corporate Resources and Stewardship [Deputy S151 Officer] (from 21 January 2014)	15,451	0	0	3,501	18,952
Corporate Manager Resources	71,212	0	0	15,880	87,092
Corporate Manager ICT	56,773	0	0	12,660	69,433
Corporate Manager Challenge and Innovation	64,176	0	0	14,311	78,487
Corporate Manager Commissioning	58,959	20	0	13,148	72,127
Corporate Manager Commissioning	56,043	45	0	13,148	69,236
Corporate Manager Business Intelligence and Data	55,780	0	0	12,439	68,219
Head of HR and Organisational Development	90,320	0	0	20,141	110,461
Head of People and Organisational Development	67,013	0	0	15,256	82,269
Principal Manager HR Delivery	64,852	0	0	14,462	79,314
Head of Governance and Democratic Services	76,842	123	0	15,571	92,536
Head of Legal Services and Monitoring Officer - Interim (to 18 June 2013, agency basis)	43,625	0	0		43,625
Head of Legal Services and Monitoring Officer - Interim (from 10 June 2013 to 2 March 2014, agency basis)	136,322	8,213	0		144,535
Head of Legal Services and Monitoring Officer (from 3 February 2014)	12,054	0	0	2,688	14,742
Legal Team Manager (to 30 November 2013)	39,764	0	53,534		93,298
TOTAL	2,845,412	20,676	53,534	539,017	3,458,639

Appendix B - 2014/15 Proposed Officers Emoluments Disclosure (Tiers 1 to 3)

1. Chief Executive – Head of Paid Service Named Officer – Mike Suarez

2. Direct reports to Chief Executive; Statutory and Non Statutory Officers (Corporate Leadership)
 - Executive Director of Strategic Commissioning
 - Chief Operating Officer
 - Director of Economic Growth & Prosperity
 - Director of Public Health
 - Director of Children’s Services
 - Director of Adult Social Care and Independent Living
 - Head of Legal Services & Monitoring Officer

3. Direct reports to Corporate Leadership (3rd tier)
 - Head of Corporate Resources & Stewardship
 - Corporate Manager Commissioning (2 posts)
 - Head of People & Organisational Development
 - Head of Governance & Democratic Services
 - Head of Strategic & Economic Planning
 - Head of Assets
 - Visitor Economy, Culture and Tatton Park Manager
 - Head of Investment
 - Corporate Manager Strategic Infrastructure
 - Corporate Manager Education Strategy
 - Head of Early Help and Prevention
 - Children’s Improvement and Development Manager
 - Head of Integrated Safeguarding
 - Corporate Manager Commissioning – Highways
 - Corporate Manager Health Improvement
 - Head of Communities
 - Corporate Manager – Communications & Media
 - Head of Adult Social Care Transformation
 - Service Manager Care 4ce
 - Principal Manager Adult Care Services
 - Principal Manager Mental Health & Learning Disability Services