

HUMAN RESOURCES COMMITTEE

REPORT OF THE DIRECTOR OF SMART CITIES AND ENABLING SERVICES

PAY POLICY STATEMENT 2023-2024

1. Purpose

- 1.1 The purpose of this report is to present the draft Pay Policy Statement for 2023-24 for consideration by Human Resources Committee and recommendation to Council.20.

2. Description of Decision (Recommendation)

- 2.1 The Human Resources Committee is invited to consider the information set out in this report and recommend the draft Pay Policy Statement for 2023-2024 to Council for approval for publication.

3. Background

- 3.1 The Localism Act 2011 includes the requirement for local authorities to produce a Pay Policy Statement to be updated, approved by full Council and published annually on the Authority's website. The Council has complied with this requirement each year since March 2012.
- 3.2 The Pay Policy Statement now needs to be updated, approved by Council at their meeting on 22 March 2023 and published by 31st March 2023. The 2022 -23 Pay Policy is currently published on the Council's website, alongside the Statement of Accounts. This can be accessed at: <https://www.sunderland.gov.uk/pay-policy>.
- 3.3 There are other, related requirements which are set out here for background information. On 3rd October 2014 the Government issued a revised Local Government Transparency Code. This came into force on 31st October 2014 under Section 2 of the Local Government, Planning and Land Act 1980. As part of the Code, local authorities are now required to publish certain data sets. The HR implications of the mandatory information are the annual publication of:
 - An **Organisation chart** covering employees 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.
 - Pay multiple – the ratio between the highest paid salary and the median salary of the whole of the authority's workforce.

The information must be published at least annually and not later than one month after the year to which the data and information is applicable.

These data sets are published on the Council's website under Transparency alongside the Senior Pay information and can be accessed at:

<https://www.sunderland.gov.uk/transparency>.

- 3.4 In preparing the Pay Policy Statement for approval and publication, the Council must have regard to the guidance and supplementary guidance issued by the (former) DCLG:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85886/Final_Supplementary_Pay_Accountability_Guidance_20_Feb.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf

- 3.5 Since 2018 requirements on Gender Pay Gap reporting apply to organisations with 250+ employees, in accordance with Regulations made in 2017 under the umbrella of the Equality Act 2010.

4. Proposal

- 4.1 The proposed draft Pay Policy Statement 2023-24 is attached as an Appendix to this report. The amendments in comparison with the 2022-2023 Pay Policy Statement are: a national increase in JNC pay rates, structural changes, and minor changes to the presentation of the statement.
- 4.2 One way of measuring pay relationships is to use a pay multiple. It is mandatory to publish the Median Pay Multiple (the ratio between the highest paid taxable earnings for the given year and the median earnings figure of the whole of the Council's workforce). This is shown in the pay policy statement. The highest paid is £196,399 and the median paid is £24,496 therefore the ratio is 8.02:1. This is a reduction from the ratio for 2022-2023 which was 8.62:1.

5. Reason for Decision

- 5.1 The Localism Act 2011 includes the requirement for local authorities to produce and publish a Pay Policy Statement.

6. Alternative Options

- 6.1 There are no alternative options recommended as adoption of a Pay Policy Statement is a statutory requirement.