

# Human Resources Policy

## Version Control Sheet

*Title: Pay Policy 2021*

*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: February 2023 to be published by March 2023*

# 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 February, 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 Corporate 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 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 Corporate 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 Place**
- **District Solicitor & Monitoring Officer**
- **Corporate Management Team**

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 the 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 the 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 structural changes to the remuneration packages of the Chief Executive or Directors 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. (At the time of writing there has been no salary increase agreed for the 2020/21 tax year)

The cost of living increase does not apply automatically to the Chief Executive and the two/three Director roles as of 1st April each year. Any increase given to them will take into account the national pay award and will be agreed 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 is implemented from 1<sup>st</sup> July each year in order to allow for reflection on the previous year’s performance (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, 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 having 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 February. 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 Corporate Manager for People, Governance and Waste 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	
	2020/21	2021/22
Chief Executive	£114,900	£114,900
Deputy Chief Executive (S151)	£83,844	£83,844
Director of Corporate Affairs and Business Transformation	£82,200	£82,200
Director of Place (new post added 18/10/2021)		£82,200
Head of Service: Planning and Regeneration (Employee left the post 10/09/2021)	Grade P £63,857 to £67,765	Grade P £65,614 to £69,629
Head of Service: Legal Services & Monitoring Officer (Now deleted)	Grade P £65,614 to £69,629	Grade P £65,614 to £69,629
District Solicitor and Monitoring Officer (New post from 25/09/2021)		Grade P £65,614 to £69,629
Corporate Manager Public Health, Regulation & Housing	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager People, Governance & Waste	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager Digital Transformation & Customer Engagement	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager Property, Leisure & Climate Change	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager Income, Benefits & Recovery	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427
Corporate Manager Financial Services	Grade N £55,999 to £59,427	Grade N £55,999 to £59,427

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

Post Title	Remuneration		Other Allowances	
	2020/21	2021/22	2020/21	2021/22
Recreation Assistant	£18,562	£18,562	None	None
Apprentice	£8,007	£14,277	None	None

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

Category	Total Remuneration	
	2020/21	2021/22
Pay multiple of Chief Executive to Mean	4.35	4.35
Pay multiple of Chief executive to lowest paid FT employee	6.19 (based on Recreation Assistant)	6.19 (based on Recreation Assistant)
	14.35 (based on apprentice rate)	8.05(based on apprentice rate)
Annual Mean Pay of all employees (Total Salaries/Number of contracts)	£26,417	£25,415

*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 2021](#)

Remuneration Band	2019/20		2020/21	
	Number of Employees	Left During Year	Number of Employees	Left During Year
£50,000 - £54,999	3	0	3	0
£55,000 - £59,999	3	1	4	0
£60,000 - £64,999	1	1	1	1
£65,000 - £69,999	1	0	2	0
£70,000 - £74,999	1	1	0	0
£75,000 - £79,999	1	0	0	0
£80,000 - £84,999	0	0	3	1
£85,000 - £89,999	1	0	0	0
£95,000 - £99,999	0	0	0	0
£100,000 - £104,999	0	0	0	0
£105,000 - £109,999	0	0	0	0
£110,000 - £114,999	1	0	1	0

The above table includes two employees who received a termination payment in 2020/21 These employees are included in the Termination Benefit note. Nine employees in the above table are not Senior Officers so have not been included in the Senior Officers table, all other employees are included. In completing the 2019/20 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 2020/21.

## 5 Termination Benefits

2020/21 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	0	11	11	34
£20,000-£39,000	-	1	1	33
£40,000-£59,999	1	-	1	46
£60,000-£79,999	-	1	1	69
<b>Total</b>	<b>1</b>	<b>13</b>	<b>14</b>	<b>182</b>

During 2020/21 a number of settlement agreements 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	65%	35%	Includes all employees whose standard hourly rate places them at or below the lower quartile
2	34%	66%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
3	44%	56%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
4	47%	53%	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	£13.82	£12.45
Female	£13.98	£12.69
HMRC % gap	<b>-1.16%</b>	<b>-1.93%</b>

The mean gender pay gap for the whole economy (according to the October 2021 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 15.4%; at -1.80% Mid Devon District Council's mean gender pay gap is, therefore, significantly lower than that for the whole economy.