

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 4th February 2014
Report of: Head of People and Organisational Development
Subject/Title: Pay Policy Statement 2014/15
Portfolio Holder: Councillor Barry Moran, Performance

1.0 Report Summary

- 1.1 Section 38 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement 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* Pay Policy Statement for 2014/15, which reflects the position as at 1st April 2014, is attached at Appendix 1. For information the current Pay Policy Statement for 2013/14 is also attached at Appendix 2.

2.0 Recommendation for Cabinet

- 2.1 That the recommendations made by Staffing Committee on Thursday 16th January 2014 be considered and the draft Pay Policy Statement for 2014/15 be recommended to Council for approval on the 27th February 2014.

3.0 Reasons for Recommendation

- 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 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 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, changes must be subject to the approval of full Council.

7.0 Financial Implications

- 7.1 There are no direct financial implications associated with approving the updated Pay Policy Statement 2014/15 and no budgetary adjustments are proposed specifically in relation to this report. Changes to the Senior Management Structure have been taken into account in setting the budget for 2014/15.

8.0 Legal Implications

- 8.1 The Council is required to produce and publish a Pay Policy Statement, agreed by Council each year, under Section 38 of the Localism Act.
- 8.2 This report and accompanying draft Pay Policy Statement, once approved and adopted, ensures that the Council complies with this requirement.

9.0 Risk Management

- 9.1 None.

10.0 Draft Pay Policy Statement 2014 – Updates

- 10.1 The draft Pay Policy Statement for 2014/15 has been updated to reflect the changes following the Senior Management Review. These changes are detailed below:
- 10.1.1 The job titles of the Council's Senior Managers (defined as Chief Officers and Deputy Chief Officers for the purposes of the Pay Policy Statement) have been updated in Section 1 (pages 5 – 6).
- 10.1.2 The Council's Senior Management Structure following the Senior Management Review, is included at Appendix 2 of the Pay Policy Report (Page 24).
- 10.1.3 Section 3, Senior Manager Pay (pages 7 – 8) has been updated to reflect the move to spot salaries (achieving rate pay) and the introduction of a performance related pay (Exceeding rate pay). Appendix 1 of the Pay Policy Statement (page 22) provides detail of the pay rates at each level.
- 10.1.4 Following the Senior Management Review, the number of bands / grades has reduced significantly and this is reflected in Table 1 on page 8.

10.2 Additional changes to the draft Pay Policy Statement have also been made as follows:

10.2.1 In Section 6 (pages 12 - 13), reference has been made to changes in the Local Government Pension Scheme, which reflects the work that has been completed under the Automatic Enrolment Regulations 2012 and changes to pension bandings and actuarial rate, effective from 1 April 2014.

10.2.3 Section 8 (page 18) has been updated to reflect the latest advice and guidance from Central Government about the requirements regarding transparency and the requirement to publish data on Senior Pay. The commitments in this section comply with the new guidance. Staffing Committee has made a recommendation to update this section, as per the note below.

10.2.4 Section 9 (page 19) has updated pay multiples. These reflect a change to the number of Chief Officers along with the move to spot salaries. They also reflect the 1% nationally agreed pay rise for NJC staff in 2013 and an increase to the National Minimum Wage rates effective from October 2013. Our multipliers continue to be consistent with the 'mean' multiplier rate across Local Government.

10.2.5 Section 10 (pages 20) has been simplified and confirms that recruitment and selection of Corporate Leadership Board members is undertaken by Staffing Committee.

10.3 For information, Appendix 3 of this report is a summary of the content and information a Pay Policy Statement should include.

11.0 Recommendations from Staffing Committee:

11.1 Staffing Committee recommended two minor amendments to the draft Pay Policy Report as follows:

i. Section 8 – Publication and Access to Information

In the interests of openness and transparency, that the Council commit to publishing on its web site **all** posts in the structure with salaries of £50,000 and above, rather than adhering to the criteria provided (see page 18 the Pay Policy Statement at Appendix 1).

ii. Section 12 –Re-employment / re-engagement of former Employees

The removal of the word 'truly' when referring to the exceptional circumstances in which the Council may wish to reemploy / reengage employees (See page 21 of the Pay Policy Statement at Appendix 1).

11.0 Recommendations

- 11.2 Cabinet are requested to consider the recommendations made by Staffing Committee and agree amendments to the Pay Policy Statement 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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