

ROTHERHAM BOROUGH COUNCIL – REPORT TO STAFFING COMMITTEE

1.	Meeting:	Staffing Committee Meeting
2.	Date:	5th February, 2013
3.	Title:	Pay Accountability
4.	Directorate:	Resources

5. Summary

This report provides detail of the Pay Policy Statement for 2013-14 that the Council has to publish under Chapter 8 of the Localism Act 2011.

6. Recommendations

Staffing Committee is asked to:

(1) Recommend the Pay Policy Statement for consideration by full Council

7. Proposals and Details

The Localism Act 2011 Chapter 8 Pay Accountability made it a legal requirement to produce and publish a Pay Policy Statement by the 31st March each year which has been agreed by full Council detailing the remuneration of its Chief Officers.

The Council must then comply with the Pay Policy Statement for the financial year in making any determination.

The statement must state:

- Policies relating to remuneration of Chief Officers
- Remuneration of its lowest paid employees
- Relationship between remuneration of Chief Officers and employees who are not Chief Officers
- Level and elements of remuneration for each Chief Officer including charges, fees or allowances (includes election fees)
- Remuneration of Chief Officers on appointment
- Increases and additions to remuneration for each Chief Officer
- Use of performance related pay for Chief Officers
- Use of bonuses for Chief Officers
- Benefits in kind to which the Chief Officer is entitled
- Any increase of enhancement to Chief Officer pension entitlement
- Approach to payment of Chief Officers on their ceasing to hold office
- Any amounts payable upon the Chief Officer ceasing to hold office other than that payable by virtue of any enactment
- Approach to publication and access to information relating to remuneration of Chief Officers

In addition full Council should be offered the opportunity to approve salary packages £100,000 plus offered for new appointments.

The Council's Scheme of Delegation has empowered the Staffing Committee to determine conditions of service, employment policies and procedures and remuneration relating to the Chief Executive and Chief Officers.

In line with last year Staffing Committee is therefore asked to review the Pay Policy Statement (appendix 1) and make recommendation to full Council.

8. Finance

It is not anticipated that there will be any financial cost other than officer time associated in publishing the data.

9. Risks and Uncertainties

The Council must comply with the Pay Policy Statement resolved by full Council during the financial year it relates to. There is a risk that organisational circumstances may unexpectedly change over the year and the Pay Policy Statement restricts options to change Chief Officer remuneration.

10. Policy and Performance Agenda Implications

The way we do business – treating everyone fairly and with respect

11. Background Papers and Consultation

Coalition Agreement

Local Government Group – Local Transparency Practitioners Guide

Office National Statistics

Local Government Association

CIPFA Best Value Accounting Code of Practice

Data Protection Act 1998

Information Commissioners Office

Freedom of Information

Localism Act 2011

Hutton Review of Fair Pay in the Public Sector: Final Report March 2011

Staffing Committee Report February 2012

Full Council meeting 7th March 2012

Contact Name: **Phil Howe**
 Director of Human Resources
 Ext. 23716

Appendix 1

PAY POLICY STATEMENT 2013-14

Introduction & Scope

This policy statement sets out the arrangements for the salary and related allowances paid to Chief Officers of the Council meeting the requirements of the Localism Act in this regard and also meeting the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act.

It does not cover teaching staff whose salaries and terms of conditions of employment are set by the Secretary of State.

Underlying Principles

The Council is committed to and supports the principle of equal pay for all our employees.

Equal pay between men and women is a legal right under both United Kingdom and European Law. The Equality Act 2010 requires employers not to discriminate on grounds of race and disability and similar rules apply to sexual orientation, religion and age.

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment.

1. Determination of Pay

Chief Executive and Chief Officers conditions of service are in line with the Joint Negotiating Committees for Chief Executives and Chief Officers. Local agreements and remuneration are determined by full Council on recommendation made by the authority's Staffing Committee.

In the case of shared management arrangements with partner organisations, where the job continues to be filled by an employee of the Council, posts will be graded in line with the above.

2. Pay Relationship

The lowest pay point in the authority equates to a full time equivalent annual salary of £12,145 and can be expressed as an hourly rate of pay of £6.2951. This pay point and salary was determined by the authority as part of a pay scale for employees employed on Local Government Services Terms and Conditions.

