

**RECOMMENDATION FROM  
STRATEGY AND RESOURCES COMMITTEE  
TO COUNCIL ON 25 JANUARY 2018**

**AGENDA  
ITEM NO**

**5d**

This is a copy of the Agenda Item 10 report to the Committee on  
18 January 2018

<b>Report Title</b>	<b>THE FAIR PAY AND SENIOR PAY POLICY STATEMENT 2018/19</b>
<b>Purpose of Report</b>	The Council is required under the Localism Act 2011 to approve and publish a policy statement on senior pay.
<b>Decision(s)</b>	The Committee <b>RECOMMENDS</b> to Council that the statement is approved.
<b>Consultation and Feedback</b>	A copy of the draft statement has been provided to Unison
<b>Financial Implications and Risk Assessment</b>	<p>There are no financial implications arising from this report.</p> <p>David Stanley – Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p> <p>Non compliance with this statutory requirement would place the Council at risk. The inclusion of this statement in the annual review process for the Constitution enables this risk to be mitigated.</p> <p>David Hagg, Chief Executive Tel: 01453 754290 Email: <a href="mailto:david.hagg@stroud.gov.uk">david.hagg@stroud.gov.uk</a></p>
<b>Legal Implications</b>	<p>In summary, Section 38 Localism Act 2011 requires all local authorities to produce and publish a pay policy statement for the forthcoming financial year to be approved by resolution of full Council including:</p> <ul style="list-style-type: none"> <li>• the remuneration of Chief Officers (being the statutory officers; those officers that report to the Chief Executive (i.e. Directors) and those that report to the latter (e.g. Heads of Service / Service Managers));</li> <li>• the remuneration of its lowest paid employees; and</li> <li>• the relationship between the remuneration of its Chief Officers and other employees. (Ref: rc8118d4118)</li> </ul> <p>Karen Trickey, Head of Legal Services &amp; Monitoring Officer Tel: 01453 754369 Email: <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a></p>

<b>Report Author</b>	Lucy Powell, HR Manager Tel: 01453 754286 Email: <a href="mailto:lucy.powell@stroud.gov.uk">lucy.powell@stroud.gov.uk</a>
<b>Options</b>	The Council is required to publish a statement by the 31 <sup>st</sup> March 2018 for the ensuing financial year. The nature and content must adhere to guidelines issued by the Secretary of State for Communities and Local Government.
<b>Performance Management Follow Up</b>	The operation of the policy and its subsequent annual review is a function of the Committee.
<b>Background Papers</b>	Information on the Council's workforce was extracted from the Council's human resources/payroll system. The remuneration of individual senior officers is also published in the Council's Statement of Accounts and on the Council's website.

### **The Fair Pay and Senior Pay Policy Statement 2018**

This Pay Policy Statement is produced on an annual basis in accordance with Section 38 (1) of the Localism Act 2011. It is made available on the Council's website.

The Council has published information on senior pay for a number of years on its website and in its Statement of Accounts. It has also responded openly and in full to Freedom of Information Act requests for such details. For the past nine years, the Chief Executive has published full details of his remuneration that go well beyond the statutory requirements.

The Local Government Transparency Code 2014 places additional publication requirements on local authorities to publish data on their websites. This includes the requirement either to publish the data on their website or place a link on their website to such data. Additional requirements of the Code include the requirement for local authorities to publish:-

- A list of responsibilities of senior staff
- Details of bonuses and "benefits-in-kind" for all employees whose salary exceeds £50,000
- The pay multiple, defined as the ratio between the highest paid taxable earnings for the given year and the median earnings figure of the whole of the authority's workforce.

This information is available on the Council's website.

### **Pay Accountability - Senior Pay Policy Statement for Stroud District Council 2018/19**

Both the Localism Act 2011 and the Transparency Code 2014 require the definition and publication of data on the lowest paid employees, their remuneration and the clarification of the relationship of pay between the lowest and highest paid groups of employees.

