

Human Resources Committee

21 February 2013

Localism Act 2011 – Pay Policy Statement 2013-2014

Report of the Director of Human Resources & Organisation Development

1.0 Purpose of Report

- 1.1 To recommend approval of the draft Pay Policy Statement 2013-2014, for subsequent adoption by Council and publication by 31st March 2013.

2.0 Background

- 2.1 The provisions of the Localism Act 2011 came into force on 15th January 2012, bringing together the strands of increasing accountability, transparency and fairness in the setting of local pay. Section 38 of the Act requires English and Welsh local authorities to produce an annual pay policy statement, setting out councils' policies for the financial year in relation to the remuneration of their senior staff/chief officers, the remuneration of their lowest-paid employees, and the relationship between the pay of chief officers and that of other employees.
- 2.2 In February 2012 Personnel Committee considered the pay transparency implications of the Localism Act 2011, including the requirement to produce and publish an annual Pay Policy Statement. Personnel Committee formally agreed this for recommendation to Cabinet. This was subsequently agreed by Cabinet and adopted by Council on 28th March 2012 and was published on the Council's website by 31st March 2012.
- 2.3 The policy needs to be updated and published for 2013-14.
- 2.4 The 2012/13 Pay Policy is currently published on the Council's website, alongside the Statement of Accounts. This can be accessed at: www.sunderland.gov.uk/Council and Democracy/Senior Pay Information, or Website URL: <http://www.sunderland.gov.uk/index.aspx?articleid=4494>
- 2.5 There continue to be both required and discretionary elements to the statutory pay policy :
- (i) Required elements:
- The level and elements of remuneration for each chief officer (including salary, bonuses and benefits in kind).
 - The remuneration of its lowest-paid employees (together with its

definition of “lowest paid employees” and its reasons for adopting that definition).

- The relationship between the remuneration of its chief officers and other officers.
- Other specific aspects of chief officers’ remuneration: remuneration on recruitment, increases and additions to remuneration, the use of performance-related pay and bonuses, termination payments, and transparency (ie publication of and access to information relating to their remuneration).

(ii) Discretionary elements (recommended in JNC guidance):

- The authority’s policies relating to other terms and conditions for chief officers; making explicit whether the JNC conditions of service for chief officers are incorporated in their employment contracts.
- Any additional arrangements which may not amount to formal terms and conditions but which relate to employment and are a charge on the public purse.
- Combining into one statement, other statements relating to remuneration which the Council is already required to publish, in relation to discretionary payments on early termination of employment; on increasing an employee’s total pension scheme membership; and awarding additional pension.

The Council’s current policy is a combined Statement of Policy on Discretions relating to The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, and The Local Government Pension Scheme Regulations 1997 (as amended).

3.0 Proposal

- 3.1 The proposed draft Pay Policy Statement 2013-2014 is attached as an Appendix to this report. The amendments in comparison with the 2012-13 Pay Policy Statement are minimal, particularly as there has been a freeze in pay increases. Changes are confined to dates, replacing references to Personnel Committee with HR Committee, deleting references to posts that have been deleted, etc.

4.0 Consultations

- 4.1 The Executive Management Team have been consulted about the content of the proposed Statement and their suggested amendments were incorporated into the draft.

5.0 Recommendations

- 5.1 It is recommended that Human Resources Committee formally agree the attached draft Pay Policy Statement 2013-14 for recommendation to Cabinet and adoption by Council and publication by 31st March 2013.