

Pay Policy Statement 2024-25

An annual pay policy statement is required to be produced under section 38 of the Localism Act. Regard is to be had to any guidance from the Secretary of State in producing this statement.

The statement must set out the authority's policies for the financial year relating to:

- the remuneration of chief officers
- the remuneration of the lowest paid employees
- the relationship between chief officers' remuneration and that of other officers.

The statement must include the authority's policies relating to:

- a. the level and elements of remuneration for each chief officer
- b. remuneration of chief officers on recruitment
- c. increases and additions to remuneration for each chief officer
- d. the use of performance related pay for chief officers, if applicable
- e. the use of bonuses for chief officers, if applicable
- f. the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- g. the publication of and access to information relating to remuneration of chief officers.

The term 'remuneration' covers:

- a. the chief officers salary or, in the case of chief officers engaged by the authority, under a contract for services or interim contract
- b. payments made by the authority to the chief officers for those services
- c. any bonuses payable by the authority to the chief officers
- d. any charges, fees or allowances payable by the authority to the chief officers
- e. any benefits in kind to which the chief officers are entitled as a result of the chief officer's office or employment
- f. any increase in or enhancement of the chief officer's pension entitlement where the increase or enhancement is as a result of a resolution of the authority, and
- g. any amounts payable by the authority to the chief officers on the chief officers ceasing to hold office under or be employed by the authority, other than amounts that may be payable by virtue of any enactment.

A pay policy statement for a financial year may also set the authority's policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

The Secretary of State published 'The Code of Recommended Practice for Local Authorities on Data Transparency' ('the Code') on 29 September 2011. The Code enshrines the principles of transparency and asks councils to follow three principles when publishing data they hold; responding to public demand; releasing data in open formats available for re-use; and, releasing data in a timely way. This includes data on senior salaries and the structure of their workforce. The pay policy statement has been written using these principles.

The duties of the Council to publish an annual pay policy statement in accordance with the Localism Act 2011 are set out fully in paragraph 4 of the report. The provisions came into force on 15 March 2012. Before it takes effect, the pay policy statement has to be approved by a resolution of the Council.

Council are therefore asked to approve the Council's Pay Policy Statement for 2024-25.

Following approval, the statement must be published as soon as possible on the Council's website. The Council may amend its pay policy statement, but this also requires a resolution of the Council.

Failure to approve or publish a pay policy statement would mean that the Council would be in breach of its obligations under Section 38 of the Localism Act.

Having a pay policy statement in place assists in the assessment of the impact of pay on equality issues and provides transparency in pay and remuneration.

Pay Policy Statement

Cheshire West & Chester Council – April 2024

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 full Council.
3. Once approved by full Council, this policy statement will come into effect from 1 April 2024 and will be subject to review on a minimum of an annual basis, the policy for the following year being approved by 31 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, The Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006 and the National Minimum Wage Regulations 2015. The Council strives to ensure that there is no pay discrimination within its pay structures and that any 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 Authority and 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 Council's Schemes of Delegation.
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 Council's Schemes of Delegation.
11. Any temporary supplement to the salary scale for the grade is approved in accordance with the Council's 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 1 April 2024 (the pay award has yet to be agreed for 2024-25 so these figures reflect 2023-24):
 - i. Chief Executive – Tier 1: The current salary package of the post is £172,648.
 - ii. Deputy Chief Executive / Chief Operating Officer / Executive Director - Tier 2: The salary package of posts designated as Deputy Chief Executive/Chief Operating Officer/Executive Director

- Tier 2 (DIR 2) fall within a range of eleven incremental points between £123,483 rising to a maximum of £146,624 .
- iii. Director (Tier 3): The salary package of posts designated as Director (DIR 1) fall within a range of thirteen incremental points between £73,984 rising to a maximum of £108,209.

13. In determining the grade for a new post, factors such as responsibility, accountability, budget, numbers of staff, etc. are included in a job evaluation process.
14. The arrangements and factors considered in determining an individual's progression through the relevant grade pay scale are determined by performance using the Council's performance management framework.
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 value for money.

Recruitment of Chief Officers

16. The Council's policy and procedures with regard to the recruitment of chief officers are set out on the Officer Employment Procedure Rules which can be found in Part 4 Section 2 of the Council's Constitution.
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 Council's Schemes of Delegation and Constitution. In summary, Chief Executive, Deputy Chief Executives, Chief Operating Officer, Executive Director and Director appointments are made in accordance with the Officer Employment Procedure Rules. In addition, Full Council approval must be obtained for appointments to posts which have a salary range or package of £100,000 or over, such approval to be obtained prior to actual appointment of the preferred candidate.

