

Extract from:

**Report to: COUNCIL
20 FEBRUARY 2019**

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Title: 2019/20 PAY POLICY STATEMENT

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton Review was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Council's workforce.

The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee and the Managing Director as 1:7.5 and between the lowest paid employee and the (weighted) average Chief Officer (excluding the Managing Director) as 1:3.2 NB. If the lowest paid apprentices are included in these calculations, the multiple between the lowest paid (full time equivalent) employee and the Managing Director is 1:17.7 and between the lowest paid employee and the (weighted) average Chief Officer (excluding the Managing Director) is 1:7.6

The multiple between the median (average) full time equivalent earnings and the Managing Director is 1:5.0 and between the median (average) full time equivalent earnings and average Chief Officer is 1:2.2.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. This will include the pay multiples as set out above.