

**CABINET MEETING – 14 MARCH 2012**  
**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Reports of the meetings of the Personnel Committee, Part I held on 23 and 24 February 2012

**Author(s):**

Head of Law and Governance

**Purpose of Report:**

Presents the reports of the meetings of Personnel Committee, Part I

**Action Required:**

The Cabinet is requested to note the reports of the meetings held on 23 and 24 February 2012



(i)

**At a meeting of the PERSONNEL COMMITTEE held in the CIVIC CENTRE on THURSDAY, 23<sup>rd</sup> FEBRUARY, 2012 at 5.30 p.m.**

**Present:-**

Councillor Errington in the Chair

Councillors Gofton, Mordey, Speding, D. Trueman, H. Trueman, P.Watson, S. Watson, A. Wilson and Wood.

**Part I**

The Chairman advised the committee that the statement identifying the Localism Act 2011 – Pay Accountability Provisions report as potentially exempt, had been removed to allow the report to be considered in public. This would now be considered as Item 4a of the agenda.

**Apologies for Absence**

An apology for absence was submitted to the meeting on behalf of Councillor D. Smith.

**Declarations of Interest**

The following Councillors declared a personal interest in the report below as a Member of the body indicated:-

Item 4a – Localism Act 2011 – Pay Accountability Provisions	Councillor Mordey	Regional Pensions Committee
	Councillors Gofton, D. Trueman and H Trueman	Member of the Local Government Pension Scheme (LGPS)

**Report of the Meeting of the Personnel Committee, Part I**

The report of the meeting of the Personnel Committee held on 26 January, 2012 Part I (copy circulated) was submitted and consideration given thereto.

5.1 RESOLVED that the report of the meeting be noted, confirmed and signed as a correct record.

## **Report of the Meeting of the Appeals Panel, Part I**

The report of the meeting of the Appeals Panel held on 8 February, 2012 Part I (copy circulated) was submitted and consideration given thereto.

2. RESOLVED that the report of the meeting be noted for information.

## **Localism Act 2011 – Pay Accountability Provisions**

The Director of Human Resources & Organisational Development and the Executive Director of Commercial and Corporate Services submitted a joint report to set out the pay Implications of the Localism Act 2011 and recommending to Cabinet for approval the draft Pay Policy Statement, for subsequent adoption by Council and publication by 31 March 2012.

Members were advised that the relevant provisions of the Localism Act came into force on 15 January 2012. Section 38 of the Act required English and Welsh local authorities to produce an annual pay policy statement starting with 2012/13, 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.

The proposed draft Pay Policy Statement was appended to the report.

The Director of Human Resources and Organisational Development confirmed that no comments had been received from the Trade Unions.

In response to a question from Councillor Wood, members were advised that the Chief Executive's salary was a spot salary as opposed to a salary range.

- 5.2 RESOLVED that that the Personnel Committee endorse the pay implications of the Localism Act 2011 as set out in the report, and formally agreed the attached draft Pay Policy Statement for recommendation to Cabinet and adoption by Council and publication by 31 March 2012.

## **Local Government (Access to Information) (Variation Order) 2006**

At the instance of the Chairman, it was:-

5.3 RESOLVED that in accordance with Section 100(A)4 of the Local Government Act 1972, the public be excluded during consideration of the remaining business as it is considered to involve a likely disclosure of exempt information relating to an individual or information which is likely to reveal the identity of an individual or information relating to any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matters arising between the Authority and its employees (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 2 and 4).

(Signed) D. ERRINGTON,  
Chairman.

### **Note:-**

The above minutes comprise only those relating to items during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.



## **Sunderland City Council**

### **DRAFT Pay Policy Statement 2012/13**

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## **6.3 Introduction and Purpose**

### **1.1 Aims and Purpose**

This document sets out the Council's pay policy for 2012/13 aimed at supporting the remuneration of the workforce in a fair and transparent way. This Pay Policy Statement has been produced having regard to Government Guidance issued under section 38 of the Localism Act 2011. The policy is subject to annual review and must be approved by full Council for each financial year from 2012/13 onwards. It will be published on the Council's website as soon as reasonably practicable after approval or amendment.

