

# Human Resources Policy

## Version Control Sheet

*Title: Pay Policy 2015*

*Reference No: HR/*

*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 is so that the pay and related rewards structure of the Council is transparent.*

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*Status: Final*

*Review Frequency: Every year*

*Next review date: January 2016 to be published by March/April 2016*

# Pay Policy

## 1. INTRODUCTION

Local authorities must publish a pay policy statement for each financial year. This must be approved by a Council resolution before 31 March 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 (1). 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 March 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 policy applies to:-

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

## 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 which for the purposes of this policy are the Heads of Service) 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 purposes of this statement this includes:

- **Chief Executive Officer (Head of Paid Service)**
- **Head of Financial Services Section 151**
- **Head of Customer Services**
- **Head of Housing and Property Services**
- **Head of Planning and Regeneration**
- **Head of Communities and Governance**
- **Head of Business Information Systems**
- **Head of Human Resources and Development**

The definition of chief officers (as set out in section 43(2) of the Localism Act 2011) is not limited to 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 shown in accounts)** (please see Appendix A):

- 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 Note 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 Heads of Service is negotiated through the Joint National Council and more specifically each Head of Service 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 request/reviews for the Heads of Service 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 cost of living will be made in line with National Joint Council recommendations.

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. 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, ie 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. OTHER ISSUES - RECRUITMENT**

It has become apparent in the last few months that recruitment is now becoming an issue for this Council. There have been several occasions where we have had little or no response to advertisements. This is a cause for concern in all areas but currently Planning and ICT are experiencing the most difficulties.

## **7. 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.

## **8. 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.

## **9. POLICY/STRATEGY CONSULTATION**

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

## **10. 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.

## **11. RESPONSIBILITIES**

The Head of HR and Development will be responsible for this policy and for updating information on an annual basis.

## **12. 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 permanently on the Council's HR information system.

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

### 13. DOCUMENT HISTORY

Date	Version	Update
17/02/2015	4	Pay Policy

1. The levels and elements of remuneration for each chief and senior officers are:

Post Title	Remuneration		Car Allowances	
	2013/14	2014/15	2013/14	2014/15
Chief Executive	x 1 £87,873 to £97,637	x 1 £87,873 to £97,637	N/A	N/A
Heads of Service: <ul style="list-style-type: none"> <li>• Planning and Regeneration</li> <li>• Environmental Services (left 31/12/14)</li> <li>• Housing and Property Services</li> <li>• HR and Development</li> <li>• Financial Services</li> </ul>	Point 17 £58,873 to £62,476	Point 17 £58,873 to £62,476  From 1 January 2015 – Point 17 £60,168 to £63,850	£1,101  (Changed from 1/9/13 to £963)	N/A
Head of Service: <ul style="list-style-type: none"> <li>• Communities and Governance</li> </ul>	Point 16 £54,387 to £57,717	Point 16 £54,387 to £57,717  From 1 January 2015 Point 16 £55,584 to £58,987	N/A	N/A
Heads of Service: <ul style="list-style-type: none"> <li>• Business Information Services</li> </ul>	Point 15 £50,246 to £53,322	Point 15 £50,246 to £53,322  From 1 January 2015 Point 15 £51,351 to £54,495	£1,101  (Changed from 1/9/13 to £963)	N/A



Heads of Service: • Customer Services	Point 13 £42,905 to £45,511	Point 13 £42,905 - £45,511  From 1 January 2015 Point 13 £43,849 to £46,512	N/A	N/A
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2. The FT remuneration of the lowest paid employee.

