

POLICY PROPOSALS FROM POLICY DEVELOPMENT PANEL (GOVERNANCE, COMMUNITY PLANNING & CENTRAL / LOCAL RELATIONS)

Reporting Senior Officers' Remuneration

Agenda Item: 3b

Summary: **Outlining the Policy Development Panel's proposals in relation to the future reporting of senior officers' remuneration in the Council's Annual Statement of Accounts.**

Action: **For consideration and endorsement.**

Introduction

1. At the request of Minister Wilson the Panel considered the extent to which the remuneration of senior officers of councils should be reported in the council's Annual Statement of Accounts. The Panel's deliberations were informed by the consultation currently underway in England and Wales on the introduction of a requirement on public bodies in relation to reporting the remuneration of senior officers.

Detail

2. Members agree, in principle, that there should be greater transparency in the reporting of the remuneration of the most senior officers of councils and that a revised requirement in relation to the Notes to the Annual Statement of Accounts should be introduced. They take the view that the provision of this greater transparency should apply equally across the whole of the public sector.
3. In relation to the level of officer that would be covered by the requirement for more detailed reporting members propose that this is limited to the Chief Executive or Town Clerk, i.e. the head of the Council's administrative organisation, and those senior officers who report directly to the Chief Executive, i.e. 1st tier Directors. Members expressed the view that while there may be other officers of council who have a remuneration package of over £50,000, particularly

after the reorganisation in 2011, it is the senior management team who have a responsibility to represent the council's views.

4. While there should be no requirement to report the remuneration packages for these officers in detail, members propose that there should be a requirement to report detail of the posts within the council that attract remuneration above £50,000, in bands of £5,000.
5. In relation to the extent of the detail that should be reported for the Chief Executive and members of the senior management team members recommend that the requirement should cover the following elements:
 - Gross basic salary
(for the current and previous year to show relative increases)
 - expenses and allowances
(for the current and previous year to show relative increases)
 - Bonuses
(for the current and previous year)
 - Additional payments – expenses or allowances payable in respect of qualifying service (e.g. regional allowances)
 - Compensation / ex gratia payments – compensation for loss of office and any other payments receivable on the termination of employment.
 - Benefits-in-kind – estimated monetary value
 - Pension entitlement – total value based on length of service and pensionable pay – projected to normal retirement age.

A potential template to give effect to the members' proposals on the detail to be reported is attached.

6. In addition to the specific proposals on the detail to be reported, members further propose that Explanatory Notes should be included to provide context in relation to the determination of senior officers remuneration. These Notes would set out the basis on which these are set and by whom, the basis for any bonuses paid, and the level of contribution by individual officers towards their pension entitlement. The Notes should also include an explanation on how salaries for local government employees are determined.

Recommendation

7. It is recommended that SLB endorses the Panel's proposal in relation to the future reporting of senior officers' remuneration in the Council's Annual Statement of Accounts.

**DOE/NILGA Joint Secretariat
August 2009**