The highest paid salary in this authority is £160,000 which is paid to the Chief Executive.

The ratio between the two salaries, the 'pay multiple' is 13.1 to 1. Against the average salary of £20,818 this multiple reduces to 8 to 1.

The Hutton review considered the multiple should be no greater than 20 to 1 and the Council falls well below this threshold. The authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority.

These pay rates may increase in accordance with any pay settlements which are reached through their respective national negotiating bodies.

3. Salary Packages over £100,000

The authority will ensure that before an offer of appointment is made, any salary package for any post that is in excess of £100,000 is considered by full Council on recommendation made by the Staffing Committee.

4. Market Supplements

In exceptional circumstances where there are recruitment difficulties; there may be a requirement to consider the payment of temporary market supplements such as 'golden hellos', retention payments or regular monthly payments.

In situations where a Market Supplement is being considered a report detailing the business case is considered by the Director of Human Resources who makes the final decision as to whether a supplement is payable, the amount and the frequency of review. For Chief Officer graded posts where this would result in a pay package in excess of £100k the case will be considered by full Council on recommendation made by the Staffing Committee.

Supplements can be reviewed at any time but a review must be undertaken on an annual basis.

5. Pay Awards

The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations.

6. Allowances

Posts covered by Chief Executive or Chief Officer terms and conditions do not attract any additional allowances.

7. Bonuses

The authority does not have or intends to introduce any bonus schemes.

8. Performance Related Pay

The authority does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance. Any areas of under-performance would be addressed through the capability procedure.

9. Earn back

The authority does not operate an earn-back pay system whereby a proportion of the employee salary is held back and only paid if specific targets are achieved as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance. Any areas of under-performance would be addressed through the capability procedure.

10. Voluntary Employee Benefits

As part of its reward package the Council offers a range of salary sacrifice schemes where employees can exchange a portion of their salary for some other form of non-cash benefit. For example childcare vouchers, car parking permit, lease of a brand new car, cycles and purchase of additional leave.

11. Expenses

Approved additional expenses incurred in the course of their work are reimbursed subject to appropriate evidence of expenditure being produced. Employees should not be out of pocket but situations which warrant payment of expenses are not intended to result in a profit.

Mileage expenses are reimbursed at 2009 HMRC approved rates.

12. Election Fees

The duties of Electoral Registration Officer are undertaken by the authority's Chief Executive, the remuneration for which is included in their annual salary.

The authority's Chief Executive is also the Returning Officer for elections, referendums and other polls. The Returning Officer may appoint deputies and by convention has chosen to appoint the Director of Legal Services as a Deputy Returning Officer.

For national elections, referendums or other polls which may be required by statute, fees are paid in accordance with the amounts specified for each poll by statutory order.

For local Borough and Parish elections a local scale of fees, which has not increased since 2008, is approved by full Council.

13. Termination Payments

The authority's normal redundancy payment arrangements apply to all staff including Chief Officers and the Chief Executive. The authority also applies the appropriate Pensions regulations in circumstances where employees qualify for release of pensions.

14. Pension Enhancement

The authority has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations.

It is not Council policy to apply the available discretions to increase the active member's period of membership (regulation 12) or increase their pension (regulation 13).

15. Re-employment of Staff

The authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.

If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the authority. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist.

The authority will apply the provisions of the Statutory Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant and appropriate. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

16. Transparency

The authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.

17. Policy Amendment

The Council may seek to change elements within the pay policy as part of any necessary efficiency review or as other circumstances dictate.

This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

18. Pay Policy References

- Agency workers directive 2011
- Hutton Fair Pay in the Public Sector Final Report (March 2011)
- Joint Negotiating Committee for Local Authority Chief Executives
- Joint Negotiating Committee for Chief Officers of Local Authorities
- Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006
- Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations 2007
- Localism Act 2011
- National Joint Council for Local Government Services
- Representation of the People Act 1983
- Rotherham Borough Council Scheme of Delegation
- The Accounts and Audit (England) Regulations (2011)
- The Equality Act 2010
- The Secretary of State for CLG Code of Recommended Practice for Local Authorities on Data Transparency

Prepared by Strategic Human Resources – 18th December 2012