



# Doncaster Council

## Report

---

Date: 25th January, 2018

To the Chair and Members of  
COUNCIL

### ANNUAL PAY POLICY STATEMENT 2018/19

#### EXECUTIVE SUMMARY

1. Local Authorities are required under section 38(1) of the Localism Act 2011 to prepare an annual Pay Policy Statement. The statement must clearly detail the Council's policy for the pay of the workforce, particularly senior staff and lowest paid employees.
2. There continues to be a positive reduction in the ratios this year between the highest and lowest paid employees. The ratio between the highest employee salary (Chief Executive £161,018) and lowest employee salary (£16,881) has reduced from 9.68:1 last year to 9.54:1. This means the highest salary is now 9.54 times more than the lowest salary. The ratio between the highest employee salary and average staff salary has also reduced from 6.39:1 to 6.35:1.
3. There has been a minimal change in the ratio between the lowest paid and average salaries which has slightly decreased from 1.51:1 last year to a ratio of 1.50:1.
4. These changes show a positive trend and reflect a continuing reduction in the difference between the highest and lowest paid in line with the Council's commitment to reduce the pay difference and increase low pay.
5. There is a potential 2% pay award to be implemented from 1<sup>st</sup> April 2018.
6. The overall number of Chief Officer posts has again reduced this year by 1 from 18 to 17. Furthermore, considerable senior management savings have been delivered from 2015/16 to 2017/18 of £0.7m, with the overall numbers reducing by 13% of total leadership posts over this period. These savings are on top of earlier savings and reductions in posts from 2011 - 2015 of £2.66m (33%), achieved by significantly rationalising the number of Chief Officers in particular (from 29 to 17 posts currently) and some Heads of Service. Leadership posts are currently 1% of overall staffing numbers.

## **EXEMPT REPORT**

7. Not applicable.

## **RECOMMENDATIONS**

8. It is recommended that members note the contents of this report and approve the Pay Policy Statement for 2018/19.

## **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

9. Publication of a Pay Policy Statement will aid transparency and provide information that will enable local people to understand the Council's pay provisions.

## **BACKGROUND**

10. In March 2011 the Hutton Review of Fair Pay made several recommendations for promoting pay fairness in the public sector by tackling disparity between the lowest and highest paid.
11. Subsequently the Localism Act 2011 (the Act) placed a requirement on each local authority to prepare and publish a Pay Policy Statement. The provisions of the Act bring together the need for increasing accountability, transparency and fairness in the setting of pay.
12. The provisions of the Act do not apply to the employees of local authority schools and therefore unless they are centrally employed, teaching staff are not within the scope of the policy.
13. Each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Act do not seek to change this, or to determine what decisions about pay should be taken, but they do require each local authority to be more open about their own policies in relation to pay and how related decisions are made.
14. Section 40 of the Act requires local authorities to have regard for any guidance published by the Secretary of State when developing their Pay Policy Statement. Currently this includes Communities and Local Government Guidance on Openness and Accountability in Local Pay and the Code of Recommended Practice for Local Authorities on Data Transparency, which asks authorities to consider the way they release data on senior salaries.

15. The Act sets out in detail the specific elements which the Pay Policy Statement must include as a minimum. However, it is open to each authority to determine whether they wish to expand this to cover all employees. A template Pay Policy Statement has been published by Local Government Yorkshire and Humberside Regional Employers (LGYH) which includes the minimum requirements. This template was used as the basis for Doncaster's Pay Policy Statement over the last three years and has been used again for this year.

## PROPOSED PAY POLICY STATEMENT

16. The Pay Policy Statement (see attached) is required to be produced annually and considered by Full Council. It is not possible to delegate responsibility for the Policy to another committee.
17. It is proposed that the same format is used for the publication of the Pay Policy Statement this year.
18. The Council decided to meet the information access requirements by publishing the Pay Policy Statement on the Council's website each year. It is proposed to do the same this year.
19. The current and previous salary structure for Heads of Service and Chief Officers is as follows which includes an anticipated pay award of 2% for 18/19:

| Grade and Posts             | Spinal Column Point | Salary 2017/18  | Salary 2018/19<br>*assuming 2%<br>pay award |
|-----------------------------|---------------------|-----------------|---|
| SMG<br>(Heads of Service)** | 2                   | £57,309         | £58,455                                     |
|                             | 4                   | £62,029         | £63,269                                     |
| CO3<br>Assistant Directors  | 2                   | £89,277         | £91,062                                     |
| CO1<br>Directors            | 5                   | £118,879        | £121,256                                    |
| CE1<br>Chief Executive      | 8                   | £157,861<br>*** | £161,018                                    |

\*\*Heads of Service salaries have been included in the table above for transparency but are not employed under Chief Officer Terms and Conditions of Employment and therefore not designated Chief Officers for the purpose of the Pay Policy Statement.