The lowest paid employees of the Council are on the Apprentice grade and have a salary at 01/01/2018 of £10,804. The highest paid employee on Stroud 12 has a salary at

01/01/2018 of £110,792. This is calculated as a ratio of 1:10 between the lowest and the highest paid employees of the Council. The Government's view is that the salaries ratio in the public sector should not exceed 1:20, so the Council is well within these guidelines. As members have pointed out previously, the Council's apprenticeship programme is not typical of local authorities. A comparison of Stroud 1 (including the living wage) to Stroud 12 produces a ratio of 1:7.

There is only a requirement by the Government to pay Apprentices £3.40 per hour. However, the Apprentice grade at SDC has been based on the National Minimum Wage for 18-20yr olds of £5.60.

The Council engages consultants where there is a requirement for specific skills or where particular expertise is required for a project. We are not required by legislation to publish this information, but as an illustration, the ratio between an employee on Stroud 1 (including the living wage) and the highest paid consultant is 1:14 (based on an hourly rate of pay).

Since 2013, the Council has paid the Living Wage Foundation (LWF) living wage to staff on Stroud 1 by way of a supplement to basic pay. This means that, excluding apprentices, the lowest paid staff receive an hourly rate of £8.75 per hour, which is a figure defined by the LWF as the minimum income needed to meet basic needs. The figure is reviewed annually.

## **1. Level and Elements of Remuneration in 2018/19**

1.1 The Council pays 'spot' salaries to all employees. There are 13 spot salaries:

<b>Stroud Grade</b>	<b>FTE Jan 2017</b>	<b>Headcount Jan 2017</b>	<b>FTE Jan 2018</b>	<b>Headcount Jan 2018</b>
STR12 £110,792	1.00	1	1.00	1
STR10 £70,320	4.00	4	3.00	3
STR9 £53,410	5.10	6	5.80	6
STR8 £47,470	9.00	9	8.80	9
STR7 £41,025	19.96	22	21.26	22
STR6 £35,444	38.05	40	32.97	35
STR5 £30,153	61.39	73	63.48	74
STR4 £24,964	71.23	84	74.26	85
STR3 £20,661	70.73	91	68.84	85
STR2 £17,772	46.23	70	50.54	72
STR1 £15,375**	7.73	21	7.20	23
STR App £10,804	7.00	7	5.81	6
<b>TOTAL</b>	<b>341.42</b>	<b>428*</b> Actual 405	<b>342.96</b>	<b>421*</b> Actual 400

\* This figure shows employees with contracted hours at each Stroud grade.

\*\* plus living wage = £16,881

The 'actual' figure indicates exact headcount, as some employees have more than one post at different grades.

- 1.2 There are no bonuses, annual increments or performance related payments. A salary supplement or honorarium can be paid when an employee carries out a substantial increase in duties and responsibilities.
- 1.3 The actual headcount has reduced by 1.2% since last year. This has been due to the impact of business reorganisations and through natural wastage in line with the reductions in headcount required by the Council's workforce plan.
- 1.4 The Chief Executive is employed under Chief Executives' Terms and Conditions. All other senior officers are employed under National Joint Council (NJC) for local government services. The Council publishes an Employee Handbook that sets out local terms and conditions of employment. This is available on the staff intranet.
- 1.5 The pay in relation to individual senior officers is shown below;