It sets out:

- The methods by which salaries of all employees are determined.
- The detail and level of remuneration of the Council's most senior staff, i.e. 'chief officers' as defined by the relevant legislation.
- The remuneration of the lowest paid employees.
- The relationship between the remuneration of its Chief Officers and the remuneration of employees who are not Chief Officers.

The Code of Recommended Practice for Local Authorities on Data Transparency, published in September 2011 by the Government also sets out key principles for local authorities in creating greater transparency through the publication of public data. As part of the code, the Government recommends that local authorities should publish details of senior employee salaries. This pay policy forms part of the Council's response to transparency of senior pay through the publication of a list of job titles and remuneration in Appendix 1.

Further information on senior pay is 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](http://www.sunderland.gov.uk/Council%20and%20Democracy/Senior%20Pay%20Information),

or

Website URL: <http://www.sunderland.gov.uk/index.aspx?articleid=4994>

### **6.4 Not in Scope**

The arrangements set out within this document do not extend to those employees who are employed within the control of school governing bodies.

### **6.5 Other legislation relevant to pay and remuneration**

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, subject to Section 41 of the Localism Act 2011 (requirement for determinations relating to terms and conditions of chief officers to comply with the pay policy statement.)

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. There is also significant legislation relating to pensions and payments upon termination of employment.

Sunderland City Council is an equal opportunity employer. The overall aim of our Single Equality Scheme is to ensure that people are treated fairly and with respect. The scheme also contains a specific objective to be a diverse organisation which includes recruiting and retaining a diverse workforce and promoting equality and diversity through working practices. This pay policy forms part of our policies to promote equality in pay practices. By ensuring transparency of senior pay and the relationship with pay of other employees, it will help ensure a fair approach which meets our equality objectives.

#### 1.4 Context

In setting the pay policy arrangements for the workforce the Council seeks to pay appropriate salaries within the constraints of a public sector organisation. The pay policy is simply one aspect of the Council's whole approach to managing its human resources within the context of the Sunderland way of working, the Council's values and its organisational philosophy.

### **6.6 Pay Structure and general principles regarding the remuneration of all staff**

#### 2.1 Pay Structure

The Council operates a graded salary structure of incremental salary scales with a range of spinal column points (pay points), using the nationally negotiated pay spines as the basis for its local pay structures, together with some locally determined rates.

The large majority of the Council's (non teaching) workforce are covered by the National Joint Council for Local Government Services (NJC) pay spine (spinal column points 4-49), plus some additional local salary scales (spinal column points 50-58). Other appropriate nationally agreed spines apply to smaller defined groups of employees, such as Craft, JNC for Youth & Community Workers, Employees covered by the Soulbury Committee Agreement, and the Joint National Council for Chief Officers (JNC) (see Paragraph 4).

The salary figures in this report are gross salary figures before deductions, such as salary sacrifice, are made, at the discretion of the employee.

#### 6.7 Pay Awards

National and Provincial Agreements for the Council's workforce include the negotiation of collective agreements on pay and conditions, which are reviewed and negotiated annually, through agreements of the relevant national bodies such as the National Employers' Organisation for Local Government Services, on behalf of all local authorities in England and Wales,

and the signatory Trade Unions. The annual pay awards, if any, take account of a number of issues, including what can be agreed with the relevant trade unions, the general economic situation, the results of consultation, the affordability position of local authorities, the average rate of pay settlements across the economy, the employee relations climate, etc. While the Council as an Employer is consulted as part of the negotiation process, it does not control the level of any national pay award.

#### 6.8 Grading of posts

The grading of posts is determined by either the Cabinet, following the consideration of recommendations from the Council's Personnel Committee or under delegated powers by the Director of HR & OD. For some categories of staff, job evaluation techniques are used.

