

Division(s):

## REMUNERATION COMMITTEE – 9 SEPTEMBER 2014

### Local Authority Transparency Code 2014

#### Report by Chief Human Resources Officer

#### Introduction

1. The Local Authority Transparency Code 2014 is expected to come into force in Autumn 2014. This report focuses on the staff related requirements of the Code (although the Code brings other requirements too), and it aims to keep Remuneration Committee informed of the changes which will be required in published information on senior jobs and organisational structures and trade union facilities.
2. **Requirements of the Local Authority Transparency Code 2014.**

The Code requires the following information to be published annually:

#### Organisation Chart.

*(Paragraph 30.) Local authorities must publish an organisation chart covering staff in **the top three levels** of the organisation. (This should exclude staff whose salary does not exceed £50,000.)*

*The following information must be included for **each member of staff** included in the chart:*

- *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 under paragraph 34, and*
- *salary ceiling (the maximum salary for the grade).*

Currently information on remuneration is published for those employees earning over £52,800 p.a.

## **Senior salaries.**

*(Paragraph 34.) Local authorities are already required to publish, under the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817)22:*

- *the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000*
- *details of remuneration and job title of certain senior employees whose salary is at least £50,000, and*
- *employees whose salaries are £150,000 or more must also be identified by name.*

*(Paragraph 22.) These Regulations are to be replaced by Regulations made under the Local Accountability and Audit Act 2014. 16*

*(Paragraph 35.) In addition to this requirement, local authorities must place a link on their website to these published data or place the data itself on its website, **together with a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff)** and details of bonuses and 'benefits-in-kind', for all employees whose salary exceeds £50,000.*

*The key differences between the requirements under this Code and the Regulations referred to above is the addition of a list of responsibilities, the inclusion of bonus details for all senior employees whose salary exceeds £50,000 and publication of the data on the authority's website.*

## **Pay multiple.**

*(Paragraph 37.) Section 38 of the Localism Act 2011 requires local authorities to produce Pay Policy Statements, which should include the authority's policy on pay dispersion – the relationship between remuneration of chief officers and the remuneration of other staff. Guidance produced under section 40 of that Act, recommends that the pay multiple is included in these statements as a way of illustrating the authority's approach to pay dispersion.*

*(Paragraph 38.) Local authorities must, under this Code, publish the pay multiple on their website, defined as the ratio between the highest paid salary and the median salary of the whole of the authority's workforce. The measure must:*

- *cover all elements of remuneration that can be valued (e.g. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)*

- *use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year, and*
- *exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.*

Oxfordshire already publishes the pay multiple, however, this method of calculation is different.

### **Trade union facility time.**

(Paragraph 31.)

- *total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)*
- *total number (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union duties*
- *names of all trade unions represented in the local authority*
- *a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill).*

Oxfordshire does not publish this information currently although it is in the public domain through numerous FOI requests.

The following are **recommendations** only under the Code, to be published annually:

### **Organisation chart**

(Paragraph 50.) *It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish:*

- *charts including all employees of the local authority whose salary exceeds £50,000*
- *the salary band for each employee included in the chart(s), and*
- *information about current vacant posts, or signpost vacancies that are going to be advertised in the future*

## **Financial and Staff Implications**

3. No direct implications.

## **Equalities Implications**

4. No direct implications.

## **RECOMMENDATION**

5. **The Remuneration Committee is RECOMMENDED to:**
  - (a) **note and adopt the changes to the Transparency Code; and**
  - (b) **indicate whether they wish to comply with the optional elements of the Code.**

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Chief H.R. Officer

Background papers: Local Authority Transparency Code 2014

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