



Doncaster Council

Full Council Report

Date: 23rd January 2020

ANNUAL PAY POLICY STATEMENT 2020/21

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 have been minimal changes to the ratios this year as salary levels have remained at 2019 rates. This is due to the fact that national pay award negotiations have not yet been concluded for 2020/21.
3. The ratio between the highest employee salary Chief Executive (£164,238) and lowest employee salary (£17,364) has remained at 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 positively reduced slightly from 6.30:1 to 6.20:1.
4. The ratio between the lowest paid and average salaries has positively increased slightly from 1.50:1 to 1.53:1. The average salary has also increased by £423 from £26,069 to £26,492.
5. These ratios reflect the Council's on-going commitment to reduce the pay difference and increase low pay.
6. 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. The Hutton Review considered that the pay multiples (ratios) should be no greater than 20:1 and the Council falls well below this threshold.

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 2020/21.

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 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.
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 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 five 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:

Grade and Posts	Spinal Column Point	Salary 2019/20	Salary* 2020/21
SMG (Heads of Service)**	52	£59,624	£59,624
	54	£64,535	£64,535
CO3 Assistant Directors	7	£92,884	£92,884
CO1 Directors	10	£123,682	£123,682
CE1 Chief Executive	1	£164,238	£164,238

* National pay award pending

**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.

20. The ratio between the highest employee salary Chief Executive (£164,238) and lowest employee salary (£17,364) remains the same at 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.
21. The ratio between Doncaster's highest and average salaries is 6.20:1 down from 6.30:1. The ratio between the highest salary and the median salary remains at 8.24:1. The ratio between Doncaster's lowest and average salaries has increased slightly from 1.50:1 to 1.53:1.
22. The average salary has increased by £423 from £26,069 to £26,492 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.

	Outcomes	Implications
	Connected Council: <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	Publication of a Pay Policy Statement will aid transparency and provide information that will enable local people to understand the Council's Pay Provisions.

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 2020/21 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 23.12.19]

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.
28. Section 40 requires Authorities to have regard to the guidance for pay policy statements as published by central government.
29. 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 2020 and each year thereafter. Amendments may be made within each year by the passing of a resolution.
30. 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 20.12.19]

31. 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 2020/21. All staff pay must be funded from the Council's resources and budgeted accordingly.

HUMAN RESOURCE IMPLICATIONS [Officer Initials SJ Date 19.12.19]

32. 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 20.12.19]

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

HEALTH IMPLICATIONS [Officer Initials VJ Date 6.1.20]

34. Evidence shows that income contributes to 10% of health of the population and employment contributes a similar level. The level of gaps in income also determines health outcomes between those with the highest income compared to those with the least income. This report suggests that the highest employee salary is more than 9.46 times than the lowest employee salary in the Council. There are potential implications of pay gaps in relation to widening health inequalities. This implication will need to be monitored and appropriate measures to mitigate the negative impact for staff on lowest income is recommended. Appropriate advice can be sought from the Public Health Team at the Council.

EQUALITY IMPLICATIONS

35. 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

36. 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

MHCLG 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 24th January 2019 entitled Annual Pay Policy Statement 2019/20

REPORT AUTHOR(S) & CONTRIBUTORS

Sarah Jones, Head of Human Resources and Organisational Development
01302 737030 sarah.jones@doncaster.gov.uk
Jill Parker, Assistant Director of HR, Communications and Executive Office
01302 737004 jill.parker@doncaster.gov.uk

Debbie Hogg
Director of Corporate Resources