

# CHESHIRE EAST COUNCIL

## Staffing Committee

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<b>Date of Meeting:</b>	8 April 2014
<b>Report of:</b>	Julie Davies, Head of People and OD
<b>Subject/Title:</b>	HR and Organisational Development Update

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### 1.0 Report Summary

- 1.1 To update the Committee on progress with Human Resource and Organisational Development (OD) issues as well as providing a progress update on the review of Staffing Committee Terms of Reference and the Senior Manager Pay and Reward Policy.

### 2.0 Recommendations

- 2.1 Staffing Committee are asked to note the report and:
- i. Provide feedback to the Chairman of Staffing Committee regarding the Staffing Committee Terms of Reference.
  - ii. Provide feedback on the Senior Management Pay and Reward Policy prior to approval at Cabinet.
  - iii. To note the changes to the Local Government Pension Scheme

### 3.0 Reasons for Recommendations

- 3.1 To ensure Members are kept up to date with HR and OD matters.

### 4.0 Wards Affected

- 4.1 No specific wards affected.

### 5.0 Local Ward Members

- 5.1 Not applicable.

### 6.0 Policy Implications including – Senior Management Pay and Reward Policy

- 6.1 This Senior Management Pay Policy is subject to formal agreement by Cabinet

### 7.0 Financial Implications

- 7.1 No direct implications arising from this report.

## **8.0 Legal Implications**

8.1 None

## **9.0 Risk Management**

9.1 No significant risks identified as a result of this update report.

## **10.0 Organisational Development**

### **10.1 Values, behaviours and employee recognition**

10.1 Recognising the very different organisation we are and will become, a review of our core organisational values, associated behaviours and employee recognition scheme has been commissioned by the Leader and Chief Executive to ensure our core values reflect what matters most and provide a strong and enduring foundation for future success.

10.2 At the recent series of staff road shows more than 800 staff and managers were invited to discuss and share their thoughts on how our core organisational values may need to change. A number of different perspectives emerged and recognising the extent of change underway, further work is now progressing to review our values base and associated behaviours so that they resonate strongly and provide a key lever for change.

10.3 A working party involving a cross section of colleagues from across the organisation is developing an enhanced approach to employee recognition with the aim of recognising role models of our values in action. Details will be shared in the coming months.

### **10.4 Middle Manager Conferences**

10.5 As we near the end of phase 3 of the managers' review, a series of conferences are planned during March specifically for Middle Managers, recognising their crucial role in helping to deliver the Council's ambitious change agenda. Led by the Leader of the Council, Chief Executive and Director for Strategic Commissioning - the objectives are to:

- To share and discuss the future direction and priorities of the council
- To explore the crucial role of middle managers in achieving success
- To help build a strong and effective middle manager community

10.6 The feedback and outcomes from these will be shared with the Staffing Committee

## **10.7 Coaching for innovation, change and performance**

10.8 Coaching is a particularly powerful tool that has proven to be a highly effective way of developing individual and organisational performance by unlocking capability, building confidence and increasing ownership.

10.9 Cheshire East is set to embark on an accredited “Coaching for innovation, change and performance” development programme which will be piloted between April and August 2014. We will be working with a leading provider, PB Coaching, who work with many public and private sector organisations, to deliver this pilot phase. Following evaluation of the pilot and any improvements it is our intention to roll out this development offer across the organisation. The pilot programme has been offered out to a wide range of staff ,with a strong up take and are keen to obtain a good mix of colleagues attending the different programmes available.

## **11.0 HR Strategy**

### **11.1 Senior Management Pay & Reward Strategy**

11.1 As part of the phase 1&2 management review, 120 senior managers were placed on to performance related pay. This policy is subject to formal approval by Cabinet and is attached at Appendix 1.

11.2 This policy supports the Council's new Senior Management Pay Structure and is in line with the recently approved 2014 Pay Policy Statement. The establishment of a CLB Appraisal Board will dovetail into this policy.

11.3 Members are asked to review this policy and feedback any comments.

## **12.0 CLB Appraisal Board**

12.1 Verbal update from the Chairman of the Committee.

## **13.0 Terms of Reference for Staffing Committee**

13.1 As Members will recall, a Motion was proposed at Council requested a review of the Staffing Committee's Terms of Reference (TOR) with a view to widening its remit to encompass matters that are normally entailed in the work of a Staffing Committee such as corporate culture, employee relations and communications, senior appointments, disciplinary matters and management structures. This motion was passed to the Council's Constitution Committee for consideration and a working group was established. This group, in consultation with the Chairman of Staffing Committee, has made good progress with the terms of reference and has considered, amongst other things, the range of HR and Staffing matters that could be included in these, comparisons with other local authorities and the implications of broadening the terms of reference. The working group is due to meet again in April and will agree on a draft set of terms of reference to be recommended to the Constitution Committee.

- 13.2 Staffing Committee Members will of course have the opportunity to feed back to the Chairman of the Committee any comments and views regarding the proposed terms of reference.

#### **14.0 Local Government Pension Scheme**

- 14.1 From the first of April there will be some changes to the Local Government Pension Scheme. These include non contractual overtime and additional hours now being pensionable. There is also the option of contribution flexibility. Where pension members decide, they can elect reduce their contributions by 50% for 50% of the benefit. The most notable of the 2014 changes is the move to become a Career Average Re-Valued Earnings (CARE) scheme, rather than a Final Salary Scheme, which means that pension will be accrued based on earnings for each year that the employee is eligible to contribute to the scheme. For those employees that were members of the LGPS prior to the 1<sup>st</sup> April 2014, the scheme membership accrued up to 31<sup>st</sup> March 2014 is protected and therefore will be paid, upon retirement, based on final salary and the current Normal Pension Age.
- 14.2 In addition, employee contribution rates are changing from 7 bands to 9 banding range. Whilst 97% of the membership will not be affected, those earning above £43,000 will see increases to their contribution rates as detailed in the table below.

<b>Band</b>	<b>Salary Level</b>	<b>New Contribution Rate</b>
1.	Up to £13,500	5.5%
2.	£13,501 to £21,000	5.8%
3.	£21,001 to £34,000	6.5%
4.	£34,001 to £43,000	6.8%
5.	£43,001 to £60,000	8.5%
6.	£60,001 to £85,000	9.9%
7.	£85,001 to £100,000	10.5%
8.	£100,001 to £150,000	11.4%
9.	£150,001 or more	12.5%

#### **15.0 Access to Information**

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

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