

Human Resources Policy

Version Control Sheet

Title: Pay Policy 2017

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.

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

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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
- Directors and 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.

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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 and 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)**
- **Director of Finance, Assets & Resources Section 151**
- **Director of Corporate Affairs & Business Transformation**
- **Director of Operations**
- **Head of Customer Services**
- **Head of Housing and Property Services**
- **Head of Planning and Regeneration**

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 shown 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.’

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 and Heads of Service 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 request/reviews for the Directors and 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 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, 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 Human Resources Manager 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 permanently 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
10/02/2017	1	Pay Policy

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

Post Title	Remuneration		Car Allowances	
	2016/17	2015/16	2016/17	2015/16
Chief Executive	£90,526 to £100,586	£89,630 to £99,590	N/A	N/A
Head of Financial Services	Point 17 £60,770 to £64,489 Until 31 August 2016	Point 17 £60,168 to £63,850	N/A	N/A
Director of Finance, Assets and Resources (New post from 1/9/16)	£74,000 From 1 September 2016			
Head of HR and Development	Point 17 £60,770 to £64,489 Until 31 August 2016	Point 17 £60,168 to £63,850		
Director of Corporate Affairs and Business Transformation (New post from 1/9/16)	£74,000 From 1 September 2016			
Heads of Service: • Planning and Regeneration • Housing and Property Services	Point 17 £60,770 to £64,489	Point 17 £60,168 to £63,850	N/A	N/A
Head of Service: • Communities and Governance (left on 31/12/16)	Point 17 £60,770 to £64,489	Point 17 £60,168 to £63,850	N/A	N/A
Heads of Service: • Business Information Services • (left 31/3/16)		Point 15 £51,351 to £54,495	N/A	N/A
Heads of Service: • Customer Services	Point 15 £51,865 to £55,040	Point 13 £43,489 to £46,512	N/A	N/A

2. The FT remuneration of the lowest paid employee.

Post Title	Remuneration		Other Allowances	
	2016/17	2015/16	2016/17	2015/16
Office Cleaner	£14,514	£13,500	None	None
Apprentice	£6,367 (from 1/10/16 £6,559)	£6,367	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)	
	2016/17	2015/16
Pay multiple of Chief Executive to Mean	5.34	5.30
Pay multiple of Chief executive to lowest paid FT employee	6.88 (based on office cleaner)	7.37 (based on office cleaner)
	15.24 (based on apprentice rate)	15.64 (based on apprentice rate)
Annual Mean Pay of all employees (Total Salaries/Number of contracts)	£18,723.99	£18,812.26

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 2016.

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	2014/15		2015/16	
	Number of Employees	Left During Year	Number of Employees	Left During Year
£50,000 - £54,999	1	0	0	0
£55,000 - £59,999	1	0	0	0
£60,000 - £64,999	2	0	2	0
£65,000 - £69,999	1	0	1	0
£70,000 - £74,999	0	0	2	0
£75,000 - £79,999	0	0	0	0
£80,000 - £84,999	0	0	1	1
£95,000 - £99,999	1	0	0	0
£115,000 - £119,999	1	1	0	0
£135,000 - £139,999	1	1	1	1

Note – The above table includes one employee who received a termination payment in 2015/16. The remuneration includes payments for loss of office and pension strain. This employee is also included in the termination benefits note.

In completing the 2015/16 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 2015/16.

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Statutory officers earning in excess of £50,000

Post Title	Financial Year	Salary (Including Allowances)	Compensation for Loss of Employment	Expenses	Benefits in Kind	Total Remuneration excluding pension contributions	Pension Contributions	Total Remuneration including pension contributions
Chief Executive. Note 1	2015/16	82,183				82,183	15,214	97,397
	2014/15	97,637				97,637	18,356	115,993
Chief Executive. Note 2	2015-16	11,333				11,333	2,131	13,464
Head of Business Information Services. Note 3	2015/16	56,742	79,630			136,372	10,668	147,040
	2014/15	54,175				54,175	10,185	64,360
Head of Planning and Regeneration. Note 4	2015/16	60,261				60,261	11,312	71,573
	2014/15	62,819	73,471			136,290	11,810	148,100
Head of Financial Services	2015/16	63,850				63,850	12,004	75,854
	2014/15	62,819				62,819	11,810	74,629
Head of HR & Development	2015/16	66,481				66,481	12,498	78,979
	2014/15	62,819				62,819	11,810	74,629
Head of Communities and Governance	2015/16	71,878				71,878		71,878
	2014/15	58,034				58,034		58,034
Head of Environmental Services. Note 5	2015/16							
	2014/15	46,857	71,890			118,747	8,809	127,556
Head of Housing & Property Services	2015/16	71,228				71,228	12,635	83,863
	2014/15	66,453				66,453	12,423	78,876

Note – the amounts included in the above table are shown gross of any related tax that would be levied.

The pension contribution figures have been restated to 18.8% which is the common contribution rate applicable from 1 April 2014 to 31 March 2017.

- Note 1: The former Chief Executive left this Authority on 8 January 2016. The Returning Officer fee for the District Election is included in the salary figure.
- Note 2: The new Chief Executive started on 15 February 2016.
- Note 3: The Head of Business Information Services left this Authority on 31 March 2016 reimbursement of £33,244.54 was received from NDDC under a shared arrangement. The remuneration above reflects the full amounts paid by the Authority. Loss of office and the pension strain have been included.
- Note 4: The former Head of Planning left this Authority on 31 March 2015.
- Note 5: The Head of Environmental Services left this Authority on 31 December 2014.

Termination benefits

2015/16				
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	6	7	13	62
£20,000 - £39,999	11	1	12	349
£40,000 - £59,999	1	0	1	44
£60,000 - £79,999	1	0	1	80
				535

A number of redundancies associated with service restructures were agreed during 2015/16 in order to reduce future employee costs to match ongoing expenditure against the well documented cuts in central government funding.

2014/15				
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	6	7	38
£20,000 - £39,999	1		1	29
£40,000 - £59,999				0
£60,000 - £79,999	2		2	145
				212

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