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, 'acting up', market supplements, etc.) relating to temporary additional duties are set out in the Council's policies in line with the approval process as set out in the Schemes of Delegation.
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 officer's duties.

Pension Contributions

23. Eligible employees are automatically enrolled in the Local Government Pension Scheme. The Council is required to make a contribution to the scheme based on a percentage of the pensionable remuneration due under the contract of employment of that employee. The employer contribution rate is set by the Actuary advising the Cheshire Pension Fund (the name of the Local Government Pension Scheme in Cheshire) in order to ensure the scheme is appropriately funded. The current employer rate set for the financial year starting 1 April 2024 is 20.0% of pensionable remuneration.
24. Employee contribution rates are set in bands and are defined by statute. Confirmation is still awaited on the banding for 2024-25. The table below details the bandings for 2023-24:

Pensionable pay banding	Main scheme contribution
Up to £16,500	5.5%
£16,501 to £25,900	5.8%
£25,901 to £42,100	6.5%
£42,101 to £53,300	6.8%
£53,301 to £74,700	8.5%
£74,701 to £105,900	9.9%
£105,901 to £124,800	10.5%
£124,801 to £187,200	11.4%
£187,201 or more	12.5%

Payments on Termination

25. 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 Schemes of Delegation 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.
 - The LGPS Regulations 2013 and LGPS Transitional Regulations 2014.
 - Guidance issued under section 40 of the Localism Act 2011
 - Statutory Guidance on the making and disclosure of Special Severance Payments by local authorities in England 2022
26. Any payments falling outside of 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 Council's Constitution and Schemes of Delegation.

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 from 1 April 2016, the Council implemented a Local Living Wage which as at 1 April 2024 is £12.00 per hour. This will be paid to all staff that fall below this hourly rate as a non-consolidated addition to salary. This will mean the lowest paid staff are paid £23,151. Staffing Committee review the Local Living Wage annually.
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 **5.70** for 2023-24.

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; except for the following scenarios in which different / additional approval is required:

- Approval of appointments to posts which have a salary range or package of £100,000 or over are reserved to Full Council, such approval to be obtained prior to actual appointment of the preferred candidate.
- Approval of all severance payments (which are not classed as Special Severance Payments*) of £100,000 or over to Chief Officers and Deputy Chief Officers (including payments on both voluntary and compulsory redundancy) are reserved to Full Council.
- Approval of all severance payments (which are not classed as Special Severance Payments*) of £100,000 or over to all officers below the level of Deputy Chief Officer (including payments on both voluntary and compulsory redundancy) are delegated to Staffing Committee (NOTE – Committee may refer the matter to Full Council if it considers it appropriate to do so).
- Approval of all Special Severance Payments* of £100,000 or over are reserved to Full Council.
- Approval of Special Severance Payments* between £20,000 and up to £99,999 are delegated to the Chief Executive in consultation with the Leader of the Council, The Section 151 Officer, the Head of OD and HR, the Monitoring Officer and the relevant Service Director.
- Approval of Special Severance Payments* below £20,000 are delegated to the Section 151 Officer in consultation with the Head of OD and HR, the Monitoring Officer and the relevant Service Director.

*In determining what constitutes a Special Severance Payment, the Council will have regard to the relevant statutory guidance.

Re-employment / Re-engagement of former Chief Officers

32. It is the Council's policy not to re-employ any chief officer who has previously been 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.
34. 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.

35. Senior employees whose salary is £150,000 or more per year must be identified by name, those whose salary is between £50,000 and £150,000 must be listed by job title.

36. In addition, the Council will make the following information available on its website from 1 April 2024, as recommended in paragraph 12 of the Code of Recommended Practice for Local Authorities on Data Transparency:

- Senior employee salaries (defined as any post in the top three tiers of the Council paid above £50,000), job descriptions, responsibilities, budgets (including salary costs) and numbers of staff;
- Senior employee salaries, over £150,000, 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 (covering the top three management tiers) including salary bands; and
- The 'pay multiple' – ratio between highest paid salary and the median average salary of the whole of the authority's workforce.