\*\*\*Includes increment applied 1.4.17 in line with Council's pay progression policy

20. The ratio between the highest employee salary (Chief Executive £161,018) and lowest employee salary (£16,881) has reduced from 9.68:1 last year to 9.54:1. This means the highest salary is now 9.54 times more than the lowest salary. Benchmarking will be undertaken before the start of the financial year once all results are published, against a number of local authorities in the Yorkshire and Humber region.
21. The ratio between Doncaster's highest and average salaries is 6.35:1. The ratio between the highest salary and the median salary has been calculated at 8.29:1. The ratio between Doncaster's lowest and average salaries has decreased slightly from 1.51:1 last year to 1.50:1.
22. The average salary has increased by 2.57% in line with the Council's commitment to reduce the pay difference and increase low pay.

### **OPTIONS CONSIDERED**

23. The requirement for the Council to prepare and publish a Pay Policy Statement is a requirement of the Localism Act 2011 and therefore there are considered to be no other options. There is a prescribed minimum requirement that the Pay Policy Statement must contain, individual local authorities can exercise the option to expand it.

### **REASONS FOR RECOMMENDED OPTION**

24. The Localism Act requires that a local authority Pay Policy Statement must be approved by Full Council and the responsibility cannot be devolved to another committee. The recommended option will ensure that the Council meets the minimum requirements as laid out in the Localism Act 2011.

### **IMPACT ON THE COUNCIL'S KEY OUTCOMES**

- 25.

|  | <b>Outcomes</b>   | <b>Implications</b>  |
|--|---|--|
|  | Council services are modern and value for money.                            | Publication of a Pay Policy Statement aids transparency and provides information that will enable local people to understand the Council's pay provisions. |
|  | Working with our partners we will provide strong leadership and governance. |  |

### **RISKS AND ASSUMPTIONS**

26. Under the requirements of the Localism Act the Council has to have a Pay Policy Statement that meets minimum required levels. It is proposed that Doncaster's Pay Policy Statement for 2018/19 will contain the minimum requirements in relation to the employees to be covered which will ensure a standard framework is in place which will reduce the risk of inconsistency and potential legal challenge.

## **LEGAL IMPLICATIONS**

27. Sections 38-43 Localism Act 2011 set out the requirements that a Local Authority must publish an annual pay policy statement setting out the Authority's policies relating to the remuneration of its Chief Officers, its lowest paid employees and the relationship between the remuneration of the Chief Officers and other employees. It is up to the Authority to define who its lowest paid employees are. It must also include (a) the level and elements of remuneration for each Chief Officer, (b) remuneration of Chief Officers on recruitment, (c) increases and additions to remuneration for each Chief Officer, (d) the use of performance-related pay for Chief Officers, (e) the use of bonuses for Chief Officers, (f ) the approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the authority, and (g) the publication of and access to information relating to remuneration of Chief Officers.

Section 40 requires Authorities to have regard to the guidance for pay policy statements as published by central government.

The Authority's Pay Policy Statement must be approved by a resolution of the Authority before it comes into force and the statement must be prepared and approved before the end of 31 March 2018 and each year thereafter. Amendments may be made within each year by the passing of a resolution.

Once approved it must be published as the Authority sees fit and further pay determinations must be made in accordance with the policy.

## **FINANCIAL IMPLICATIONS**

28. There are no direct financial implications as a result of the recommendation in this report. The report details the current pay arrangements which have been factored into the budget for 2018/19, including the proposed pay award. All staff pay must be funded from the Council's resources and budgeted accordingly.

## **HUMAN RESOURCES IMPLICATIONS**

29. There are no direct human resource implications as a result of the recommendations in this report, although all affected post-holders have been consulted on the requirement for the information being published.

## **TECHNOLOGY IMPLICATIONS**

30. There are no direct technology implications as a result of the recommendations in this report.

## **EQUALITY IMPLICATIONS**

31. The Council has given due regard to equalities requirements in its pay provisions. It does comply with equalities legislation, particularly that relating to equal pay. The Council's commitment to eliminate low pay will also have a positive impact on low paid employees who are predominately female.

## CONSULTATION

32. Consultation with appropriate Council officers, elected members and trade union representatives on the format and content of the Pay Policy Statement has been undertaken.

This report has significant implications in terms of the following:

|                               |   |                              |  |
|-------------------------------|---|------------------------------|--|
| Procurement                   |   | Crime & Disorder             |  |
| Human Resources               | ✓ | Human Rights & Equalities    |  |
| Buildings, Land and Occupiers |   | Environment & Sustainability |  |
| ICT                           |   | Capital Programme            |  |

## BACKGROUND PAPERS

33. CLG Code of Recommended Practice for Local Authorities on Data Transparency  
Hutton Review of Fair Pay in the Public Sector  
Localism Act 2011  
Report to Council 26<sup>th</sup> March 2017 entitled Annual Pay Policy Statement 2017/18

## REPORT AUTHOR & CONTRIBUTORS

Sarah Jones, Head of Human Resources and Organisational Development  
01302 737030 [sarah.jones@doncaster.gov.uk](mailto:sarah.jones@doncaster.gov.uk)

Jill Parker, Assistant Director of HR, Communications and Executive Office  
01302 737004 [jill.parker@doncaster.gov.uk](mailto:jill.parker@doncaster.gov.uk)

**Simon Wiles**  
**Director of Finance and Corporate Services**