

DERBYSHIRE COUNTY COUNCIL

COUNCIL

10 February 2016

Report of the Chief Executive

PAY POLICY STATEMENT

1 Purpose of the Report

To agree the attached updated pay policy for Derbyshire County Council in accordance with the provisions of the Localism Act 2011 and Supplementary Guidance 2013.

2 Information and Analysis

Section 38 of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy Statement for each financial year. The Act does not apply to staff employed in local authority schools, including teachers. The Pay Policy Statement (Appendix A) also complies with the Code of Recommended Practice for Local Authorities on Data Transparency 2011 which requires the publication of certain pay data and defines senior employees' pay as those who have an annual salary of £58,200 (FTE) and above.

The Localism Act requires that Pay Policy Statements are approved formally at Council meetings. If necessary, the Pay Policy can be amended during the year, and if this is required a further report will be brought to Council.

Members will be aware that since April 2010 the majority of employees covered by the Pay Policy have enjoyed the same terms and conditions. The Chief Executive, Chief Officers, Soulbury and Local Government Services employees have different national negotiating bodies that determine other conditions of employment such as disciplinary procedures and pay awards. These posts have also been subject to Hay job evaluation and are paid in accordance with the same local pay spine. There are separate terms and conditions of employment, including pay and grading arrangements, for Public Health employees.

The National Employers and Trades Unions are currently consulting on Local Government Services and Chief Officers pay

offers. The Pay Policy Statement will be updated when the national pay agreements are concluded and implemented locally. Other legislative changes, such as the Public Sector Exit Payments Recovery Regulations, will be incorporated into the Statement as necessary.

The Pay Policy Statement has been prepared in order to be open and transparent regarding the Council's pay for senior officers and will be made available on the Council's website. The requirement for the Policy also reflects the concerns over low pay highlighted in Will Hutton's 2011 Review of Fair Pay in the Public Sector. This stated that the ratio between the highest paid salary and the median average, should provide a pay multiple of no more than 20:1. It is not a requirement to publish this ratio as part of the Council's Pay Policy Statement, but is a requirement of the Local Government Transparency Code 2014.

It is important to note that pay differentials included in the Pay Policy at Appendix 4 show that senior employees' pay in the Council is around the lower quartile when compared to national public sector pay levels produced by Hay. The exception to this is the Chief Executive's post which is paid below the lower quartile. This situation will continue to be monitored as this may give rise to recruitment and retention difficulties in the future.

3 HR Considerations

The Policy will continue to be developed and enhanced, especially around identifying potential areas of difficulty.

4 Considerations

In preparing this report the relevance of the following factors have been considered: legal, prevention of crime and disorder, equality and diversity, environmental, health, property and transport.

5 Background Papers

Background papers are held by the Director of HR.

6 Officers' Recommendation

That Council approves the attached Pay Policy Statement.

IAN STEPHENSON
CHIEF EXECUTIVE

Appendix A

Derbyshire County Council

Pay Policy Statement



Toni Compai
Director of HR
April 2016

Public

1. Introduction

The Council is committed to fairness, transparency and the principle of equal pay in employment.

This Pay Policy Statement sets out Derbyshire County Council's policy on pay for senior managers and employees for 2016/17 and is in accordance with the requirements of Section 38 of the Localism Act 2011 and Supplementary Guidance 2013.

The Policy was approved by Full Council on 10 February 2016 and is effective from 1 April 2016.

Any appointments or severance payments above £100k and any amendments to this Pay Policy will require the approval of Full Council. This figure may be affected by the Public Sector Exit Payment Cap and Recovery Regulations which are set out in the Small Business, Enterprise and Employment Act 2015, which are due to be enacted in 2016. The Pay Policy will be updated accordingly following any such legislative changes.

2. Scope

The policy applies to all Council employees. As specified in the Act, the policy does not apply to staff of local authority schools.

3. About the Council

For 2016-17 the Council has a net budget requirement of £484m and will use these funds to provide approximately 770,000 residents with essential local services. By 31 March 2021 the Council needs to save £108m due to reductions in Government grants, inflation and greater demands on areas of the budget for Adult Social Care and vulnerable children.

As £40m cuts are planned in 2016-17 it is important that services provide excellent value for money and make the best use of our resources.

The Council has 13,800 appointments across five departments. The Chief Executive and Strategic Directors form the Council's Corporate Management Team that leads the work that provides services across Derbyshire. Appendix 1 details the senior management structure across the Council.

4. Pay Structure

The Council's pay structure for all employees, including senior employees (with the exception of Soulbury and Public Health), was determined using the principles of the [Hay job evaluation scheme](#) with pay ranges for each grade in the structure. The Derbyshire Pay and Grading Structure is attached at Appendix 2. The Structure was introduced on 1 April 2010 and all new and changed jobs are evaluated using the Hay job evaluation scheme and the grades applied as appropriate.

