

Report to: **Council**
Date: **26 March 2024**
Title: **Pay Policy Statement**
Portfolio Area: **Leader – Cllr M Ewings**

Wards Affected: **All**

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

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

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RECOMMENDATION:

That Council:

- 1. ADOPTS the Pay Policy Statement for 2023/24 (as set out at Appendix A); and**
- 2. NOTES the narrowing in pay differentials compared to the previous 12 months.**

1. Executive summary

- 1.1 The Council is required under the Localism Act 2011 to adopt and publish a pay policy statement each year before 31 March.
- 1.2 The purpose of the pay policy statement is to track the remuneration of the senior leadership team and report how their pay compares to that of other employees.
- 1.3 The pay ratio is seen as an important indicator of organisational health and where differentials become excessive this is seen as potentially damaging.
- 1.4 Pay ratios have improved, as at March 2023, compared to the previous reporting period (March 2022), which is positive, and reflects the work undertaken by the Council to ensure that all employees are recognised and rewarded appropriately.

- 1.5 The report proposes that the Council adopts the pay policy statement (attached at Appendix A).

2. Background

- 2.1. Section 38 of the Localism Act 2011 requires local authorities in England and Wales to prepare and publish a statutory pay policy statement for 2012/2013 and each financial year thereafter. Once adopted, the policy will be published on the Council's website.
- 2.2. 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.
- 2.3. The purpose of this report is not to set the pay of the chief executive and senior leadership team (SLT), which was the subject of a report to the Hub Committee on 7th March 2023 which set out the recommendations of an independent external review undertaken by the Local Government Association which were subsequently approved by Council on 4th April 2023 (Minute CM 82).
- 2.4. Members will also be aware of the work undertaken in the previous year to complete a review of pay and reward, which ensured that all employees across the Council received a minimum pay award of 6%, with employees toward the bottom end of the pay scales typically receiving pay increases of between 7 and 9%.
- 2.5. The chief executive and head of HR continue to actively monitor our pay and reward, and how this compares to the local and where appropriate, regional/ national jobs market, to ensure that we continue to be able to attract staff to work for us, and that all staff are rewarded fairly for the work they do.

3. Pay Policy Statement

- 3.1. 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.
- 3.2. 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 to bring a report to Full Council for consideration.
- 3.3. The median pay of employees is as follows:
 - o The annual median salary of all employees is £32,020 p.a.

- The annual salary of the lowest paid employee is £21,968 p.a
- 3.4. The pay ratio between the Head of Paid Service and other employees is as follows:
- The relationship between the remuneration of the Head of Paid Service and the median salary of all employees is 3.97 (compared to 4.60 in 2022).
 - The relationship between the remuneration of the Head of Paid Service that of the lowest paid employee is 5.78 (compared to 6.24 in 2022).
- 3.5. Since the previous report to Council in March 2022, the pay ratio has reduced meaning that overall, the ratio between the Head of Paid Service and other employees has improved.
- 3.6. The Council also has a separate statutory duty to publish a report on the gender pay gap of its employees by 4 April 2024. The report will be published through the Government's gender pay gap reporting service and on the Council's website.

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.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Localism Act 2011 requires the Council to adopt and publish a pay policy statement annually.
Financial implications including reference to value for money	N	There are no risks associated with the report or the pay policy statement.
Risk	N	
Supporting Corporate Strategy	N	

Consultation & Engagement Strategy	N	
Climate Change – Carbon/ Biodiversity impact	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	There are no equality or diversity implications associated with the report or the pay policy statement.
Safeguarding	N	There are no safeguarding implications associated with the report or the pay policy statement.
Community Safety, Crime and Disorder	N	There is no positive or negative impact on crime and disorder reduction associated with the report or the pay policy statement.
Health, Safety and Wellbeing	N	There are no health, safety and wellbeing implications associated with the report or the pay policy statement.
Other implications	N	There are no other implications associated with the report or the pay policy statement.

Supporting Information

Appendices:

A: Pay Policy Statement 2023/2024

Background Papers:

None.