

# CHESHIRE EAST COUNCIL

## Cabinet

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<b>Date of Meeting:</b>	4 February 2013
<b>Report of:</b>	Head of Human Resources and Organisational Development
<b>Subject/Title:</b>	Pay Policy Statement 2013/14
<b>Portfolio Holder:</b>	Councillor Barry Moran Portfolio Holder for Performance

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### **1.0 Report Summary**

- 1.1 Section 38 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement (PPS) by 31 March on an annual basis. Regard is to be given to any guidance from the Secretary of State in producing this statement.
- 1.2 The draft PPS for 2013/2014 is attached at Appendix 1. This highlights in shaded text the main changes between the current PPS (2012/13) and the proposed PPS for the next financial year (2013/13), showing proposed deletions of text as 'struck through'. It also highlights in red (underlined) text the additional amendments recommended by the Council's Staffing Committee at its meeting on Friday 11 January 2013.

### **2.0 Recommendation for Cabinet:**

- 2.1 That Cabinet consider the draft Pay Policy Statement and endorse the Staffing Committee's proposed amendments, for Staffing Committee to be able to recommend to Council.

### **3.0 Reasons for Recommendations**

- 3.1 A PPS is required to be produced annually from 2012/2013 under Section 38 of the Localism Act. Local Authorities must have their PPS 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 Not applicable.

### **5.0 Local Ward Members**

- 5.1 Not applicable.

### **6.0 Policy Implications**

- 6.1 Any decisions relating to the pay and remuneration of Chief Officers must comply with the PPS in place at the time for that financial year and, whilst

the Statement can be amended in year should the need arise, changes must be subject to the approval of full Council.

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

7.1 There are no direct financial implications associated with approving the draft PPS 2013/14 and no budgetary adjustments are proposed specifically in relation to this report.

## **8.0 Legal Implications (Authorised by the Borough Solicitor)**

8.1 The Council is required to produce and publish a PPS, agreed by Council, each year, under Section 38 of the Localism Act.

8.2 This report and accompanying draft PPS, once approved and adopted, ensures that the Council complies with this requirement.

## **9.0 Risk Management**

9.1 Should the draft PPS not be approved and published by the 31 March 2013, the Council will fail to comply with the legal requirements stated above.

## **10.0 Detail**

10.1 The Council approved the 2012/2013 Statement on 23 February 2012. Subsequent revisions to reflect amendments made to redundancy payments, payments on termination and compromise agreements were approved by Council on 19 July 2012.

10.2 The draft PPS for the next financial year, 2013/14, has been updated to reflect a number of changes which are detailed below and highlighted in the draft version attached at Appendix 1.

10.2.1 Reference to the continuation of the increment freeze to 30 November 2013 has been incorporated;

10.2.2 Reference has been made to changes in the Local Government Pension Scheme to reflect the requirements under the Automatic Enrolment Regulations 2012 and changes to pension bandings effective from 1 April;

10.2.3 Job titles, salary levels (including market supplements) and the organisational structure have been updated to reflect changes;

10.2.4 Information about pay multiples have been amended to reflect updated figures as well as National Minimum Wage rates effective from October 2012.

## **11.0 Consideration by Staffing Committee**

- 11.1 The draft PPS was presented to the Staffing Committee at its meeting on the 11 January 2013. The Committee made a number of comments and recommendations.
- 11.1.1 It was recommended that the changes between the current PPS (2012/13) and the updated draft PPS be highlighted for ease of reference. This has been incorporated.
- 11.1.2 It was recommended that a further reference to the increment freeze be included as appropriate for Chief Officers – this has now been included.
- 11.1.3 It was recommended that further information about the Relocation Expenses Policy be included – this has now been included. It was acknowledged that full versions all of the relevant policies were available for information.
- 11.1.4 It was recommended that the current provision whereby any changes to existing posts or additional posts created, with a salary above £100,000 are subject to a vote by full Council be amended to include all officers on JNC Chief Officer conditions reporting directly to the Chief Executive. This change would require a corresponding change to the Council's constitution.
- 11.1.5 It was also recommended that the current provision whereby the decision and approval for any termination payment and approval for the terms of a compromise agreement (in the case of a termination on a consensual basis) for Chief Officers (Statutory, non Statutory and those earning over £100,000) which rests with the Chief Executive in agreement with the Leader of the Council and the Chairman of Staffing Committee be amended from above £100,000 to all officers on JNC Chief Officer conditions reporting directly to the Chief Executive. This change would require a corresponding change to the Council's constitution.
- 11.1.6 Currently, the Council publishes the job title and salary for all posts with a full time equivalent salary of £50,000 and above. This salary level is in line with the CIPFA Code of Practice on Local Authority Accounting. In addition, (in accordance with the requirements of the Localism Act), the Council is also required to publish the names of any individuals earning over £150,000. Staffing Committee recommended that the Council consider going further than is required. As a result, it is proposed that the Council publish the names of all individuals earning in excess of £56,000, in line with the Government's recommendations, subject to individual agreement where earnings are below £150,000.
- 11.1.7 It was recommended that the decision making process for recruitment decisions be amended to require a vote of full Council for all Officers on JNC Chief Officer conditions reporting directly to the Chief Executive, in addition to those already stated in the PPS. This change would require a corresponding change to the Council's constitution.
- 11.2 Cabinet are requested to consider the draft PPS (attached) and endorse the amendments for recommendation for approval by Council.

11.3 There is no formal requirement to consult the Trade Unions but the policy has been shared with them and no significant concerns have been raised.

## **12.0 Access to Information**

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

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## **Appendix 1: Pay Policy Statement 2013/2014**

The main changes between the current PPS (2012/13) and the proposed PPS for the next financial year (2013/13) are highlighted in shaded text and struck out where appropriate i.e. where it is proposed to delete text. It also highlights in red (underlined) text the additional amendments recommended by the Council's Staffing Committee at its meeting on Friday 11 January 2013.