The Council has agreed to apply market rates to specific posts to address recruitment and retention difficulties subject to strict criteria and Cabinet approval.

Median gross pay is £16,680 which represents an 8.5:1 ratio to that of the Chief Executive.

5. Senior Employee Pay

The pay structure for senior employees follows the Hay job evaluation methodology. The pay details of senior employees covered by grades 16 to 21 are set out in Appendix 3.

Attached at Appendix 4 is a Hay public sector pay comparison data for grades 17 and above which includes salaries across the public sector, including the NHS.

Performance related pay and bonuses, including lease cars do not form part of senior employees' pay within the Council.

Public Health transferred to the Council in 2013 under a static transfer order. There are five Public Health employees paid above the senior officer threshold of £58,200 who are on NHS terms and conditions.

Nine employees on Soulbury grades fall within the scope of the pay policy.

6. Lowest Paid Employee

The first pay point on the Derbyshire Pay and Grading Structure in Grade 1/2, £13,746 (£7.13/hr), is the salary that is defined as the lowest within the Council. However, the Council has agreed to pay the Living Wage allowance to 3,800 appointments earning below £8.25 per hour in 2016/17, which is equivalent to £15,916 per annum.

7. Starting Pay

All employees, including senior employees, will normally be appointed to the minimum point of the pay grade for the job.

In certain cases it may be appropriate to appoint to a higher point in the pay grade. This may arise when, for example, the preferred candidate for the job is or has been, in receipt of a salary at a higher level than the grade minimum.

8. Pay Progression

All employees, including senior employees, receive annual increments until the top of their salary grade has been reached. The first increment is paid when the employee has been in post for 12 months.

9. National Pay Award

The Derbyshire Pay and Grading Structure is adjusted by any 'cost of living' increase agreed nationally by the relevant National Joint Committee. If the national agreement is not a flat rate the application of the award is agreed locally. The National Employers and Trades Unions are currently consulting on Local Government Services and Chief Officers pay offers. This Pay Policy Statement will be updated when national pay agreements are concluded and implemented locally.

10. Terms and Conditions

From April 2010 all employees covered by the Pay Policy Statement have enjoyed the same terms and conditions. The Chief Executive, Chief Officers, Soulbury and local government service employees have different national negotiating bodies that determine other conditions such as disciplinary procedures and pay awards.

11. Protection of Earnings Policy

The Council's policy on Protection of Earnings applies to all employees of the Council and provides protection for an employee's basic pay where it is reduced as a result of:

- organisational restructuring
- redeployment into a suitable alternative vacancy where the individual is at risk of or under notice of redundancy
- redeployment into a suitable alternative vacancy on health grounds
- the introduction of a revised pay and grading system

The period of pay protection is for a maximum of two years from the date of the change of basic pay.

