

## **Staffing Committee**

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**Date of Meeting:** 21 January 2021

**Report Title:** Pay Policy Statement 2021/22

**Senior Officer:** Sara Barker - Head of HR

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### **1. Report Summary**

- 1.1. Section 38 of the Localism Act (2011) requires Local Authorities to produce a Pay Policy Statement by 31<sup>st</sup> March on an annual basis. Regard continues to be given to any guidance from the Secretary of State in producing this statement and the Local Government Transparency Code (2015).
- 1.2. The Pay Policy Statement for 2021/2022 which reflects the expected position as at 1<sup>st</sup> April 2021 is attached as Appendix 1. Changes since last year's Statement are outlined in section 6.4 of this report.

### **2. Recommendation/s**

- 2.1. That the changes since the 2020/21 Pay Policy Statement be noted as outlined in section 6.4 of this report.
- 2.2. That the attached Pay Policy Statement for 2021/22 be recommended by Staffing Committee to Council for approval and published accordingly.
- 2.3. That the agreed Pay Policy Statement for 2021/22 is reviewed in-year and any further changes are approved by the Monitoring Officer and published accordingly.

### **3. Reasons for Recommendation/s**

- 3.1. A Pay Policy Statement has been required to be produced annually since 2012/13 under Section 38 of the Localism Act (2011). Local Authorities must have their Pay Policy Statement approved by full Council and published on their website no later than the 31<sup>st</sup> March prior to the financial year to which it relates.

#### **4. Other Options Considered**

4.1. Not applicable.

#### **5. Background**

5.1. The purpose of the Pay Policy Statement is to increase accountability, transparency and fairness with regard to the Council's approach to pay with particular focus on its Chief Officers.

#### **6. Key Updates to the Pay Policy Statement**

6.1. The Pay Policy Statement 2021/22 follows the style and format of the Statement published in 2020/21. The Statement focuses on the broad principles and policies regarding pay and has links to further information and statistical data available on the Council's website and associated policies.

6.2. The Statement has again been designed to be user friendly for public consumption and should require minimal updates each subsequent year.

6.3. The links to further information will be updated as appropriate through the coming year.

6.4. Changes since the last Pay Policy Statement:

6.4.1. Section 3.2 – the annual performance related pay incentive has been removed as a component of reward for senior posts as the Council are currently seeking to remove PRP. This is subject to further consultation with Trade Unions and employees/union members.

6.4.2. Section 3.4 – includes an update on the proposed new JNC pay structure for Chief Officers to remedy some outstanding anomalies. The new structure will be implemented during 2021/22, subject to further consultation with Trade Unions and employees/union members.

6.4.3. Section 3.5 – reflects a small change in the broad remuneration ranges for Chief Officers (Tiers 1-3) due to a 2.75% national pay increase in April 2020. The current salary package for the Chief Executive (Tier 1) has also been changed to a spot salary as stated rather than a salary range which is in line with the removal of PRP.

6.4.4. Section 3.6 – updates on further proposed changes to the NJC pay structure, including the removal of grade overlaps up to Grade 8 and the removal of the minimum spinal column point (SCP27) in Grade 9. This is subject to further consultation with Trade Unions and employees/union members.

- 6.4.5. Section 4 – updated the lowest pay point to £9.25 an hour in line with the national pay increase from 1<sup>st</sup> April 2020.
- 6.4.6. Section 5 – new appointments will be made in accordance with the JNC pay structure rather than the ‘achieving rate’ for the grade; reflecting the proposal to remove PRP.
- 6.4.7. Section 6 – the salary sacrifice lease car scheme is only applicable for salary sacrifice vehicles ordered before 7<sup>th</sup> September 2020 as the scheme ended on 15<sup>th</sup> September 2020.
- 6.4.8. Section 8 – reference to the Council’s Organisational Change Policy and Procedure has been included and that employees with two or more years’ service may be entitled to a redundancy payment. Reference to overtaken and outstanding leave regarding termination of employment has been updated in line with the Council’s latest Leaving the Council Policy and Procedure. An important note has been included about the Restriction of Public Sector Exit Payments Regulations 2020 which came into effect on 4<sup>th</sup> November 2020. This legislation introduced a £95,000 cap on exit payments. An update has also been provided on the proposed reform of the Discretionary Payments Regulations and LGPS Regulations. Proposals for change are still awaited from the government and the Council’s position will be considered once these changes are published. The Council’s policies and procedures are also currently under review in light of these changes.
- 6.4.9. Sections 10 and 11 – re-ordered so that Section 10 is Mutually Agreed Resignation Scheme (MARS) and Section 11 is Settlement Agreements. The section on MARS has also been revised to state that a decision is taken each year whether to run the scheme or not by the Chief Executive.
- 6.4.10. Annex 1 – external and internal links have been updated so that they refer to the current documents, policies and procedures.

## **7. Implications of the Recommendations**

### **7.1. Legal Implications**

- 7.1.1. The Council is required to produce and publish a Pay Policy Statement agreed by full Council each year, under Section 38 of the Localism Act (2011).
- 7.1.2. In addition, the Local Government Transparency Code (2015) requires information on organisational structure, senior salaries and pay multiples to be published annually each year.

- 7.1.3. This report and the accompanying Pay Policy Statement, with associated links in Annex 1, once approved and adopted ensures that Cheshire East Council complies with these requirements.

## **7.2. Finance Implications**

- 7.2.1. There are no direct financial implications associated with approving the updated Pay Policy Statement 2021/22 and no budgetary adjustments are proposed in relation to this report.

## **7.3. Policy Implications**

- 7.3.1. 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. Whilst the Statement can be amended during the year should the need arise, changes are subject to the approval of full Council.

## **7.4. Equality Implications**

- 7.4.1. There are no direct equality implications associated with approving the updated Pay Policy Statement 2021/22, any potential implications relating to pay are addressed within the relevant pay policies.

## **7.5. Human Resources Implications**

- 7.5.1. Associated pay policies and HR support must comply with the Pay Policy Statement.

## **7.6. Risk Management Implications**

- 7.6.1. If the Council does not follow specific aspects of the guidance issued by DCLG and therefore does not achieve appropriate levels of openness and accountability, DCLG can take steps to require the Council to adapt particular policies.

## **7.7. Rural Communities Implications**

- 7.7.1. There are no direct implications for rural communities.

## **7.8. Implications for Children & Young People/Cared for Children**

- 7.8.1. There are no direct implications for children and young people.

## **7.9. Public Health Implications**

- 7.9.1. There are no direct implications for public health.

## **8. Ward Members Affected**

8.1. There are no specific ward members affected.

## **9. Consultation & Engagement**

9.1. The Pay Policy Statement 2021/22 will be shared with Trade Unions.

## **10. Access to Information**

10.1. Background papers relating to this report can be inspected by contacting the report writer.

## **11. Contact Information**

11.1. Any questions relating to this report should be directed to the following officer:

Name: Craig Hughes

Job Title: HR Business Partner

Email: [craig.hughes@cheshireeast.gov.uk](mailto:craig.hughes@cheshireeast.gov.uk)