

Pay Policy Statement

Cheshire West & Chester Council – April 2014

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying;
 - the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - the approval processes for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.
3. Once approved by full Council, this policy statement will come into effect from 1 April 2014 and will be subject to review on a minimum of an annual basis, the policy for the next year being approved by 31st March each year.

Other Legislation Relevant to Pay and Remuneration

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified.

Pay Structure

5. For all staff excluding chief officers, the Council uses the nationally negotiated pay spine(s) (i.e. a defined list of salary points) as the basis for its local pay structure, which determines the salaries of the large majority of its (non teaching) workforce together with the use of locally determined rates where these do not apply.
6. The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with national trade unions.
7. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

8. In determining its grading structure and setting remuneration levels for any posts which fall outside the scope of the nationally negotiated pay spine, the Council takes account of the need to ensure value for money in respect of the use of public expenditure. This is balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community.
9. New appointments will normally be made at the minimum of the relevant pay scale for the grade. This can be varied where necessary to secure the best candidate. Where the appointment salary for new appointments is above the minimum point of the pay scale this is approved in accordance with the Councils Scheme of Delegations.
10. From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capability. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate and is approved in line with the Councils Scheme of Delegations.
11. Any temporary supplement to the salary scale for the grade is approved in accordance with the Councils Acting Up Policy and market supplement process.

Senior Management Remuneration

12. For the purposes of this statement, senior management means 'chief officers' as defined within the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2014;

Chief Executive – Tier 1

- i. The current salary package of the post is £180,000.

Chief Officer / Directors – Tier 2

- ii. The salary package of posts designated as Director A fall within a range of four incremental points between £121,200 rising to a maximum of £126,250.
- iii. The salary package of posts designated as Director B fall within a range of four incremental points between £111,100 rising to a maximum of £116,150.
- iv. The salary package of posts designated as Director C fall within a range of four incremental points between £106,050 rising to a maximum of £111,100.

Deputy Chief Officer / Head of Service – Tier 3

- v. The salary package of posts designated as Head of Service A fall within a range of five incremental points between £81,810 rising to a maximum of £90,900.
- vi. The salary package of posts designated as Head of Service B fall within a range of five incremental points between £70,700 rising to a maximum of £83,830.
- vii. The salary package of posts designated as Head of Service C fall within a range of five incremental points between £61,610 rising to a maximum of £68,680.

13. In determining the grade for a new post, factors such as responsibility, accountability, budget, numbers of staff, etc. will be used.

14. The arrangements and factors considered in determining an individual's progression through the relevant grade pay scale are determined by performance using the Councils performance management framework and/or time within role.
15. Where the Council is unable to recruit chief officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council will, where necessary, consider engaging individuals under a contract for service or an interim contract. These will be sourced through a relevant procurement process or agency contract ensuring the council is able to demonstrate the maximum value for money.

Recruitment of Chief Officers

16. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Constitution of the Council section 14.
17. When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own Equal Opportunities, Recruitment and Redeployment Policies.
18. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and approved in line with the Councils Scheme of Delegations. In summary Tier 3 appointments are approved by Tiers 1 or 2, Chief Executive or Directors. Tier 1 and 2, Chief Executive and Directors appointments, are approved by elected Members. In addition full Council will approve all new posts with salaries above £100,000 at the point of recruitment.

Additions to Salary of Chief Officers

19. The level of remuneration for the Chief Executive is not variable (with the exception of *returning officer fees) or dependent upon the achievement of defined targets.
20. *Returning Officers fees are as prescribed by Central Government for Parliamentary, Referenda, European and Police Crime Commissioner Elections, fees for local elections are in accordance with a scale of fees applied across the Cheshire Councils that are in line with those fees set by Central Government.
21. To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration (e.g. honoraria, ex gratia, acting up, market supplements, etc.) relating to temporary additional duties are set out in the Councils policies in line with the approval process as set out in the Scheme of Delegations.
22. In addition to basic salary, Tier 1-3 posts may receive additional payments which are chargeable to UK Income Tax. Additional contractual payments may include returning officer fees, car user allowance, market supplements and untaken annual leave falling outside the requirements of relevant legislation, if applicable. These payments do not include reimbursement of expenses incurred in the fulfillment of a chief officers duties;

Pension Contributions

23. Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Cheshire Pension Fund in order to ensure the scheme is appropriately funded. The current rate, set at 1 April 2014 is 22.8%. The employee contribution rates, which are defined by statute, for the year 2014/2015, are:

£43,001 - £60,000	-	8.50%
£60,001 - £85,000	-	9.90%
£85,001 - £100,000	-	10.50%
£100,001 - £150,000	-	11.40%
£150,000 or more	-	12.50%

Payments on Termination

24. The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policies, the Scheme of Delegations and specifically for chief officers within the Constitution of the Council and in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
25. Any payments falling outside these provisions or the relevant periods of notice within the contract of employment shall be subject to a formal decision made in accordance with the Councils Constitution and Scheme of Delegations.
26. It is the Councils practice that the pay-back to redundancy payments should normally be within 1-2 years.

Lowest Paid Employees

27. The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure.
28. As at 1st April 2014, this is £12,226 per annum which represents SCP 4 for Grade 1 within the Council pay and grading structure. (The Council also employs Apprentices who are not considered within the definition of 'lowest paid employees' as they are employed under apprenticeship schemes).
29. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement, (sections 5 and 12 above).

30. The current pay levels within the Council define the multiple between the median (average) full time equivalent earnings and the Chief Executive as 1:8.

Accountability and Decision Making

31. In accordance with the Constitution of the Council, Staffing Committee are responsible for decision making in relation to the policies for recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

Re-employment / Re-engagement of former Chief Officers

32. It is the Council's policy not to re-employ any chief officer who was previously made redundant from the authority, or later engage them under a contract for service or interim contract except under exceptional circumstances.

Publication

33. Upon approval by the full Council, this statement will be published on the Council's Website.

For posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note setting out the total amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any other remuneration and benefits received that do not fall within the above

In addition the Council will make the following information available on its website from 1 April 2014, as recommended in paragraph 12 of the data transparency;

- Senior employee salaries (defined as above £58,200), names (consent will be required for publication), job descriptions, responsibilities, budgets (including salary costs) and numbers of staff.
- An organisational chart of the staff structure of the local authority including salary bands.
- The 'pay multiple' – ratio between highest paid salary and the median average salary of the whole of the authority's workforce.