

Report to: Personnel Committee



Date of Meeting 6<sup>th</sup> February 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## Pay Policy Statement 2023/24

### Report summary:

The annual review of the Council's Pay Policy Statement, as required under the Localism Act and Constitution.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

That the Personnel Committee recommend to Council the adoption of the Pay Policy Statement 2023/24.

### Reason for recommendation:

Part 3, Paragraph 2.10.5b of the Constitution requires the Personnel Committee to consider and make recommendations to Council in relation to the Pay Policy Statement in line with the Localism Act, which requires the Council to review its Pay Policy Statement on an annual basis.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

**Equalities impact** Low Impact

**Climate change** Low Impact

**Risk:** Low Risk;

**Links to background information** The current Pay Policy Statement is available at: [Pay policy statement for senior officers - East Devon](#). The Council's Data Transparency Code information relating to pay is available at: [Pay and reward policies and senior staff pay - East Devon](#). Recent grade and chief officer clarification changes are as set out in [221128 Reward Review Update to Personnel Comittee DRAFT.pdf \(eastdevon.gov.uk\)](#) and [221128 Personnel Ctte chief officer procedures DRAFT.pdf \(eastdevon.gov.uk\)](#).

### **Link to Council Plan**

Priorities (check which apply)

- Better homes and communities for all
  - A greener East Devon
  - A resilient economy
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### **Report in full**

1. The Localism Act 2011 requires councils to annually prepare and approve a Pay Policy Statement setting out its policy for each financial year relating to the remuneration of Chief Officers and other employees and the relationship between the pay of Chief Officers and the lowest paid employee. The Personnel Committee must consider and make recommendations to Council in relation to the Pay Policy Statement.
  2. Appendix 1 sets out the proposed Pay Policy Statement for 2023/24, with the amendments from the previous year shown in red. The main amendments relate to the new grading structure agreed through the Reward Review and clarification of Chief Officer (Director) roles linked to the Reward Review and the Learning Review which incorporated the JNC Chief Officer model procedures into local policy.
  3. Paragraph 5 in the Pay Policy Statement includes references to the pay multiple, which illustrates the relationship between the lowest and highest paid employees in the Council. The pay multiple figure is currently 5.9:1, which remains within the Council's agreed 10:1 maximum ratio and is below the previous year's figure of 6.6:1 due to the impact of the Reward Review.
  4. In line with Government guidance, the Pay Policy Statement is published on the Council's website once agreed.
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### **Financial implications:**

There are no direct financial implications to comment on.

### **Legal implications:**

The legal position is detailed in the report and no further comment is required.

## Appendix 1

# Pay Policy Statement (April 2023 - March 2024)

### 1. Introduction

- 1.1. Section 38 of the Localism Act 2011 requires English and Welsh local authorities to produce a statutory pay policy statement for each financial year which sets out the council's policies relating to the remuneration of chief officers (a term which includes both statutory and non-statutory chief officers) and the relationship between the remuneration of the highest and lowest paid.
- 1.2. This document sets out East Devon District Council's pay policy statement which is reviewed annually and published on the Council's website.
- 1.3. 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. We have already adopted a pay and reward **strategy policy** which complements this pay policy statement and seeks to ensure that pay and reward systems facilitate the retention and recruitment of employees with the right skills and capabilities and takes account of regional and national variations and local market factors.
- 1.4. The Council has adopted the Code of Recommended Practice for Local Authorities on Data Transparency, in respect of its approach to publication of and access to information relating to the remuneration of senior officers. This includes Senior Salaries data which has the details of the remuneration of the authorities' senior staff, including key responsibilities and allowances. This is published on the Council's website and/or in the Annual Statement of Accounts.

### 2. Definitions

- 2.1. For the purposes of this statement chief officers are the:
  - 2.1.1. Chief Executive Officer
  - 2.1.2. ~~Strategic Leads~~ **Directors** including section 151 officer and monitoring officer responsibilities
  - 2.1.3. ~~Service Leads.~~
- 2.2. For the purposes of this statement officers (including the lowest paid employees) are those on grades 1-44**8** of the local determined grading structure. The lowest paid employees are defined as employees paid on Spinal Column Point 4**7** of the National Joint Council for Local Government Services (NJC) Pay Scale (the lowest point of grade 1).
- 2.3. Spot salaries - These are salaries which are a specific sum and are not related to a grade with increasing levels of pay.
- 2.4. 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 median earnings and the lowest paid in the organisation.

### 3. Officers (including Lowest Paid Employees)

- 3.1. Officers on grades 1-44**8** of the local determined grading structure are eligible for annual incremental increases up the NJC pay scale set out within their grade until they reach the top of their grade. Any annual pay awards are determined by national NJC agreement. A job evaluation scheme is used to determine the grade for each post.

#### 4. Chief Officers

- 4.1. The Chief Executive and Chief Officers on grades CO1 or CO2 9 and 10 are subject to Joint Negotiating Committee (JNC) for Chief Executive/Chief Officer terms and conditions, ~~those on STL1 and STL2 grades are on either JNC or NJC conditions depending on the post and Service Leads are on NJC conditions.~~ All grades, except the Chief Executive who is on a spot salary, are salary progression to the top of the relevant grade. Salaries are based on job evaluation points which relate to the pay and grading structure for senior officers as designed by South West Regional Employers.
- 4.2. The Personnel Committee is responsible for considering and recommending the appointment, remuneration and terms in the event of the cessation of employment of senior officers, in line with its Terms of Reference, the Pay Policy Statement, the Council's employment policy and statutory regulations and guidance.
- 4.3. At present, there are no additional payments made to senior officers which specifically relate to performance such as performance related pay or bonuses.
- 4.4. Any termination payments to senior officers where the value is over £100K, on ceasing office will comply with our redundancy policy and only be made with the express approval by full council.
- 4.5. The Committee would not normally recommend the re-employment of individuals to senior officer positions who have recently left the Council (for any reason) in any capacity (either as an employee, consultant or contractor). If this does occur, it will be subject to the provisions of the Modification Order.
- 4.6. As outlined in the Pay and Reward **Strategy Policy** the use of market supplements may be applied in certain circumstances.
- 4.7. Additional payments are made by central government to officers carrying out additional duties at elections. These payments are not within the scope of this policy.

#### 5. Relationship between Chief Officers and employees who are not Chief Officers

- 5.1. The Data Transparency Code requires authorities to publish the ratio of chief executive to median earnings, as a means of illustrating the relationship between the lowest and highest paid. Through this pay policy statement we will track this multiple annually and will publish the following information on the Council's website, as part of the Data Transparency Code information:
  - 5.1.1. details of the taxable remuneration to calculate the Median FTE pay for the workforce
  - 5.1.2. the remuneration of the lowest paid employee
  - 5.1.3. the annual Median FTE of the authorities workforce.
- 5.2. 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 10:1, this will be reported by the Personnel Committee to Full Council for consideration.