

# Full Council

## 16 February 2021

### Pay Policy Statement 2021/22

#### For Recommendation to Council

**Portfolio Holder:** Cllr P Wharf, Corporate Development and Change

**Local Councillor(s):** Not applicable

**Executive Director:** Matt Prosser, Chief Executive

Report Author: Sam Dewar/Hannah Godwin  
Title: OD Consultant/OD Co-ordinator  
Tel: (01305) 221128/224128  
Email: [sam.dewar@dorsetcouncil.gov.uk](mailto:sam.dewar@dorsetcouncil.gov.uk)

**Report Status:** Public

#### **Recommendation:**

It is recommended that the Full Council:

- (i) Note the provisions of the Localism Act and content of the Pay Policy Statement for the 2021/22 financial year.
- (ii) Approve the Pay Policy Statement for 2021/22

#### **Reason for Recommendation:**

The Full Council is responsible for approval of the annual pay policy statement

#### **1. Executive Summary**

As required by the Localism Act 2011, the attached report sets out the Pay Policy Statement for Dorset Council for the financial year 2021/22.

The Act places a requirement on local authorities to produce a statement on an annual basis, setting out their policies on the remuneration of their Chief Officers, and the relationship between the remuneration of its Chief Officers and non Chief Officers.

## **2. Financial Implications**

None arising directly from this report.

## **3. Well-being and Health Implications**

None arising directly from this report.

## **4. Climate implications**

None arising directly from this report.

## **5. Other Implications**

None arising directly from this report.

## **6. Risk Assessment**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW

Residual Risk: LOW

## **7. Equalities Impact Assessment**

The Localism Act was subject to consideration in terms of compatibility with the European Convention on Human Rights and contains a statement by the then Secretary of State that the provisions are compatible with equalities legislation. The Pay Policy Statement is now part of a wider transparency and equality framework alongside gender pay gap reporting requirements.

## **8. Appendices**

Appendix 1: Pay Policy Statement

Appendix A1: Schedule of Chief Officers Remuneration

Appendix A2: Overview Table of Policies Relating to Remuneration for the Chief Officers

Appendix B1: Schedule of Partnerships Chief Officers Remuneration

Appendix B2: Overview Table of Policies Relating to Remuneration for Partnership arrangements for Public Health Chief Officers

## **9. Background Papers**

None.

## **1. Introduction**

- 1.1 The Localism Act, Part 1, Chapter 8 under the heading 'Pay Accountability' places a requirement on local authorities to produce and publish a Pay Policy Statement on an annual basis.
- 1.2 This report sets out the main requirements of the Localism Act and details the scope of the Council's Pay Policy Statement for the financial year 2021/22.

## **2. Pay Policy Statement 2021/22**

- 2.1 The Pay Policy Statement for 2021/22 is attached at Appendix 1 setting out Council policies for the financial year relating to:
  - a. the remuneration of its Chief Officers,
  - b. the remuneration of its lowest paid employees, and
  - c. the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.
- 2.2 The Pay Policy Statement refers to overview tables setting out the general policies relating to the remuneration of the Council's Chief Officers.
- 2.3 The Pay Policy Statement also provides clear details of the Council's partnership arrangements which are in place and work towards improving efficiency in local government. The Council currently has a jointly funded partnership arrangement for Public Health. The Pay Policy Statement separates these partnership positions.

## **3. Requirements of the Localism Act**

- 3.1 In preparing the Pay Policy Statement for the 2021/22 financial year, it is recommended that the Full Council note the following in respect of the Act's requirements.
- 3.2 Chief Officers
  - 3.2.1 The Act defines Chief Officers by reference to various sections of the Local Government and Housing Act 1989. For the purposes of this Pay Policy Statement and in terms of the Council's structures the definition of Chief Officers incorporates the Chief Executive, Executive Directors (includes Section 151 Officer), Corporate Directors (includes Monitoring Officer), Director of Public Health, Assistant Directors of Public Health & Public Health Consultants.
  - 3.2.2 The details for Chief Officers (Appendices A1 and B1) reflect the position as at 1 January 2021 and, in respect of the partnership arrangements, indicates Dorset Council's contribution to the remuneration packages.
  - 3.2.3 The Council also engages via contracts for service through third party organisations, which have been assessed as IR35 compliant (and fall outside of the IR35 legislation).

### 3.3 Definition of Lowest Paid Employees

- 3.3.1 The Council has defined its lowest paid employees as those on the lowest Green Book spinal column point.
- 3.3.2 For both Chief Officers and the lowest paid employees, the Council adopts all relevant national agreements and the associated national pay bargaining arrangements. As a result, any pay awards negotiated by the National Employers will be contained within the appendices as required.

### 3.4 Relationship between Chief Officers and non-Chief Officers

- 3.4.1 The relationship between Chief Officer remuneration and non-Chief Officer remuneration is normally calculated as the ratio between the highest paid officer's earnings and the median earnings of employees.
- 3.4.2 In calculating the pay multiple based on total taxable earnings for the 2019/20 tax year (including benefits in kind and elements such as pension contributions) the ratio of the Chief Executive's earnings to the median earnings of employees was 9.12:1 (this is the first year of reporting this ratio).
- 3.4.3 In calculating the pay multiple based on FTE salaries (excluding allowances and enhancements) as at 1 January 2021 the ratio of the Chief Executive's salary to the median FTE salary of employees was 6.94:1. This is slightly lower than last year.

## 4. **Next Steps**

- 4.1 Once agreed, and in advance of 31 March 2021, the Pay Policy Statement will be published on the Council's website.
- 4.2 Prior to its publication, Privacy Notices will be issued to each of the Chief Officers detailed in the Schedule (Appendices A1 and B1).

**Matt Prosser, Chief Executive**

**16 February 2021**

#### **Footnote:**

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.