



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Statutory Annual Pay Policy Statement - 2019 update	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team 15 th October 2019	X
	Leader and Deputy Leaders 21 st October 2019	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group 30 th October 2019	X
	Cabinet n/a / Council 13 th January 2020	
	Scrutiny Audit and Value for Money Council Services Committee [DATE] / Scrutiny Community Regeneration, Environment and Health and Well Being Committee [DATE] n/a	



Is this an Executive Decision:	NO	Is this a Key Decision:	[YES/NO]
Is this in the Forward Plan:	NO	Is the Report Confidential:	NO
If so, please state relevant paragraph from Schedule 12A LGA 1972:	[]		

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **Angela Wakefield**

Date Signature

Chief Finance Officer: **Sal Khan**

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Council

Date: 13th January 2020

REPORT TITLE: Statutory Annual Pay Policy Statement - 2019 update
PORTFOLIO: Andy O'Brien
HEAD OF SERVICE: Andy O'Brien
CONTACT OFFICER: Linda McDonald Ext. No. x1577
WARD(S) AFFECTED: n/a

1. Purpose of the Report

1.1. To approve the changes to the Pay Policy Statement updated for 2018/19

2. Executive Summary

2.1 There is a legal requirement to produce and publish a Pay Policy Statement and review annually. Any amendments need to be recommended to full council. There are no major changes to the statement this year. The main 2018/19 Statement amendments are:

2.2 Updated pay rate figures and ratios for the lowest paid employees. The ratios are shown with and without apprentices

2.3 Updated pay rate figures for Chief Officers, following national pay award

2.4 Updated the ratios for the median pay rate, compared to the highest paid and the average Chief Officer pay. The median pay rate has moved up from salary point 21 to salary point 25 (whether those on apprentice rates are included or not).

2.5 Please see appendix 1, which shows the Pay Policy Statement with tracked changes.

3. **Background**

- 3.1 The Pay Policy Statement is “a public document to be used as an information source to enable local taxpayers to hold their councillors to account on pay matters” (DCLG February 2013)
- 3.2 Through the Localism Act 2011 the Government introduced specific requirements on Councils and Councillors relating to pay. The aim was to bring increased accountability and transparency in setting local pay. This included identifying the methods by which salaries of all staff are determined; and the detail and level of remuneration of its most senior staff i.e. Chief Officers. The Localism Act required Local Authorities to produce a pay policy statement for 2012/13 and for each financial year after that. Any amendments need to be recommended to full council. ESBC produced and published the statement as required for 2012/13. Our Pay Policy Statement for 2013/14 was updated following the supplementary guidance issued by the Department for Communities and Local Government in February 2013; and it has been reviewed and published annually thereafter.
- 3.3 The Local Government Transparency Code 2015 requires us to publish our pay multiple on our website, defined as the ratio between the highest paid taxable earnings for the given year and the median earnings.
- 3.4 There has been no further guidance or new requirements affecting the production of this statement in 2018/19.

4. **Contribution to Corporate Priorities**

- 4.1 There is no Corporate Priority as such since this is a legislative requirement, but the Council’s Pay Policy Statement is consistent with the Corporate Priority to deliver Value for Money Council Services.

5. **Report**

- 5.1 There are no major changes to the statement this year. The statement includes the requirement to show the relationship between the lowest and highest pay rates in the organisation (as recommended by the Hutton Review of Fair Pay in the Public Sector 2010); and the relationship between the median pay rate and the highest pay rates.
- 5.2 The National Pay Award increases for both Chief Officers and NJC staff, announced and implemented after the last Pay Policy Statement was produced, have been included. i.e. 2% from 1st April 2018 with higher increases at the lower salary points.
- 5.3 At 31st March 2019 the lowest paid apprenticeship was paid at the apprenticeship rate for aged 18 during their first year. The lowest paid

employee is an administrative apprenticeship role at salary spinal column point 6 (in 2017/18 the lowest paid employee was also paid at scp 6).

5.5 Therefore for at 31st March 2019:

5.5.1 The ratio for the lowest paid (excluding those on national apprentice rates) and the Chief Executive's salary has reduced from 1:8.49 to 1:7.92.

5.5.2 Likewise the ration for the lowest paid (excluding those on national apprentice rates) and the average Heads of Service salary has reduced from 1:5.70 to 1:5.40.

5.5.3 Including apprentices, (with first year national apprentice pay rates) the ratio of Chief Executive's salary to the lowest paid employee has reduced from the 2018 figure of 1:18.87 to 1.18.19.

5.5.4 Similarly the ratio of the Heads of Service salary to the lowest paid employee (including apprentices) reduces from 1:12.68 to 1:12.41

5.5.5 The median salary point has increased from scp 21(March 2018) to scp25 at 31st March 2019 (i.e. £23,111) and the ratio of this to the Chief Executive's salary has reduced from 1:6.33 to 1:5.62.

5.5.6 The median salary point at scp25 and the ratio of this to the average Heads of Service salary (with incremental progression) has also reduced from 1:4.25 to 1:3.83.

6. Financial Considerations

This section has been approved by the following member of the Financial Management Unit: Lisa Turner

6.1. There are no financial issues arising from this Report.

7. Risk Assessment and Management

7.1. The main risks to this Report and the Council achieving its objectives are as follows:

7.2. **Positive** (Opportunities/Benefits):

7.2.1. Continued transparency

7.3. **Negative** (Threats):

7.3.1. nil

7.4. The risks do not need to be entered in the Risk Register

8. Legal Considerations

*This section has been approved by the following member of the Legal Team:
Angela Wakefield*

8.1. The main legal issues arising from this Report are as follows.

8.2. Complies with the requirements of the Localism Act 2011

9. Equalities and Health

8.1 **Equality impacts:** The subject of this Report is a policy, strategy, function or service that is new or being revised. There are no changes to the previous equality and health impact assessment (2014/15).

8.2 **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed.

10. Human Rights

10.1. There are no Human Rights issues arising from this report.

11. Sustainability (including climate change and change adaptation measures)

11.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A

12. Recommendation(s)

12.1. To agree the Pay Policy Statement changes as presented

13. Appendices

13.1. Appendix 1: Pay Policy Statement with tracked changes