

**Agenda Item No:**

**Report No:**

**Report Title: Pay Policy Statement**

**Report To: Council**

**Date: 26 February 2014**

**Cabinet Member: Councillor Andy Smith (Finance & Resources)**

**Ward(s) Affected: All**

**Report By: Director of Corporate Services**

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**Purpose of Report:**

To present a Pay Policy Statement for the financial year 2014/15 for approval by Council in accordance with section 38 of the Localism Act 2011.

**Officers' Recommendation(s):**

To adopt the Pay Policy Statement attached at Appendix A for the financial year 2014/15.

**Information**

For each financial year from 2012/13 onwards, local authorities must prepare a pay policy statement relating to the remuneration of their statutory and non-statutory chief officers, their deputy chief officers and the monitoring officer. The pay policy must also include details of remuneration of its lowest paid employees and include details of the relationship between the remuneration of chief officers and the remuneration of employees who are not chief officers. Remuneration is defined widely to include salary, bonuses, allowances and compensation.

In preparing statements, regard must be had to any guidance issued or approved by the Secretary of State. The annual revision of the pay policy statement must be approved by Full Council before it comes into force.

A proposed Pay Policy Statement for the financial year 2014/15 is attached at Appendix A. Officers have drafted this to reflect both our current pay practices.

Changes to note:

- Cabinet in June 2013 (carried by Council later that same day) agreed to revise the Pay Policy Statement to discontinue the percentage salary link between Director and Chief Executive posts. Previous Director posts were fixed at 83% of the Chief Executive's salary, however Cabinet agreed to discontinue this for the appointment of the 3 new Director posts (and any future posts at this level), so as to give the Appointments Committee greater flexibility in offering terms

which reflect market conditions as well as the abilities and experience of appointees. The attached Pay Policy Statement reflects this change.

- The 'pay multiple' is the ratio between the highest paid salary and the median average salary of the whole of the Council's workforce. The Council's pay multiple for 2011/12 was 5.1 (based on the median average salary of £20,321 and the highest salary of £103,539). The pay multiple for 2013/14 is 5.04 based on the median average salary of £20,524 and the highest salary of £103,539. This information will be reflected on the Council's website as currently.
- Members will also wish to note amendments to discretionary compensation arrangements which were approved by Employment Committee on 16 December 2013 as follows:

Redundancy compensation – Lewes District Council has historically applied a multiplier of 2 to the statutory redundancy amount payable. Employment Committee agreed that this should reduce to 1.75 to reflect both the national drive to reduce public spending and also to bring us into line with other neighbouring authorities, notably Eastbourne and East Sussex County Council.

Pay Protection – Lewes District Council has historically allowed for full pay protection for a period of 3 years in certain circumstances. Employment Committee agreed that this should reduce to 100% in year 1, 66% in year 2 and 33% in year 3. Again, the decision was made to ensure our spending is capable of standing up to scrutiny. Discussions are currently on going with Unison about the finer detail regarding implementation of this change.

### **Financial Implications**

None arising from this report

### **Environmental Implications**

I have completed the Environmental Implications Questionnaire and there are no significant effects as a result of these recommendations.

### **Risk Management Implications**

Failure to adopt a Pay Policy Statement by 31 March 2014 will constitute a failure to comply with the requirements of the Localism Act 2011.

### **Equality Implications**

The matters reflected in this report do not give rise to inequality issues and so an Equality Impact Assessment screening is not required.

### **Background papers**

Localism Act 2011

## **Appendices**

Appendix A – Pay Policy Statement