

# **PAY POLICY STATEMENT 2018/19**

## **Dorset Councils Partnership**

### **(West Dorset District Council, North Dorset District Council & Weymouth and Portland Borough Council)**

#### **1. Introduction**

This pay statement describes the pay arrangements and policies that relate to the pay of the workforce which serves the Dorset Councils Partnership (the Partnership) between West Dorset District Council (WDDC), North Dorset District Council (NDDC) and Weymouth & Portland Borough Council (WPBC).

This statement describes in particular the arrangements for the Partnership's senior staff and its lowest paid employees.

#### **2. Purpose of the statement**

Section 38 of the Localism Act 2011 requires local authorities to prepare and publish a pay policy statement for each financial year.

The pay statement is intended to bring together sufficient information about the different elements of the local authority's pay policies to enable local taxpayers to reach an informed view about local decisions on all aspects of pay and reward for employees. It also provides the context for the more detailed financial information that is already published by local authorities under the Code of Recommended Practice for Local Authorities on Data Transparency and the by Accounts and Audit (England) Regulations 2011.

#### **3. The Dorset Councils Partnership**

In 2010, WDDC and WPBC entered into a partnership by which services were delivered by a single workforce across two local authority areas.

In 2015, NDDC joined the other two councils to create a tri-council partnership (known as the Dorset Councils Partnership).

WPBC is the host employer for all employees within the Partnership.

The 3 councils share the salary costs of senior employees set out in this statement.

#### **4. Policy statement**

The Partnership is committed to ensuring transparent, fair and equitable pay and reward arrangements that provide value for money and enable the recruitment and retention of employees with the skills and motivation to deliver high quality services for the 3 councils and their communities. The policies that support these objectives are summarised in this document.

## 5. Scope

This pay statement represents the position on the pay structure and other elements of the remuneration package for employees as at 31 March 2018.

The pay statement describes the pay arrangements that apply to the Partnership's senior employees and the councils' lowest paid employees.

As at 31 December 2017, the Partnership employs 625 employees (554.8 full time equivalents (FTE)) – **needs updating at 31.3.18.**

For the purpose of this pay statement, senior employees are defined as those employees in the top three tiers of management; the Chief Executive, 3 Strategic Directors and the Assistant Chief Executive and 12 Heads of Service/Corporate Managers.

## 6. Pay and Grading Scheme

A new pay and grading scheme for the workforce of the previous partnership between WDDC and WPBC was implemented in 2014.

NDDC used a different pay and grading structure to determine the pay of its employees prior to the TUPE transfer. The pay arrangements for those employees have been incorporated into the Partnership's pay scheme as part of the convergence of all employees into partnership service structures.

## 7. Remuneration of senior employees

Senior employees do not receive overtime, standby or other premium payments for working in excess of a standard 37 hours or outside the normal working week. They are not entitled to receive compensation for travel between the main office locations of the 3 councils in Weymouth, Dorchester and Blandford. Salaries of senior employees are subject to increases that are agreed under national pay award settlements.

The remuneration of senior employees is determined by elected members through the partnership's Shared Services Joint Committee.

### 7.1 Chief Executive

The Chief Executive is the Head of Paid Service for the partnership councils, a role formerly carried out by three senior officers, one at each council.

As at 31 March 2018, the annual FTE salary for this post is £132,613. Because the post is shared, it represents a cost of £44,204 per annum to each of the three councils within the Partnership.

The Chief Executive's salary was set on the advice of the Local Government Association (LGA) and using benchmarking against appropriate regional comparators. There was a national cost of living pay increase of 1% in the salary of Chief Executives on 1 April 2017.

The employee is subject to conditions of service determined by the Joint Negotiating Committee for Chief Executives and South West Councils and local collective agreement.

The Chief Executive is the appointed Returning Officer for the three councils and receives a fee for County, District and Parish Council and for Parliamentary Election duties. The fee for undertaking this role varies from year to year and is not subject to this policy since fee levels are set regionally and nationally.

## 7.2 Senior Leadership Team

This is comprised of the Chief Executive, 3 Strategic Directors and an Assistant Chief Executive.

As at 31 March 2018, the annual FTE salary for each Strategic Director post is £93,849. The salary for the Assistant Chief Executive post is £86,708. These posts represent a cost of £122,752 per annum to each council.

The salary level for these posts was set on the advice of the LGA. Other conditions of service for these posts are determined by the Joint Negotiating Committee for Chief Officers of Local Authorities and local collective agreements.

Special responsibility payments are also made to two of the above posts as follows:

- £5,000 to one of the Strategic Director posts for undertaking the role of section 151 officer for the partnership councils
- £3,000 to the Assistant Chief Executive post for undertaking the role of Monitoring Officer for the partnership councils

## 7.3 Heads of Service (and Corporate Managers)

The 8 Heads of Service and 4 Corporate Managers are also subject to conditions of Service determined by the Joint Negotiating Committee for Chief Officers of Local Authorities and by local collective agreement. As at 31 March 2017, the annual FTE salary for the Head of Service posts is £69,877. The salaries for the Corporate Managers are £59,931 (3 posts) and £54,830 (1 post). The salaries were set on the advice of the LGA and on the basis of benchmarking against appropriate regional comparators.