Post Title	Remuneration		Other Allowances	
	2013/14	2014/15	2013/14	2014/15
Office Cleaner	£12,450	£12,450 (from 1/1/15 £13,500)	None	None
Apprentice	£5,170	£5,218	None	None

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

Category	Total Remuneration (including cash value of Company Car and travel allowances)	
	2013/14	2014/15
Pay multiple of Chief Executive to Mean	5.51	5.49
Pay multiple of Chief executive to lowest paid FT employee	7.8 (based on office cleaner)	7.23 (based on office cleaner)
	18.8 (based on apprentice rate)	18.7 (based on apprentice rate)
Annual Mean Pay of all employees (Total Salaries/Number of contracts)	£17,722.64	£17,791.95

#### 4. Officer Remuneration Note in Accounts

##### Publication of Officers 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)

Mid Devon District Council Financial Statements and Notes to the Accounts for the year ended 31 March 2014

#### 5. Officers' Emoluments

This table includes all statutory and non-statutory posts whose overall remuneration exceeds £50k excluding pension contributions and non-taxable allowances.

Remuneration Band	2012/13		2013/14	
	Number of Employees	Left During Year	Number of Employees	Left During Year
£50,000 - £54,999	2	0	1	0
£55,000 - £59,999	1	0	1	0
£60,000 - £64,999	4	0	4	0
£65,000 - £69,999	0	0	1	0
£70,000 - £74,999	0	0	0	0
£75,000 - £79,999	0	0	0	0
£80,000 - £84,999	0	0	0	0
£85,000 - £89,999	0	0	0	0
£90,000 - £94,999	0	0	0	0
£95,000 - £99,999	1	0	1	0
£100,000- £104,999	0	0	0	0

Note - there is one employee not included in the above banding table that has been included in the listing of statutory officers shown below, this was due to the Officer relinquishing their role part way through the year.

In completing the 2013/14 Accounts we have complied with the statutory instrument regarding officer emoluments. The statutory instrument requires the individual naming of any officers with an annual salary of £150,000 or more and the post title of any officers earning £50,000 or more who occupy statutory roles or are responsible for managing the strategic direction of services.

The Council had no officers earning at or in excess of £150,000 in 2013/14.

### Statutory officers earning in excess of £50,000

Post title	Financial year	Salary including allowances £	Expenses £	Benefits in kind £	Total remuneration excluding pension contributions £	Pension contributions £	Total remuneration including pension contributions £
Chief Executive	2013/14	97,637	-	-	97,637	17,868	115,505
	2012/13	97,339	573	-	97,912	17,813	115,725
Head of Business Information Services (Note 1)	2013/14	53,322	-	-	53,322	9,758	63,080
	2012/13	51,034	98	-	51,132	9,339	60,471
Head of Planning & Regeneration	2013/14	62,478	-	-	62,478	11,433	73,909
	2012/13	61,857	-	-	61,857	11,320	73,177
Head of Financial Services	2013/14	62,476	-	-	62,476	11,433	73,909
	2012/13	61,857	104	-	61,961	11,320	73,281
Head of HR & Development	2013/14	61,249	-	-	61,249	11,209	72,458
	2012/13	59,455	-	-	59,455	10,880	70,335
Head of Communities & Governance	2013/14	56,586	-	-	56,586	-	56,586
	2012/13	54,926	-	-	54,926	-	54,926
Head of Environmental Services	2013/14	61,249	-	1,078	62,327	11,209	73,536
	2012/13	59,455	44	1,239	60,738	10,880	71,618
Head of Housing & Property Services	2013/14	64,420	-	1,078	65,498	11,787	77,285
	2012/13	62,924	34	1,239	64,197	11,515	75,712
Head of Legal & Democratic Services (Note 2)	2013/14	-	-	-	-	-	-
	2012/13	17,598	-	413	18,011	3,220	21,231

Note – the amounts included in the two above tables are shown gross of any related tax which would be levied.

Note 1 – the post title for Head of ICT has been changed to Head of Business Information Services

Note 2 - the Head of Legal & Democratic Services stepped down on 1 August 2012 and reverted back to their former role of Legal Services Manager

Other than the Head of Legal & Democratic Services, all of the above senior officers are also included in the banding table.

## Termination benefits

2013/14

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £000
£0 - £19,999	4	3	7	55
£20,000 - £99,999	0	1	1	22

2012/13

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £000
£0 - £19,999	2	5	7	54
£20,000 - £99,999	0	2	2	60

Note – these termination benefits have been made more than offset by future salary savings as most of these posts have not been replaced.