

Report to: **Full Council**

Date: **26 March 2019**

Title: **Pay Policy Statement and Pay and Reward Strategy 2019/20**

Portfolio Area: **Support Services**

Wards Affected: **All**

Relevant Scrutiny Committee: **Overview and Scrutiny Panel**

Urgent Decision: **Y** Approval and clearance obtained: **Y**

Date next steps can be taken: Immediately following this meeting.

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## **RECOMMENDATIONS**

**That the Council RESOLVES to adopt**

- 1. the attached Pay Policy Statement for 2019/20 (Appendix A refers); and**
- 2. the attached Pay and Reward Strategy 2019/20 (Appendix B refers).**

### **1. Executive summary**

- 1.1. The report proposes that the Council adopts the Pay Policy Statement (attached at Appendix A) and the Pay and Reward Strategy (attached at Appendix B).
- 1.2. The Council is required under the Localism Act 2011 to agree and publish a Pay Policy Statement each year.
- 1.3. The Pay Policy Statement sets out the authority's policies for the financial year relating to the remuneration of its chief officers, the remuneration of its median and lowest-paid employees and the relationship between the salary of the Head of Paid Service and the salaries of the median and lowest paid employees.

- 1.4. Under the provisions of the Pay Policy Statement, full Council approval is required to review the salaries of a Chief Officer.
- 1.5. The Pay and Reward Strategy sets out the authority's overall approach to the pay and reward of its staff.

## **2. Background**

- 2.1. Section 38 of the Localism Act 2011 requires local authorities in England and Wales to produce and publish a statutory pay policy statement for 2012/2013 and each financial year thereafter. Once approved, the policy will be published on the Council's website.
- 2.2. The pay policy statement must be approved by a resolution of the Council before it comes into force and each subsequent statement must be prepared and approved before the end of the 31 March immediately preceding the financial year to which it relates.
- 2.3. The Political Structures Working Group recommended that Council received an annual report setting out the Council's Pay and Reward Strategy in conjunction with the annual Pay Policy Statement.

## **3. Outcomes/outputs**

### **3.1. Pay Policy Statement**

- 3.2. The Hutton Report identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of Head of Paid Service to median earnings. Tracking this multiple will ensure that the Council is accountable for the relationship between the pay of its executives and the wider workforce. Through the pay policy statement, the Council can track this multiple on an annual basis.
- 3.3. If the relationship between the salary of the Head of Paid Service and the lowest paid employee exceeds a factor of 10, the Leader is required by the Localism Act to bring a report to Full Council for consideration.
- 3.4. With effect from 21 February 2019, the Executive Director and Head of Paid Service was appointed Chief Executive. The interim salary is £110,840 including a special additional responsibility allowance following the resignation of the Executive Director for Strategy and Commissioning. The interim salary arrangements are effective from 18 February 2018 until a further report is brought before Council within 6 months of the election of a new Council in May 2019.
- 3.5. The annual median salary of all employees is £28,221.
- 3.6. The annual salary of the lowest paid employee is £17,972.
- 3.7. The relationship between the remuneration of the Head of Paid Service and the median salary of all employees is 3.93.

3.8. The relationship between the remuneration of the Head of Paid Service and the salary of the lowest paid employee is 6.17.

**3.9. Pay and Reward Strategy**

3.10. The Pay and Reward Strategy sets out the Council’s approach to the pay and reward of its employees and sets out details of the overall reward philosophy, pay design and structure, applicable rates of pay and other financial and non-financial benefits available to staff.

**4. Options available and consideration of risk**

4.1. The Council has a legal requirement under the Localism Act 2011 to publish a Senior Pay Policy each year.

**5. Proposed Way Forward**

5.1. Council is asked to adopt the Pay Policy Statement at Appendix A and publish it on its website to meet its statutory requirements.

5.2. Council is asked to adopt the Pay and Reward Strategy at Appendix B.

**6. Implications**

| Implications     | Relevant to proposals Y/N | Details and proposed measures to address  |
|------------------|---------------------------|---|
| Legal/Governance | Yes                       | The Localism Act 2011 requires the Council to adopt and publish a Pay Policy Statement.<br><br>The Pay Policy Statement requires the Leader to make a recommendation to Full Council to change the salary payable to a Chief Officer.   |
| Financial        | Y                         | The joint interim savings following the resignation of the Executive Director for Strategy and Commissioning, taking into account the cost of the special responsibility allowance for the remaining Executive Director, Group Manager for Customer First, Group Manager for Business Development and S151 is £67,373pa (£33,686pa for each Council). In setting the revenue budget for 2019/20, each Council has included this saving of £34,000 (a total of £68,000 across both Councils) within the 2019/20 Revenue Base Budget, which has been built in as a recurring annual saving. |
| Risk             | N                         | There are no risks associated with the report, Pay Policy Statement or the Pay and Reward Strategy.   |

| <b>Comprehensive Impact Assessment Implications</b> |   |  |
|---|---|--|
| Equality and Diversity                              | N | There are no Equality or Diversity implications associated with the report, Pay Policy Statement or the Pay and Reward Strategy.                         |
| Safeguarding  | N | There are no Safeguarding implications associated with the report, Pay Policy Statement or the Pay and Reward Strategy.                                  |
| Community Safety, Crime and Disorder                | N | There is no positive or negative impact on crime and disorder reduction associated with the report, Pay Policy Statement or the Pay and Reward Strategy. |
| Health, Safety and Wellbeing                        | N | There are no Health, Safety and Wellbeing implications associated with the report, Pay Policy Statement or the Pay and Reward Strategy.                  |
| Other implications                                  | N | There are no other implications associated with the report, Pay Policy Statement or the Pay and Reward Strategy.   |

### **Supporting Information**

#### **Appendices:**

A: Pay Policy Statement 2019/20

B: Pay and Reward Strategy 2019/20

#### **Background Papers:**

- The Localism Act 2011
- Code of Recommended Practice for Local Authorities on Data Transparency (published by the Secretary of State on 29 September 2011)
- Hutton Report (published in March 2011)