

Human Resources Committee

13 March 2014

Localism Act 2011 – Pay Policy Statement 2014-2015

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 2014-2015, for subsequent adoption by Council and publication by 31st March 2014.

2.0 Background

- 2.1 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.
- 2.2 In February 2013 Human Resources Committee formally agreed the updated policy for 2013-14, for recommendation to Cabinet. This was subsequently agreed by Cabinet and adopted by Council on 27th March 2013 and was published on the Council's website by 31st March 2013.
- 2.3 The policy needs to be updated and published for 2014-15.
- 2.4 The 2013/14 Pay Policy is currently published on the Council's website, alongside the Statement of Accounts. This can be accessed at: <http://www.sunderland.gov.uk> and search for Senior Pay, or Website URL: <http://www.sunderland.gov.uk/index.aspx?articleid=4994>
- 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).

2.6 The Government has very recently set out its response to consultation on its proposals to update the Code of Recommended Practice for Local Authorities on Data Transparency, setting out both mandatory information which must be published, and information recommended for publication. The HR implications of the mandatory information are the annual publication of:

- An **Organisation chart** covering staff in the top three levels of the organisation (including grade, job title, local authority department and team, whether permanent or temporary staff, contact details, salary in £5,000 brackets, consistent with the details published for Senior Salaries, and the maximum salaries for the grade).
- Annual publication of **Trade union facility time** (including total number and full time equivalent of staff who are union representatives, and the total number and full time equivalent of union representatives who devote at least 50% of their time to union activity.)
- Senior salaries. (unchanged).
- Pay multiple – the ratio between the highest paid salary and the median salary of the whole of the authority's workforce. (Currently we publish the ratio between the highest to lowest pay).

The majority of this HR information is already published (with the exception of the Trade Union facility time). The final revisions to the Code and implementation dates are not yet known. They do not affect the content of the draft Pay Policy Statement 2014-15.

3.0 Proposal

- 3.1 The proposed draft Pay Policy Statement 2014-2015 is attached as an Appendix to this report. The amendments in comparison with the 2013-14 Pay Policy Statement are minimal. Changes are confined to dates, and 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 2014-15 for adoption by Council and publication by 31st March 2013.