#### 6.9 Appointment to new and existing posts

Appointments are made in accordance with the Council's Code of Practice on Recruitment and Selection. For posts graded on incremental scales, appointments are normally made at the minimum of the salary grade, with employees progressing to the maximum point of the salary range via annual incremental progression where applicable, subject to relevant criteria being met. While provision exists to appoint above the minimum of the grade, this is applied in exceptional circumstances only. The equality impact of the decision is a key issue, and it is imperative that anomalies are not created as a result of such decisions. In cases where the criteria to appoint above the minimum of the grade is met, comprehensive records need to be maintained and monitored on an ongoing basis, for use in assessing recruitment and retention trends and for monitoring purposes.

#### 6.10 Market Pay

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 capacity. 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.

#### 6.11 Temporary pay supplements

Where employees temporarily undertake either the full range of duties of a higher graded post or a proportion of the duties of that post, a commensurate salary may be paid.

### **3. Senior Management Information**

### 6.12 Definition of Senior Management

For the purposes of this statement, senior management means ‘chief officers’ as defined within the Localism Act. Specifically:

- “2 (a) The head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- (b) its monitoring officer designated under section 5(1) of that Act;
  - (c) a statutory chief officer mentioned in section 2(6) of that Act;
  - (d) a non-statutory chief officer mentioned in section 2(7) of that Act;
  - (e) a deputy chief officer mentioned in section 2(8) of that Act.”

## 3.2 Key Principles

6.13 The Chief Officer pay policy is designed to be easily understood and be transparent to the post holders, key stakeholders and the public. The structure and level of the pay arrangements is designed to enable the Council to attract, motivate, and retain key senior talent for the authority.

6.14 The policy is based upon salaries with clear differentials between levels of work/job size, within a range that is affordable now, will remain so for the medium term, and will be subject to review to ensure it continues to remain fit for purpose. It is intended that the authority will market test the rates of pay when vacancies arise, as part of consideration on whether or not roles continue to be required within the context of the Council’s priorities and commitments at that time.

6.15 These posts do not attract performance related pay, bonuses or any other additions to basic salary. This approach enables the Council to assess and budget accurately in advance for the total senior pay bill over a number of years.

6.16 In setting the pay policy for senior staff, a market position has been established that aims to attract and retain the best talent available at a senior level within a national recruitment context, to lead and motivate the Council’s workforce that is rewarded under a nationally agreed negotiating framework.

- v) The remuneration for roles at this level have all been set following independent advice from external consultants, Aquarius:  
[www.aquariusconsultants.com](http://www.aquariusconsultants.com)
- vi) Other terms and conditions of employment for this group are as defined within the Joint Negotiating Committee for Chief Officers of Local Authorities Conditions of Service handbook, with discretion to set actual pay levels at a local level, but within a national negotiating framework. These national provisions are supplemented by the Council’s local employment policies. These posts are part of the nationally defined Local Government final salary pension scheme.

#### 6.17 Individual elements of the remuneration package:

a) Chief Executive

The current salary of the post is £175,699.

b) Deputy Chief Executive and Executive Directors

The current salary of these posts fall within a range of £107,572, rising to a maximum of £128,063. The posts are: Deputy Chief Executive; Executive Director of Childrens Services; Executive Director of City Services; Executive Director of Commercial and Corporate Services and Executive Director of Health Housing and Adult Services.

c) Deputy Executive Directors and Corporate Directors

The current salary of these posts fall within a range of £81,960 - £97,327. The posts are Deputy Executive Director of Childrens Services; Deputy Executive Director of City Services; Assistant Chief Executive; Director of Communications and Corporate Affairs; Director of Human Resources and Organisational Development.

d) The designated Monitoring Officer, which is the Head of Law and Governance, is paid within a range of £70,924 - £84,966.

e) Heads of Service and other officers reporting directly to one of the statutory or non-statutory chief officers listed in (b), (c) and (d) above. The current salaries of these posts fall within four different ranges: Band 1 (£71,982 - £85,725); Band 2 (£63,325 - £75,863); Band 3 (£56,157 - £65,111) and Band 4 (£53,272 - £57,643).

