



Doncaster Council

Report

Date: 24th January 2019

ANNUAL PAY POLICY STATEMENT 2019/20

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 £164,238) and lowest employee salary (£17,364) has reduced from 9.54:1 last year to 9.46:1. This means the highest salary is 9.46 times more than the lowest salary. The ratio between the highest employee salary and average staff salary has also reduced from 6.35:1 to 6.30:1.
3. The ratio between the lowest paid and average salaries has remained the same at 1.50:1. However, the average salary has increased by 2.88% to £26,069.
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 on-going commitment to reduce the pay difference and increase low pay.
5. There is a minimum 2% pay award to be implemented from 1st April 2019.

EXEMPT REPORT

6. Not applicable.

RECOMMENDATIONS

7. It is recommended that Members note the contents of this report and approve the Pay Policy Statement for 2019/20.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. 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

9. 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.
10. 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.
11. 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.
12. 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.
13. 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 Housing, 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.
14. 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 was previously 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 four years and has been used again for this year.

PROPOSED PAY POLICY STATEMENT

15. 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.
16. It is proposed that the same format is used for the publication of the Pay Policy Statement this year.
17. 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.
18. The current and previous salary structure for Heads of Service and Chief Officers is as follows which includes a nationally agreed pay award of 2% for 19/20:

| Grade and Posts | Spinal Column Point | Salary 2018/19 | Salary 2019/20 |
|-----------------------------|---------------------|----------------|----------------|
| SMG (Heads of Service)** | 2 | £58,455 | £59,624 |
| | 4 | £63,269 | £64,535 |
| CO3 Assistant Directors | 2 | £91,062 | £92,884 |
| CO1 Directors | 5 | £121,256 | £123,682 |
| CE1 Chief Executive | 8 | £161,018 | £164,238 |

**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.

19. The ratio between the highest employee salary (Chief Executive £164,238) and lowest employee salary (£17,364) has reduced from 9.54:1 to 9.46:1. This means the highest salary is 9.46 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.
20. The ratio between Doncaster's highest and average salaries is 6.30:1 down from 6.35:1. The ratio between the highest salary and the median salary has been calculated at 8.24:1 down from 8.29:1. The ratio between Doncaster's lowest and average salaries has remained the same as last year at 1.50:1.

21. The average salary has increased by 2.88% to £26,069 in line with the Council's commitment to reduce the pay difference and increase low pay.

OPTIONS CONSIDERED

22. 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

23. 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

24.

| | Outcomes | Implications |
|--|--|--|
| | <p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance | <p>Publication of a Pay Policy Statement will aid transparency and provide information that will enable local people to understand the Council's Pay Provisions.</p> |

RISKS AND ASSUMPTIONS

25. 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 2019/20 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 [Officer Initials SRF Date 17.12.18]

26. 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.
27. Section 40 requires Authorities to have regard to the guidance for pay policy statements as published by central government.
28. 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 2019 and each year thereafter. Amendments may be made within each year by the passing of a resolution.
29. 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 [Officer Initials AG Date 5.12.18]

30. 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 2019/20. All staff pay must be funded from the Council's resources and budgeted accordingly.

HUMAN RESOURCE IMPLICATIONS [Officer Initials SJ Date 3.12.18]

31. 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 [Officer Initials PW Date 7.12.18]

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

HEALTH IMPLICATIONS [Officer Initials RS Date 08.01.19]

33. There is evidence that an individual's income contributes as much as 10% towards health and employment contributes a similar amount. The increase in average salary as outlined in paragraph 21 should contribute to improved health. Inequalities in income can contribute to health inequalities so it is good to see a reduction in the gap between the highest and lowest paid in the Council as outlined in paragraph 19, and between the highest and average paid in the Council as outlined in paragraph 20. The data presented here should be reviewed when benchmarking information becomes available.

EQUALITY IMPLICATIONS

34. The Council has given due regard to equalities requirements in its pay provisions which has demonstrated minimal impact on the protected characteristics of this proposal. In addition it demonstrates it complies with equalities legislation particularly in respect of equal pay. The Council's continued commitment to reduce the pay difference and increase low pay will also have a positive impact on low paid employees who are predominately female.

CONSULTATION

35. Consultation with appropriate Council officers 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

HCLG 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 25th January 2018 entitled Annual Pay Policy Statement 2018/19

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