

Human Resources Policy

Title: Pay Policy Statement 2018

Purpose: The Localism Bill requires that all local authorities publish a Pay Policy on an annual basis. The Policy should be agreed by a meeting of Council and be published on the Council's website.

The purpose of having a Pay Policy Statement is so that the pay and related rewards structure of the Council is transparent.

Owner: **Group Manager for Human Resources**
jcottrell@middevon.gov.uk
01884 234919

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Next Review Date: **February 2019 to be published by April 2019**

Pay Policy

March 2018

1. INTRODUCTION

Local authorities must publish a pay policy statement for each financial year. This must be approved by a Council resolution each year. The Act specifies a number of elements that must be covered by the statement including: the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay for chief officers, the use of bonuses for chief officers, the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and the publication of and access to information relating to remuneration of chief officers.

The specific part of the Localism Act 2011 relating to a pay policy is Section 38. Pay is an emotive issue for staff, Councillors and also for the public at large. Transparency in what and how we pay our senior staff particularly, but also all council employees is of paramount importance.

A pay policy statement will be updated and taken to full Council each year, in this way a clear view of the salaries and benefits paid to the most senior staff at the Council can be tracked.

2. REFERENCES

Equal Pay Act
Equality Act 2010
Localism Act 2011

3. SCOPE

This statement sets out the Council's policy with regards to:

- the remuneration of Chief Officers
- the remuneration of the lowest paid employees
- the relationship between Chief Officers' remuneration and that of other officers

"Remuneration" for the purposes of this statement includes three elements:

- basic salary
- pension
- all other allowances arising from employment

For the purpose of this statement the Council regards the following as its 'Chief Officers'

- Chief Executive Officer including Head of Paid Service responsibilities
- Directors and Monitoring Officer responsibilities and Section 151 Officer responsibilities
- Head of Planning

4. POLICY

Clarity in the provision of pay and other benefits is essential to ensure that the Council can attract and retain good calibre employees at all levels but particularly so at the most senior level.

In the context of managing scarce public resources, remuneration at all levels within the Council needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive.

This pay policy statement applies specifically to chief officers (a term which includes both statutory and non-statutory chief officers) and addresses the legal requirement to set out how the policy for agreement of chief officer remuneration differs to that of other Council employees. For the purpose of this statement this includes:

- **Chief Executive Officer (Head of Paid Service)**
- **Director of Finance, Assets & Resources Section 151**
- **Director of Corporate Affairs & Business Transformation**
- **Director of Operations**
- **Head of Planning**
- **Group Manager for Legal Services and Monitoring Officer**

The definition of chief officers (as set out in section 43(2) of the Localism Act 2011) is not limited to Directors, Heads of Paid Service or statutory chief officers. It also includes those who are their direct reports (who may or might not be statutory chief officers).

The metric used for pay dispersion is the multiple of Chief Executive to mean earnings. Tracking this multiple will ensure public service organisations are accountable for the relationship between the pay of their executives and the wider workforce. Through this pay policy statement Mid Devon will track this multiple annually. **(This is shown as Officer Remuneration in accounts)**

- the level and elements of remuneration for each chief officer
- the remuneration of the lowest paid employees
- the relationship between the remuneration of its chief officers and other officers
- other specific aspects of chief officer remuneration.

In respect of Officer Remuneration Notes in accounts: It should be noted that this information will relate to the previous year as shown in the annual accounts.

- Salary, fees and allowances
- Bonuses
- Expenses allowance
- Compensation for loss of employment
- Employers pension contribution
- Any other emoluments

Pay multiple

This is calculated by comparing all taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of benefits in kind) for the Chief Executive compared to mean earnings and the lowest paid in the organisation.

Specific Policy Areas

The National Joint Negotiating Committee has previously emphasised that ‘it is good governance that local authorities can demonstrate that decisions on pay and reward packages for chief executives and chief officers have been made in an open and accountable way.’

Currently the remuneration package payable to the Chief Executive is derived from the National Joint Council guidance. The Chief Executive remuneration is paid on a scale relating to the population of Mid Devon.

The remuneration package payable to the Directors is negotiated through the Joint National Council and more specifically each role is subject to job evaluation. The job evaluation that the Council uses is the Green Book Scheme. However, unlike the remainder of the Council’s employees for whom the process is entirely self-contained within the Council, all job evaluation requests/reviews for the Directors are addressed externally via South West Councils. South West Councils are expert in the field of job evaluation and in particular the Green Book Scheme and also give a transparency and impartiality to the process.

The Leader of the Council may recommend to Full Council changes to the remuneration package following an annual review. Any changes to the remuneration packages will be subject to Full Council approval.

Salary increases in relation to the cost of living will be made in line with National Joint Council recommendations.

The cost of living increase does not apply automatically to the Chief Executive and the three Director roles. Any increase given to them will be determined by the Leader of the Council, having sought the views of the Cabinet, and will be based on performance. The annual assessment/pay award for the Chief Executive and Directors has been delayed until the end of June each year, in order to allow for adequate reflection on the previous year's performance. As such any increase will take effect from 1st July annually (salary increases for all other employees continue to take effect from 1st April each year).

The use of market supplements may be applied in certain circumstances but at present are not considered necessary for any senior role.

At present, there are no additional payments made to senior officers which specifically relate to performance such as performance bonuses; neither is there an element of pay which can be enhanced for performance, other than those already mentioned in respect of the Chief Executive and Director roles. Performance issues will be dealt with through the achievement of agreed objectives and appraisal review process.

Any termination payments to chief officers on ceasing office will comply with Mid Devon District Council's Redundancy Policy and no additional payments will be made without the express approval by Full Council.

