



**Council**

21 March 2019

Report of the Deputy Chief Executive / Director of Customer and Corporate Services  
Portfolio of the Executive Leader (incorporating Finance & Performance)

## **Pay Policy 2019/20**

### **Summary**

1. The purpose of the report is to present the council's Pay Policy Statement for 2019/20 and changes to the Chief Officer Pay Policy for approval.
2. As part of the above to provide a Community Impact Assessment for the Chief Officer Pay Policy for approval.
3. To note that the Statement reflects the Chief Officer structure in existence at 26 February 2019.

### **Background**

4. Section 38 – 43 of the Localism Act 2011 introduced a requirement for the council to produce and publish an annual policy statement that covers a number of matters concerning the pay of the council's senior staff, principally Chief Officers and relationships with the pay of the rest of the workforce.
5. The Pay Policy Statement has been produced following the requirements of the Act and guidance issued by the Secretary of State for Communities.

### **Consultation**

6. Approval of the Policy Statement is by full council, consultation with other management bodies is not required. However, where changes to policy are proposed that affect terms and

conditions of employment appropriate consultation with the relevant parties will be carried out.

7. Changes to policy are proposed this year as a result of the review of Chief Officer pay and grading arrangements that took place at the end of 2018 and beginning of 2019. A new grade structure has been developed and pay scales revised. These are incorporated into a new Pay Policy document which also brings together all other pay terms for ease of reference and transparency. Consultation has taken place with Chief Officers, the GMB and Unison; the recognised trade unions for this group and the Staffing Matters and Urgency Committee. These changes only apply to the Chief Officer group and exclude the Chief Executive.

### **Options**

8. Option one - To endorse the Pay Policy Statement including changes to the Chief Officer Pay Policy and Community Impact Assessment.
9. Option two - To reject / amend the Pay Policy Statement.

### **Analysis**

10. The Localism Act 2011 sets out specific details of what should be included in the Policy Statement. Local Government Yorkshire and Humber have provided guidance and templates which comply with these requirements. The council has adopted these templates as have many others in the region.
11. The salaries quoted in the documents are based on full time equivalent salaries and the median average has been used for calculating the pay multiple. It should also be noted that apprentices have been excluded from the statement as they are employed on training contracts, and paid outside of the council's grading structure. School staff are also excluded from this statement.
12. The Council is a Living Wage employer and pays as it's minimum level the rate set by the Living Wage Foundation for

'Outside London'. For 2019/20 this rate is £9.00 per hour, equivalent to an annual salary of £17,364. For the majority of staff in the Council (those in the Local Government Service Employees group) following changes made to pay arrangement from April 2019 their basic pay will be at the Living Wage rate, for a very small number who are employed on different National terms and conditions the Council's Living Wage supplement remains in place to bridge any gap between basic pay and the Living Wage rate.

13. The Council is required to publish its pay multiple (the ratio between the highest paid base salary in the council and the median salary) as part of the Pay Policy Statement. The ratio remains close to last year but shows a 0.15 point increase taking it to 5.39:1. The median salary at the date of this report is £25,826; positioned at Grade 7 Level 4 in the pay structure. The median remains at the same level as last year. The increase in the pay multiple is due to the effect of the national annual percentage pay award on the Chief Executive salary compared to the median salary, which although the same for both at 2% has widened the monetary gap between the two salaries.
14. Salary information is already published for certain senior staff under the requirements of The Accounts and Audit (England) Regulations (2011) and the Local Authorities Transparency Code. Information can also be found in the council's website at: <http://www.york.gov.uk/council/information/opendata/salaries/>. The Pay Policy Statement and its Annexes will also be published in this section of the website.
15. The changes to the Chief Officer Pay Policy introduce a new Director grade between Assistant Director and the current Corporate Director grade creating a three grade Chief Officer structure. It allocates job evaluation points to grade boundaries and both harmonises and smoothes the increments across the grades. The new pay scales remain within the previous pay range for Chief Officers.
16. The new banding of Director is for posts that are part of the Corporate Management Team and it is therefore unlikely that

any current Assistant Director post will fall into that level. The Policy does not change the approval process for Chief Officer posts.

17. The change to the Chief Officer Pay Policy requires a Community Impact Assessment to be carried out. A completed assessment is provided with the Pay Policy Statement papers and requires approval of Full Council as the decision making body.

### **Council Plan**

18. The production of this Policy Statement contributes to the Council's key priorities of being a prosperous city for all, by meeting its legal obligations in a timely and effective way.

### **Implications**

#### **(a) Financial**

There are no financial implications for the report.

#### **(b) Human Resources (HR)**

The new Pay Policy for Chief Officers is a change to their existing terms and conditions. This change has been secured through an appropriate contractual change process and will be brought into effect by a collective agreement with the recognised trade unions for the Chief Officer staff group. The effective date of the change will be 1<sup>st</sup> April 2019 subject to Council approval of the Pay Policy. Full negotiation and consultation has been carried out with individuals and recognised trade unions as detailed in paragraph 7.

#### **(c) Equalities (Contact – Equalities Officer)**

There are no equalities implications for the report. Equality implications of the Pay Policy change have been assessed in the Community Impact Assessment.(Annex B)

#### **(d) Legal**

The Pay Policy Statement meets the requirements of the Localism Act and also meets the requirements of guidance issued by the Secretary of State for Communities and Local

Government to which the authority is required to have regard under Section 40 of the Act.

(e) **Crime and Disorder**

There are no implications for crime and disorder.

(f) **Information Technology (IT)**

There are no implications for IT.

(g) **Property**

There are no implications for property.

(h) **Other**

Other implications are covered in the body of the report.

**Risk Management**

15. There are no significant risks associated with production of the Policy.

**Recommendations**

16. That in order to fulfil the requirements of Sections 38 - 43 of the Localism Act 2011:
- (i) Council approves the Pay Policy Statement for 2019/20 relating to the pay of the Council's senior staff.
  - (ii) Council notes and approves the changes to the Chief Officer Pay Policy detailed in Appendix A of the Pay Policy Statement.

Reason: In order to fulfil the requirements of Section 38 – 43 of the Localism Act 2011 for the council to produce and publish an annual policy statement that covers a number of matters concerning the pay of the council's senior staff, principally Chief Officers and relationships with the pay of the rest of the workforce.

## Contact Details

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	<b>Report Approved</b>	✓	<b>Date</b> 11/3/2019
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<b>Specialist Implications Officer(s)</b>			
<b>Wards Affected:</b> None			<b>All</b>
<b>For further information please contact the author of the report</b>			

## Background Papers:

None

## Annexes:

Pay Policy Statement  
 Annex A - Chief Officer Pay Policy  
 Annex B - Community Impact Assessment  
 Annex C - Chief Officer Remuneration Details  
 Annex D - Chief Officer Remuneration Policies  
 Annex E - Public Health Remuneration Details and Policies  
 Annex F - Publication Requirements