#### **Chief Executive**

- Salary of £110,792 subject to any national pay award. The Chief Executives' pay agreement of March 2016 increased Chief Executives' pay by one percent in April 2016 and by one percent in April 2017. (This was the first increase for eight years for Chief Executives earning £100,000 or more p.a.). The Chief Executives' pay agreement for 2018 is currently being considered and no firm agreement has been made.
- Taxable allowance of £1,996 (a fixed sum set in July 2001 and with no increase for inflation) for car mileage. This payment has ceased with effect from 1<sup>st</sup> January 2018 in line with the review of staff car allowances.
- Employed under the Chief Executives' Terms and Conditions
- Election Fees as Returning Officer as set out in the Gloucestershire Scheme Scale of Fees for District and Parish Elections; Parliamentary, European Parliament, Referendum, Police Area Returning Officer Fees as specified by the Ministry of Justice, the Home Office or the Electoral Commission. The fees vary from year to year depending on the nature and number of elections. This is classed as a separate employment for superannuation purposes.
- Payment of membership of the Society of Local Authority Chief Executives (invoiced direct to the Council)

#### **Directors**

- Salary of £70,320 subject to any national pay award
- Taxable car allowances payable in line with HMRC reimbursement rates with effect from 1<sup>st</sup> February 2018.
- Payment of membership of one professional body (invoiced direct to the Council)
- Election fees payable to officers as election staff, as determined by the Returning Officer using the appropriate scale of fees prescribed nationally or under the Gloucestershire Scheme Scale of Fees

#### **Heads of Service**

- Salary of £53,410 subject to any national pay award
- Taxable car allowances payable in line with HMRC reimbursement rates with effect from 1<sup>st</sup> February 2018
- Payment of membership of one professional body (invoiced direct to the Council).
- Election fees payable to officers as Deputy Returning Officer or election staff, as determined by the Returning Officer using the appropriate scale of fees prescribed nationally or under the Gloucestershire Scheme Scale of Fees

### **Monitoring Officer**

- Salary of £47,470 subject to national pay award; plus a market supplement of £14,467 ( Market supplement is paid as pay scales may sometimes fail to attract suitable candidates for specific posts due to market pressures)
- Taxable car allowance payable in line with HRMC reimbursement rates with effect from 1<sup>st</sup> February 2018
- Payment of membership of one professional body (invoiced direct to the Council)
- Election fees payable to officers as Deputy Returning Officer or election staff, as determined by the Returning Officer using appropriate scale of fees prescribed nationally or under the Gloucestershire Scheme Scale of Fees.

### **Service Managers**

- Salaries in range from £47,470 to £35,444 subject to any national pay award
- Taxable car allowances payable in line with HMRC reimbursement rates with effect from 1<sup>st</sup> February 2018
- Payment of membership of one professional body (invoiced direct to the Council).
- Election fees payable to officers as Deputy Returning Officer or election staff, as determined by the Returning Officer using the appropriate scale of fees prescribed nationally or under the Gloucestershire Scheme Scale of Fees

## **2. Remuneration on Recruitment**

### **2.1 Chief Executive**

The remuneration would be reviewed prior to advertisement by the Strategy & Resources Committee or its panel under delegated authority from the Council. The Committee's membership is agreed by the Council at its Annual General Meeting and is politically balanced.

The full Council appoints the Chief Executive based on a recommendation from the Committee.

### **2.2 Directors, Heads of Service, Service Managers and Monitoring Officer**

The remuneration and allowances are set out in the Employee Handbook and the published salary scales (Stroud 10 for Directors £70,320; Stroud 9 for Heads of Service £53,410; Stroud 8 £47,470 plus reviewable market supplement of £14,467 for Monitoring Officer; Stroud 8 to Stroud 6 for Service Managers £47,470 to £35,444)

## **3. Remuneration on ceasing to hold office/be employed by the Council**

### **3.1 Chief Executive**

The Committee would make a recommendation to the full Council.

### **3.2 Directors, Heads of Service, Service Managers and Monitoring Officer**

The terms of any redundancy or retirement are set out in the Employee Handbook (Section 3.3).

## **4. Publication and Access to Information Relating to Remuneration**

4.1 This pay policy statement is published on the Council's website located under Open Data at <http://www.stroud.gov.uk/opendata>

4.2 The Council's Constitution and the Council's Statement of Accounts are published at [www.stroud.gov.uk](http://www.stroud.gov.uk)