



# PAY POLICY STATEMENT

## Purpose and scope of the Policy

1. Section 38 of the Localism Act 2011 (the Act) requires local authorities in England and Wales to produce a statutory pay policy statement for 2012/2013 and each financial year thereafter.
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 preceding financial year to which it relates.
3. The Council may by resolution amend this pay policy statement at any time during the year, subject to the amended statement being published as soon as is reasonably practicable.
4. This Pay Policy Statement reflects the position on the reporting date of 31<sup>st</sup> March 2023.
5. The pay policy must set out the authority's policies for the financial year relating to—
  - 5.1. the remuneration of its chief officers,
  - 5.2. the remuneration of its lowest-paid employees, and
  - 5.3. the relationship between—
    - 5.3.1. (i) the remuneration of its chief officers, and
    - 5.3.2. (ii) the remuneration of its employees who are not chief officers.
6. For the purposes of this pay policy, and in accordance with section 43 (2) of the Act, the following officers are considered to be relevant chief officers and deputy chief officers within scope of the Councils' statutory obligation:
  - Chief Executive
  - Directors
  - Section 151 Officer
  - Monitoring Officer

7. The above officers are collectively known as Chief Officers for the purpose of this pay policy statement.

### **Shared Services**

8. For the purposes of this pay policy statement, it should be noted that all of the identified chief officers operate under a shared service agreement with West Devon Borough Council and their salary costs are shared on an agreed basis. For the purpose of this pay policy statement, all shared chief officers are shown, notwithstanding the identity of their employing authority.

### **Current Senior Leadership Arrangements**

9. The current senior leadership structure was introduced in September 2019 and comprises of a Chief Executive, Director of Customer Service and Delivery, Director of Strategy and Governance, Director of Place and Enterprise, and Director of Strategic Finance.
10. The substantive salaries of the Senior Leadership Team were agreed by the Council on the recommendation of the Leader after taking advice on comparable salary levels in other organisations.
11. The salary of the Monitoring Officer includes an additional responsibility allowance, set at 20% of their substantive salary, in recognition of carrying out the duties of the Monitoring Officer.

### **Remuneration for Chief Officers**

12. The council has chosen to introduce local arrangements for the Senior Leadership Team pay because it believes that this delivers a better outcome in terms of managing performance and flexibility.
13. The Leader of the Council may recommend to Full Council changes to the remuneration package following a review and after taking independent pay advice from the Local Government Association, South West Councils or a similar body.
14. Salary increases in relation to cost of living will be made in line with the relevant recommendation of the National Joint Council for Local Government Services (the NJC), the Joint Negotiating Committee for Chief Executives (the JNC) or other relevant national negotiating body for each chief officer.
15. The salary for the Chief Executive includes remuneration for holding the statutory office of Head of Paid Service.

16. The salary for the Chief Executive is a spot salary. Directors will be paid in accordance with an incremental grade as part of the Council's pay and grading structure. The pay band has three incremental points and post holders can progress through the increments each April, subject to satisfactory performance.
17. From time to time, the Chief Executive will designate a Chief Officer to carry out the role of Deputy Chief Executive in addition to their substantive role. The nominated Deputy Chief Executive receives a special responsibility allowance equivalent to 20% of their salary.
18. Where possible, salary levels will be consistent with similar organisations, although the Council will retain the right to have due regard to market forces that may affect its ability to recruit and retain high quality officers, whilst balancing this against the need to ensure value for money for residents.
19. The salaries, including the special responsibility allowances paid to the Deputy Chief Executive and the Monitoring Officer are the only remuneration for work carried out. At present, there are no additional payments made to chief officers relating to performance or any other matters and no bonus is payable.
20. Additional payments are made by Central Government to officers carrying out additional duties at elections. The determination of the allowance is made by the Government and these payments are not within the scope of this policy. There are no payments made by the Council for election duties.
21. In accordance with the provisions of the Council's Travel and Subsistence Policy, that applies equally to all employees, the relevant chief officers may attract an essential car user lump sum allowance and be reimbursed with business expenses subject to the submission of a claim with receipts. For 2022/23, all of the Chief Officers are designated as casual car users and will not receive an essential car user lump sum allowance.
22. From 1 April 2013, all business mileage will be reimbursed in accordance with the approved HMRC rates, currently 45p per mile. This replaces the previous policy under which business mileage was reimbursed at the higher rate agreed by the NJC, currently 50.5p per mile for essential users and 65p per mile for casual users.

### **Severance payments**

23. Any termination payments payable to the relevant chief officers will be in accordance with the Council's Redundancy and Interests of Efficiency Policy. All such payments are equally applicable to all employees and no additional payments will be made without the express approval of the Full Council. All severance payments are subject to the provisions of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as amended.

## Relationship with the remuneration of other employees of the Council

24. The Hutton Report (March 2011) identified that the most appropriate way of measuring pay dispersion within an organisation is the multiple of highest earnings 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 this pay policy statement, the Council will track this multiple on an annual basis and will publish the following information on its website each year (see Appendix A):

- The level and elements of remuneration to each relevant chief officer
- The remuneration of the lowest paid employees
- The relationship between the remuneration of the Head of Paid Service and the median earnings of all employees
- Other specific aspects of relevant chief officer remuneration

25. Each year the published data will be reviewed by the Leader of the Council and if the multiplier between the highest and the lowest paid employee within the Council exceeds a factor of 10, the Leader shall present a report to the Full Council for consideration.

26. For the purposes of this pay policy statement, the 'lowest paid employees' are identified as those employees carrying out a substantive role within the Council's established workforce with the lowest annual full-time equivalent salary.

27. The 'median earnings' have been identified by listing all salaries paid to employees in ascending order and finding the salary paid to the employee ranked in the middle of the list.

## Appendix A

1. The levels and elements of remuneration for each Chief Officer at the reporting date of 31 March 2023 are as follows:

<b>Post</b>	<b>Salary (£) per annum</b>	<b>Comments</b>
Chief Executive	£127,075	

Director of Customer Service and Delivery*	£97,658	Includes a special responsibility allowance of 20% for carrying out the duties of Deputy Chief Executive
Director of Place and Enterprise*	£81,382	
Director of Governance and Assurance	£81,382	
Director of Strategic Finance and Section 151 Officer*	£81,382	
Monitoring Officer	£66,024	Including a Responsibility Allowance of 20%
* employed by West Devon Borough Council		

**Please note:** All chief officers operate under a shared service agreement with West Devon Borough Council and all salary and associated costs are shared on an agreed basis between the two councils.

The Senior Leadership Team (SLT) consists of the Chief Executive and the four Directors but excludes the Monitoring Officer.

2. The lowest paid employee is a Loader (Waste and Recycling), paid in accordance with spinal column point 3 of the National Joint Council for Local Government Services pay spine, currently £20,812pa.
3. The annual median salary of all employees £26,357pa.
4. The Chief Executive's salary is a pay multiple of 4.82 times the median earnings.
5. The Chief Executive's salary is a pay multiple of 6.11 times the lowest paid employee.