Through this policy the pay multiple of the Chief Executive will be monitored annually. Should the multiplier between the annual salary paid to a full time employee on the lowest spinal column point and the annual salary paid to the Chief Executive be greater than 10, this will be reported by the Leader of the Council to Full Council for consideration.

Our support for apprenticeships, which may be considered a temporary employment, will not be used to skew the pay multiple metric and we will therefore be using the same pay level measure as before. In order to ensure complete transparency however we have also included the salary of apprentices.

There are no arrangements currently in place for tax and national insurance payments to be paid other than through the normal channels, i.e. through the normal PAYE route for all officers of the Council.

5. PAYMENT OF RETURNING OFFICER

Additional payments are set and made by Central Government to officers carrying out additional duties at elections. These payments will only be received when elections take place and although fixed, do vary according to the type of election for which the payment is made. These payments are not within the scope of this policy.

6. OUTCOMES

In introducing this policy Mid Devon District Council will ensure that the process for setting pay at a senior level is transparent. This policy will be reviewed annually to track the relationship of chief officer pay with the rest of the workforce.

7. PERFORMANCE MONITORING

Annual monitoring of this policy will take place in March. Monitoring of the Chief Executive's performance takes place through an annual appraisal process.

8. POLICY/STRATEGY CONSULTATION

This policy will be agreed with the Council's Leadership Team, Cabinet and Full Council.

9. EQUALITY IMPACT CONSIDERATIONS

The principles of equal pay are integral to this policy. 'Equal work' is defined as:

- Like work where the woman and the man are doing the same job or
- Work rated as equivalent where the 2 jobs are different but have been evaluated by the employer's job evaluation scheme (JES) at the same level/grade or
- Work of equal value where the jobs are again different but an argument is made that both jobs should be regarded as being of equal value or worth.

10. RESPONSIBILITIES

The Group Manager for Human Resources will be responsible for this policy and for updating information on an annual basis.

11. RECORDS

Documents and records generated as a result of the application of this policy will be retained permanently on the individuals' personnel file.

Records of any changes will be held electronically will be held in accordance with the retention policy on the Council's HR information system.

All records will be maintained and processed in compliance with the Data Protection Act.

12. DOCUMENT HISTORY

Date	Version	Update
13/02/2018	1	Pay Policy Statement

1. The Chief Executive and Directors' salary changes on 1st July each year, so for full transparency the table below shows the total amount earned in the financial year, and any revision to salary level from 1st July. The levels and elements of remuneration for each chief and senior officer are:

Post Title	Remuneration		Car Allowances	
	2017/18	2016/17	2017/18	2016/17
Chief Executive (Incl Director of Growth role from 01/09/16 onwards)	£105,625 (£107,500 From 1 July 2017)	£90,526 to £100,586	N/A	N/A
Head of Service Financial Services		£60,770 to £64,489 Until 31 August 2016	N/A	N/A
Director of Finance, Assets and Resources (New post from 1/9/16)	£74,563 (£74,750 From 1 July 2017)	£74,000 From 1 September 2016	N/A	N/A
Head of Service HR and Development		£60,770 to £64,489 Until 31 August 2016	N/A	N/A
Director of Corporate Affairs and Business Transformation (New post from 1/9/16)	£74,563 (£74,750 From 1 July 2017)	£74,000 From 1 September 2016	N/A	N/A
Director of Operations (New post from 1/3/17)	£74,563 (£74,750 From 1 July 2017)	£74,000 From 1 st March 2017	N/A	N/A
Head of Service: • Planning and Regeneration	£61,378 to £65,134	£60,770 to £64,489	N/A	N/A
Head of Service: • Housing and Property Services (left on 3/9/17)	£61,378 to £65,134	£60,770 to £64,489	N/A	N/A

Head of Service: • Communities and Governance (left on 31/12/16)		£60,770 to £64,489	N/A	N/A
Head of Service: • Customer Services (left on 31/12/17)	£52,384 to £55,591	£51,865 to £55,040	N/A	N/A
Group Manager: • Legal Services and Monitoring Officer (new post from 10/4/17)	£52,384 to £55,591		N/A	N/A

2. The FTE remuneration of the lowest paid employee.

Post Title	Remuneration		Other Allowances	
	2017/18	2016/17	2017/18	2016/17
Office Cleaner	£15,014	£14,514	None	None
Apprentice	£6,752	£6,367 (from 1/10/16 £6,559)	None	None

3. The multiplier of the remuneration of the Chief Executive based upon taxable earnings.

Category	Total Remuneration (including cash value of Car and travel allowances)	
	2017/18	2016/17
Pay multiple of Chief Executive to Mean	5.81	5.34
Pay multiple of Chief Executive to lowest paid FT employee	7.03 (based on office cleaner)	6.88 (based on office cleaner)

Category	Total Remuneration (including cash value of Car and travel allowances)	
	2017/18	2016/17
	15.64 (based on apprentice rate)	15.24 (based on apprentice rate)
Annual Mean Pay of all employees (Total Salaries/Number of contracts)	£18,493.05	£18,723.99

4. Officer Remuneration

We are required to publish the following information in respect of officer remunerations:

- a) The number of employees whose remuneration in the year was greater or equal to £50,000, grouped in rising bands of £5,000.
- b) An analysis by job title of the remuneration and employer's pension contributions in respect of senior employees whose salary is £50,000 or more per year (or by name and job title where the salary is £150,000 per year)

4. Officers' Emoluments

This information is contained within Mid Devon District Council Financial Statements and Notes to the Accounts for the year ended 31 March 2017 please refer to Page 20 - 22 (13 & 14) here: [.Accounts 2016-17 Final](#)