

Report to: **Council**
Date: **16 February 2016**
Title: **PAY POLICY STATEMENT 2016**
Portfolio Area: **Support Services**

Wards Affected: **All**

Relevant Scrutiny Committee:

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

Date next steps can be taken: Immediately following this meeting.
(e.g. referral on of recommendation or implementation of substantive decision)

Author: **Andy Wilson** Role: **HR Lead Specialist**

Contact: **01803 861154: andy.wilson@swdevon.gov.uk**

Recommendations:

That the Council RESOLVES to adopt the attached Pay Policy Statement for 2016/17.

1. Executive summary

- 1.1 The report proposes that the Council adopts the draft Pay Policy Statement attached at Appendix A.
- 1.2 The Council is required under the Localism Act 2011 to agree and publish a 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.

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.

3. Outcomes/outputs

- 3.1 The Hutton Report identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of Chief Executive 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.
- 3.2 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.
- 3.3 The annual salary of the Executive Director (Strategy and Commissioning) and Head of Paid Service is £96,840
- 3.4 The annual median salary of all employees is £27,123
- 3.5 The annual salary of the lowest paid employee is £13,725
- 3.6 The relationship between the remuneration of the Head of Paid Service and the median salary of all employees is 3.57
- 3.7 The relationship between the remuneration of the Head of Paid Service and the salary of the lowest paid employee is 6.33

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 to meet its statutory requirements and to publish the Statement on its website.

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.
Financial		There are no financial implications arising from this report or the Pay Policy Statement.
Risk		There are no risks associated with the report or Pay Policy Statement
Comprehensive Impact Assessment Implications		
Equality and Diversity		There are no Equality or Diversity implications associated with the report or Pay Policy Statement
Safeguarding		There are no Safeguarding implications associated with the report or Pay Policy Statement
Community Safety, Crime and Disorder		There is no positive or negative impact on crime and disorder reduction associated with the report or Pay Policy Statement
Health, Safety and Wellbeing		There are no Health, Safety and Wellbeing implications associated with the report or Pay Policy Statement
Other implications		There are no other implications associated with the report or Pay Policy Statement

Supporting Information

Appendices:

A: Draft Pay Policy Statement 2016

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)