

Full Council

15 February 2022

Pay Policy Statement 2022/23

For Recommendation to Council

Portfolio Holder: Cllr J Haynes, Corporate Development and Transformation

Local Councillor(s): Not applicable

Executive Director: M Prosser, Chief Executive

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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 2022/23 financial year.
- (ii) Approve the Pay Policy Statement for 2022/23.

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 2022/23.

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

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 2022/23.

2. Pay Policy Statement 2022/23

- 2.1 The Pay Policy Statement for 2022/23 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.

3. Requirements of the Localism Act

- 3.1 In preparing the Pay Policy Statement for the 2022/23 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, Deputy Director of Public Health and Consultants in Public Health.
 - 3.2.2 The details for Chief Officers (Appendix A1) reflects the position as at 1 January 2022 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 Joint Council and Joint National Council 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 2020/21 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 8.84:1. This is slightly lower than the 2019/20 tax year which was 9.12:1.

3.4.3 In calculating the pay multiple based on FTE salaries (excluding allowances and enhancements) as at 1 January 2022, the ratio of the Chief Executive's salary to the median FTE salary of employees was 6.67:1. This is slightly lower than last year which was 6.94:1.

4. **Next Steps**

4.1 Once agreed, and in advance of 31 March 2022, 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 (Appendix A1).

Matt Prosser, Chief Executive

15 February 2022

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.