

## **Human Resources Committee**

**28 February 2016**

### **Pay Policy Statement 2017-2018**

#### **Report of the Head of Human Resources & Organisation Development**

##### **1.0 Purpose of Report**

- 1.1 To recommend approval of the draft Pay Policy Statement 2017-2018, for subsequent adoption by Council and publication by 31<sup>st</sup> March 2017.

##### **2.0 Background**

- 2.1 In February 2012 Human Resources Committee considered the pay transparency implications of the Localism Act 2011, including the requirement to produce and publish an annual Pay Policy Statement. Human Resources Committee formally agreed this for recommendation to Cabinet. This was subsequently agreed by Cabinet and adopted by Council on 28th March 2012 and was published on the Council's website by 31<sup>st</sup> March 2012.

- 2.2 Updated policies for 2013-14, 2014-15, 2015-16, and 2016-17 were subsequently agreed by Cabinet and adopted by Full Council, and published on the council's website.

The policy needs to be updated and published for 2017-18.

##### **2.3**

The 2016/17 Pay Policy is currently published on the Council's website, alongside the Statement of Accounts. This can be accessed at: <http://www.sunderland.gov.uk> and search for Senior Pay, or Website URL: <http://www.sunderland.gov.uk/index.aspx?articleid=4994>

##### **2.4**

There continue to be both required and discretionary elements to the statutory pay policy :

(i) Required elements:

- The level and elements of remuneration for each chief officer (including salary, bonuses and benefits in kind).
- The remuneration of its lowest-paid employees (together with its definition of "lowest paid employees" and its reasons for adopting that definition).
- The relationship between the remuneration of its chief officers and other officers.
- Other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, the use of performance-related pay and bonuses, termination payments, and transparency (i.e. publication of and access to information relating to their remuneration).

(ii) Discretionary elements (recommended in JNC guidance):

- The authority's policies relating to other terms and conditions for chief officers; making explicit whether the JNC conditions of service for chief officers are incorporated in their employment contracts.
- Any additional arrangements which may not amount to formal terms and conditions but which relate to employment and are a charge on the public purse.
- Combining into one statement, other statements relating to remuneration which the Council is already required to publish, in relation to discretionary payments on early termination of employment; on increasing an employee's total pension scheme membership; and awarding additional pension.

The Council's current policy is a combined Statement of Policy on Discretions relating to The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, and The Local Government Pension Scheme Regulations 1997 (as amended).

## 2.5

On 3<sup>rd</sup> October 2014 the Government issued a revised Local Government Transparency Code. This came into force on 31<sup>st</sup> 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 staff 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. (Previously we were required to publish the ratio between the highest to lowest pay).

The information was published within the required deadlines, i.e.:

- On the first occasion, not later than 2<sup>nd</sup> February 2015, and
- Thereafter, not less than 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:

<http://www.sunderland.gov.uk>, or by clicking Transparency

The content of the Pay Policy Statement 2016-17 has not been affected by

the Transparency Code requirements apart from the Pay multiple method – we are required to publish the ratio between the highest paid salary and the median salary of the whole of the authority’s workforce. (We had previously published the ratio between the highest to lowest pay).

### **3.0 Proposal**

The proposed draft Pay Policy Statement 2017-2018 is attached as an Appendix to this report. The amendments in comparison with the 2016-17 Pay Policy Statement are: changes to dates; an national increase in JNC pay rates; the updated grades as a result of the full implementation of the workforce transformation project in 2016; a reference to the higher minimum pay rates implemented following the decision to comply with the recommendation of the Living Wage Foundation and the changes to the new senior organisation structure approved in September 2016. As the Statement has to be published by 31 March, the posts that are due to transfer to Together for Children on 1<sup>st</sup> April are listed in the Statement as they will still be in the council’s employment on 31 March.

### **4.0 Recommendations**

- 4.1 It is recommended that Human Resources Committee formally agree the attached draft Pay Policy Statement 2017-18 for recommendation to Cabinet and adoption by Council and publication by 31<sup>st</sup> March 2017.

