

Human Resources Policy

Version Control Sheet

Title: Pay Policy 2020

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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Next review date: February 2021 to be published by March 2021

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 1970
Equality Act 2010
Localism Act 2011

3. SCOPE

This policy applies to:-

- Chief Executive Officer including Head of Paid Service responsibilities
- Directors, Heads of Service and certain Group Managers 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 Directors, Heads of Service, Monitoring Officer and certain Group Managers) 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)**
- **Deputy Chief Executive (151)**
- **Director of Corporate Affairs & Business Transformation**
- **Director of Operations**
- **Head of Planning and Regeneration**
- **Group Manager for Legal Services & Monitoring Officer**
- **Group Managers**

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 and those who report directly to non-statutory chief officers (deputy 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 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.'

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 cost of living increase does not apply automatically to the Chief Executive and the two/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 of 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 will therefore be excluded from the calculation. 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. 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 held electronically and retained as legally required.

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

12. DOCUMENT HISTORY

| Date | Version | Update |
|------------|---------|------------|
| 10/02/2017 | 1 | Pay Policy |
| 05/04/2018 | 2 | Pay Policy |
| 07/02/2019 | 3 | Pay Policy |
| 13/02/2020 | 4 | Pay Policy |

1. The level of remuneration for all officers earning over £50,000 is shown below:

| Post Title | Remuneration | |
|---|-------------------------------|--------------------------------|
| | 2019/20 | 2018/19 |
| Chief Executive | £111,825 | £109,650 |
| Deputy Chief Executive (S151) | £81,600 | £80,000 |
| Director of Corporate Affairs and Business Transformation | £77,775 | £76,250 |
| Director of Operations (Left 02/01/2020 – not replaced) | £77,775 | £76,250 |
| Head of Service: Planning and Regeneration | Grade P £63,857 to £67,765 | Grade 17 £62,605 to £66,436 |
| Head of Service: Legal Services & Monitoring Officer (new post from 01/01/2020) | Grade P £63,857 to £67,765 | N/A |
| Group Manager: Legal Services and Monitoring Officer (post ended 31/12/2019) | Grade N £54,500 to £57,837 | Grade 15 £53,431 to £56,702 |
| Group Manager: Street Scene and Open Spaces | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |
| Group Manager: Building Services | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |
| Group Manager: Corporate Property and Commercial Assets | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |
| Group Manager: Financial Services | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |
| Group Manager: Public Health and Regulatory Services | Grade M £50,351 to £53,432 | Grade 14 £49,363 to £52,384 |

2. The full time remuneration of the lowest paid employee.

| Post Title | Remuneration | | Other Allowances | |
|----------------|--------------|---------|------------------|---------|
| | 2019/20 | 2018/19 | 2019/20 | 2018/19 |
| Office Cleaner | £17,711 | £16,398 | None | None |
| Apprentice | £7,524 | £7,215 | None | None |

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

| Category | Total Remuneration | |
|--|-------------------------------------|-------------------------------------|
| | 2019/20 | 2018/19 |
| Pay multiple of Chief Executive to Mean | 5.32 | 5.64 |
| Pay multiple of Chief executive to lowest paid FT employee | 6.31 (based on office cleaner) | 6.69 (based on office cleaner) |
| | 15.50 (based on apprentice rate) | 15.21 (based on apprentice rate) |
| Annual Mean Pay of all employees (Total Salaries/Number of contracts) | £21,019 | £19,437 |

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)

4. Officers' Emoluments

This table includes all statutory and non-statutory posts whose overall remuneration exceeds £50k excluding pension contributions and non-taxable allowances as published in [Mid Devon District Council Statement of Accounts 2019](#)

| Remuneration Band | 2018/19 | | 2017/18 | |
|---------------------|---------------------|------------------|---------------------|------------------|
| | Number of Employees | Left During Year | Number of Employees | Left During Year |
| £50,000 - £54,999 | 5 | 0 | 1 | 0 |
| £55,000 - £59,999 | 1 | 0 | 0 | 0 |
| £60,000 - £64,999 | 0 | 0 | 1 | 0 |
| £65,000 - £69,999 | 1 | 0 | 0 | 0 |
| £70,000 - £74,999 | 0 | 0 | 2 | 1 |
| £75,000 - £79,999 | 2 | 0 | 2 | 0 |
| £80,000 - £84,999 | 0 | 0 | 1 | 0 |
| £85,000 - £89,999 | 0 | 0 | 0 | 0 |
| £95,000 - £99,999 | 0 | 0 | 0 | 0 |
| £100,000 - £104,999 | 0 | 0 | 0 | 0 |
| £105,000 - £109,999 | 1 | 0 | 1 | 0 |

Note – The above table includes one employee who received a termination payment in 2017/18. In completing the 2018/19 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 2018/19

5 Termination Benefits

| 2018/19 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 | 1 | 9 | 10 | 47 |
| £20,000-£39,000 | - | - | - | - |
| £40,000-£59,999 | - | - | - | - |
| £60,000-£79,999 | - | - | - | - |
| Total | 1 | 9 | 10 | 47 |

During 2018/19 a number of settlement agreements and redundancies were made. These were associated with service restructures and changes in order to reduce future employee costs. This helps match ongoing expenditure against the well documented cuts in Central Government funding

6 Gender Pay Gap

6.1 Pay quartiles by gender

The Mid Devon District Council figures set out below have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Under the law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

| Quartile | Males | Females | Description |
|----------|-------|---------|---|
| 1 | 59% | 41% | Includes all employees whose standard hourly rate places them at or below the lower quartile |
| 2 | 36% | 64% | Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median |
| 3 | 49% | 51% | Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile |
| 4 | 42% | 58% | Includes all employees whose standard hourly rate places them above the upper quartile |

6.2 Mid Devon District Council's Gender Pay Gap

| | Mean Average Hourly Rate | Median Average Hourly Rate |
|------------|--------------------------|----------------------------|
| Male | £13.02 | £11.98 |
| Female | £13.21 | £11.98 |
| | | |
| HMRC % gap | -1.46% | 0.00% |

The mean gender pay gap for the whole economy (according to the October 2019 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.3%; at -1.46% Mid Devon District Council's mean gender pay gap is, therefore, significantly lower than that for the whole economy.