## 8. Remuneration of other employees

The Partnership's pay structure for all other employees consists of grades and incremental points as set out in Appendix 1. This is based on the National Joint Council (NJC) pay spine and contains 14 grades, each of either four or five incremental points.

Posts are allocated to a pay band through a process of job evaluation which establishes the relative value of different jobs within the workforce. The scheme used by the Partnership is the Greater London Provincial Council Scheme. Salaries for all employees (including senior employees) are subject to increases agreed under national pay award settlements.

The Partnership's pay structure creates the basis of the relationship between the pay of all employees within the scope of the pay statement.

For the purpose of this statement, lowest paid employees for the Partnership are defined as those who receive a salary equivalent to Grade G1 on the Partnership's pay structure. As at 31 March 2018, the maximum FTE salary for an employee on grade G1 is £16,781 (£8.70 per hour).

## **8. National Living Wage**

The minimum salary point on the current grade structure is £15,807 per annum (£8.19 per hour). This is above the national living wage rate of £7.50 introduced by the Government on 1 April 2016.

Future increases in the pay and grading structure will be determined through the national pay bargaining process.

As the National Living Wage is set externally, any commitment to matching this in future is subject to the national pay bargaining process. The Partnership will keep this position under review.

## **9. Pay relationships**

The salary for the post of Chief Executive is approximately 8 times the maximum salary of the lowest paid employee. The salary of the Strategic Directors is 5.6 times the lowest paid employee. The salary of the Assistant Chief Executive is 5.2 times the lowest paid employee. Salaries of the Head of Service posts are 4.2 times the lowest paid employee. Salaries for the Corporate Managers are 3.6 times the lowest paid employee.

The recommendation in the Hutton Report into 'Fair Pay in the Public Sector', as recognised by the Government in the Code of Recommended Practice for Local Authorities on Data Transparency was that a pay ratio of the salary of the Chief Executive compared to the median average salary in the organisation should be published.

The ratio between the highest paid salary and median FTE salary, the 'pay multiple', is 1: 5.48 (1: 5.58 last year). The partnership does not have a policy on maintaining or reaching a specific 'pay multiple'.

The Hutton Review raised concerns about multiples in the order of 1:20 or higher between the lowest and highest paid employees in local authorities. The Partnership's current ratio is well below that level.

## **10. Gender Pay Data**

The reporting and publication of gender pay data is now a statutory requirement for all councils. Initial data must be reported by 31 March 2018 in respect of pay as of 31 March 2017.

The gender pay gap shows the difference between the average earnings of men and women, expressed as a percentage of men's earnings.

As at 31 March 2017, women's hourly rate of pay was 16.25% lower than the mean average of male employees and 14.65% lower than the median of male employees. The current UK gender pay gap is just over 18%.

## **11. General principles applying to the remuneration of employees including senior employees**

On recruitment, individuals will be placed on the appropriate point within the grade for the post to which they have been appointed. Access to the Partnership's relocation scheme may be agreed in circumstances where new starters need to move to the area to take up employment.

Progression within each grade is normally through annual increments, subject to the grade maximum not being exceeded.

The Partnership does not apply performance related pay or bonuses.

## **12. Termination Payments**

On ceasing to be employed by the Partnership, individuals will only receive compensation where this is justified e.g. redundancy and in accordance with our published Policy Statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or that complies with the specific term(s) of a settlement agreement.

Any decision to re-employ someone who was previously employed by the Partnership and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit and in accordance with the relevant regulations. The Partnership will not, however, normally engage such an individual under a contract for services.

## **13. Pensions**

The Partnership's policy statement on how the various employer discretions provided by the LGPS are exercised is set out in Appendix 2. This also summarises how flexible retirement might be allowed. This is where an individual aged 55 or over who reduces their hours of work may receive all or part of their LGPS benefits immediately, despite remaining in the Partnership's employment. This will be allowed only in circumstances where it is demonstrated to be in the Partnership's interests.

## **14. Other Payments and Allowances**

Any market supplement that is paid will be in accordance with our procedure for payment of market supplements.

Exceptionally it may be appropriate for an honorarium to be paid where an employee is carrying out extra duties or taking on temporary extra responsibilities. Such payments will only be made in accordance with our policies and procedures for the award of honoraria.

The Partnership pays a single corporate mileage allowance in accordance with its travel policies. This is currently linked to the HMRC rate.

The Partnership no longer operates a lease car scheme.

A new set of terms and conditions for the Partnership was introduced in 2016 through a collective agreement with recognised trades unions.

The standard working week for most employees is 37 hours worked from Monday to Friday. For some employees required to work outside the normal working week, a premium payment is made for overtime, unsocial hours and standby duties.

## **15. Review**

The Localism Act requires councils to prepare and publish a pay policy statement for each financial year. The next statement is due for publication at the end of March 2019 and will reflect future changes arising within the Partnership.

## **16. Communication**

The partnership councils will publish the pay policy statement on its website as required by the Localism Act.

The statement will be updated annually but may be amended during the year if the need arises.