The designated Returning Officer for the Council, who is the Head of Paid Service, also carries out the role of Acting Returning Officer at UK parliamentary elections and local returning/counting officer at European elections and at other referenda or electoral processes that occur from time to time. These additional roles usually carry an entitlement to payment from central government budgets at levels set by order in relation to each poll. The payment scales for national elections are set out in a Statutory Instrument laid before Parliament in respect of each individual election and are applied to both national and local elections. The Statutory Instruments are published on [www.legislation.gov.uk](http://www.legislation.gov.uk)

#### 4. Lowest Paid Employee Information

##### 6.18 Definition of Lowest paid employees

Those staff who are employed in jobs which are paid at Grade A level (spinal column point 4)( £12,145 per annum for a full time 37 hour week), this being the lowest salary paid to employees other than apprentices. This salary is only paid to newly appointed Cleaners for the first six months of service. The salaries attributable to apprentices depend on age and are those set out within the National Minimum Wage legislation. Given the specific nature of

these appointments, the Council does not include apprentices within the definition of lowest paid employees for the purposes of this policy statement.

## **5. The relationship between the highest and lowest paid employees**

### **6.19 Pay Multiples**

In setting the relevant pay levels a range of background factors were taken into consideration for senior pay alongside the significant scope and scale of the authority in the national context. For example, the scope and scale of the Chief Executive's post encompasses responsibilities commensurate with a large city authority, including responsibility for:

- The provision of wide ranging services to 281,463 residents of Sunderland.
- An overall budget of £744.7 million for service delivery and the more than 700 services the Council provides.
- Undertaking the role of the Head of Paid Service to 12,400 employees.
- Lead Policy Advisor to the Council's 75 Elected Members.

One way of measuring pay relationships is to use a pay multiple.

The ratio between the pay of the Chief Executive in Sunderland City Council and the lowest paid workers is 14.47:1. This meets the Government expectation that the pay multiple relationship should be below 20:1 in local government.

### **6.20 Pension Contributions**

During 2012/12 the employer will contribute 14.4% of pensionable pay to the pension fund for all employees in the Local Government Pension Scheme. Employees also pay a contribution of between 5.5% and 7.5%.

### **6.21 Pay Policy Decisions for the Wider Workforce**

These are determined by the Cabinet, following consideration of recommendations of the Council's Personnel Committee which is composed of elected members. This ensures that decisions in relation to workforce pay are taken by those who are directly accountable to local people.

## **7. The approach towards payment of those officers ceasing to hold office under or be employed by the Authority**

Payments to Chief Officers upon termination of their employment are determined by the Council's Personnel Committee. Decisions are made in line with the Council's policies which apply to all employees. The Council does not re-engage former Chief Officers.



**At a meeting of the PERSONNEL COMMITTEE held in the CIVIC CENTRE on 24 FEBRUARY 2012 at 2.00 pm.**

**Present:-**

Councillor Errington in the Chair

Councillors Mordey, D. Trueman, H. Trueman, and P. Watson.

**Also Present:-**

Councillor Charlton (Portfolio Holder – Prosperous City – Observer).

**Part I**

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors Gofton, Speding, D. Smith, S. Watson, A. Wilson and Wood.

**Receipt of Declarations of Interest**

There were no declarations of interest.

**Local Government (Access to Information) (Variation Order) 2006**

At the instance of the Chairman it was: -

1. RESOLVED that in accordance with Section 100(A)4 of the Local Government Act 1972, the public be excluded during consideration of the remaining business as it is considered to involve a likely disclosure of exempt information relating to any individual or information which is likely to reveal the identity of an individual (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1 and 2).

(Signed) D. ERRINGTON,  
Chairman.

**Note:-**

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