

Report to: **Personnel Committee**



Date of Meeting 14th January 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Pay Policy Statement 2025/26

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 2025/26.

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](#).

Link to Council Plan

Priorities (check which apply)

- ☐ A supported and engaged community
 - ☐ Carbon neutrality and ecological recovery
 - ☐ Resilient economy that supports local business
 - ☒ Financially secure and improving quality of services
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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 2025/26, with the amendments from the previous year shown in red. There are no proposed changes (other than the change of date).
 3. Paragraph 5 in the Pay Policy Statement includes reference to the pay multiple, which illustrates the relationship between the lowest and highest paid employees in the Council. The pay multiple figure is currently 5.7:1, which remains within the Council's agreed 10:1 maximum ratio and is above the previous year's figure of 4.4:1.
 4. In line with Government guidance, the Pay Policy Statement is published on the Council's website once agreed.
 5. On a separate, but related issue, the 2024/25 national pay negotiations have now been completed with agreement reached on pay awards for all staff of c2.5%. Agreement was reached in October and the Council arranged payment in the November pay run, backdated to 1st April 2024.
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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 2025 - March 2026)

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 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. Directors including section 151 officer and monitoring officer responsibilities.
- 2.2. For the purposes of this statement officers (including the lowest paid employees) are those on grade 1-10 of the locally determined grading structure. The lowest paid employees are defined as employees paid on Spinal Column Point 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. Spot salaries only apply to the Chief Executive grade (grade 10).
- 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 - 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 9 and 10 are subject to Joint Negotiating Committee (JNC) for Chief Executive/Chief Officer terms and 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, where applicable, 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 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 authority's 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.