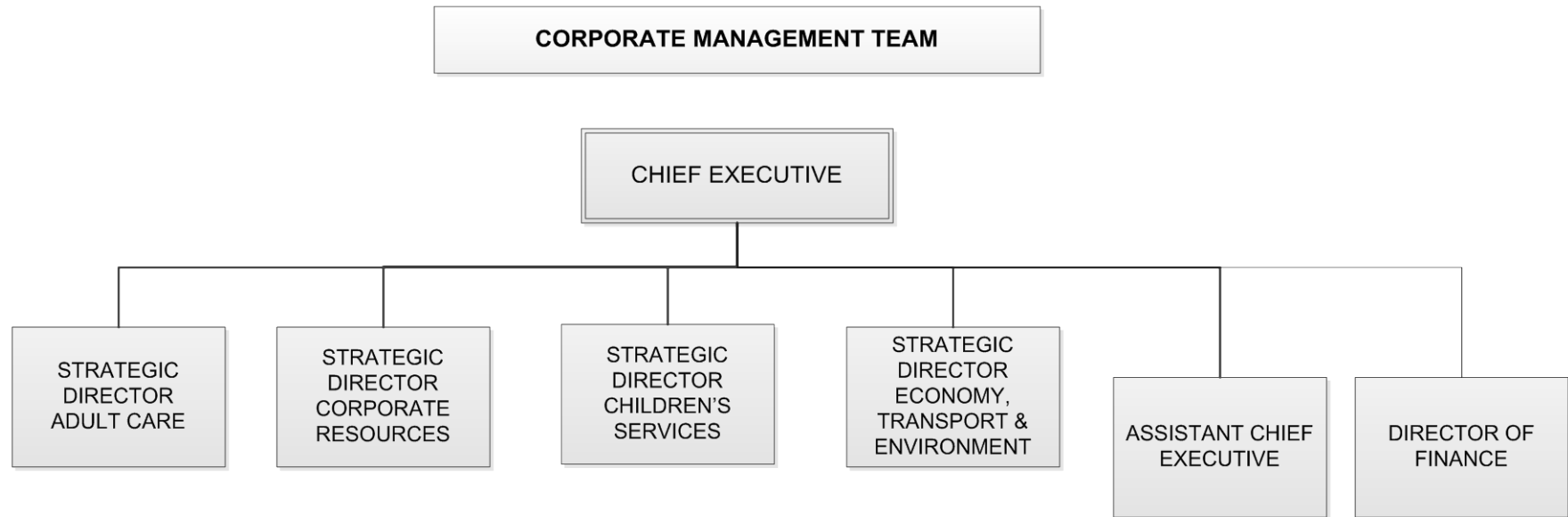
12. Termination and Re-employment

No additional payments are made to any employee of the Council, including senior employees, at their point of leaving the employment of the Council, except in circumstances of redundancy and that is in accordance with the Council's published Policy Statements. The Pay Policy will be updated following introduction of the Exit Payment Restrictions and Recovery Regulations in the Small Business, Enterprise and Employment Act 2015 in April 2016.

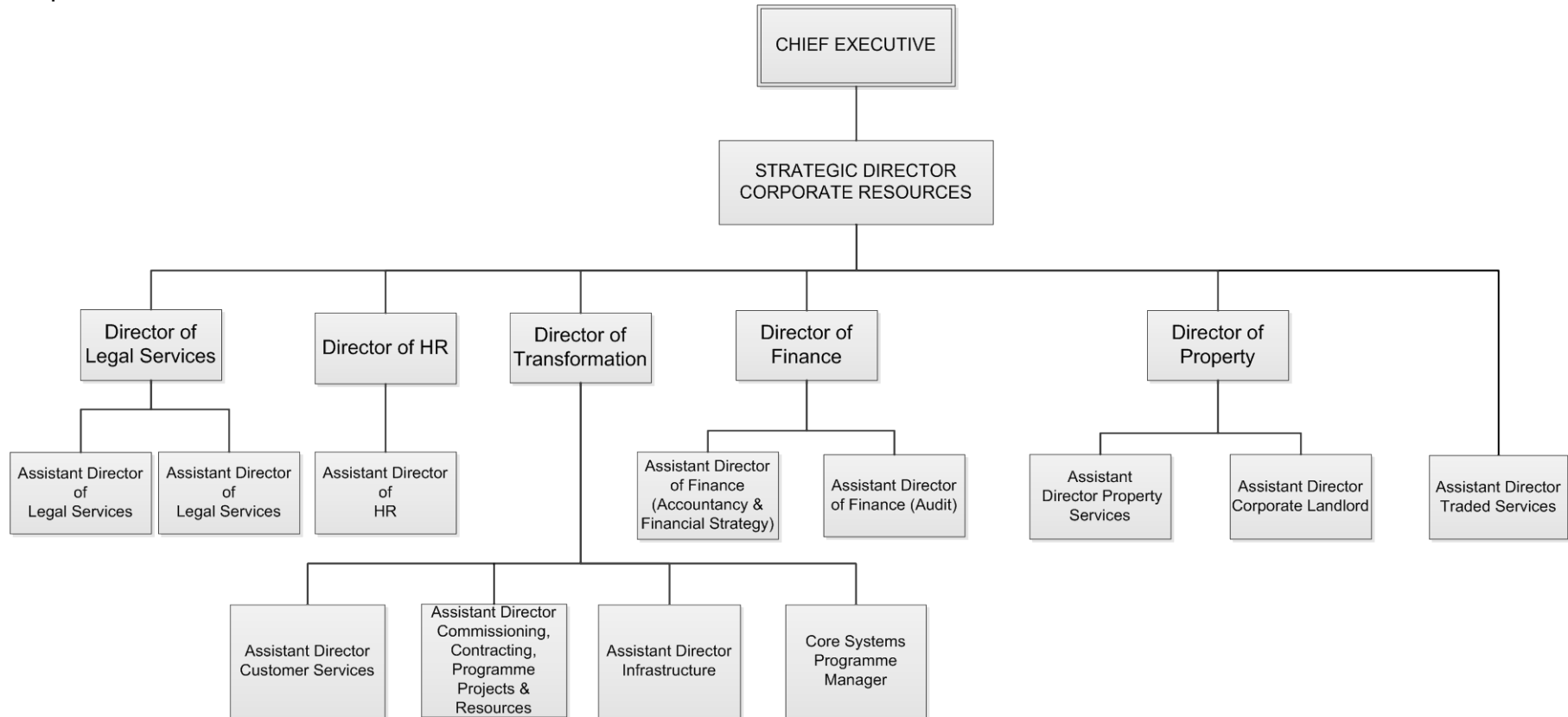
How the Council exercises the various discretions provided by the Local Government Pension Scheme can be accessed by the following link.

www.derbyshire.gov.uk/working_for_us/pensions/governance/policy_statements

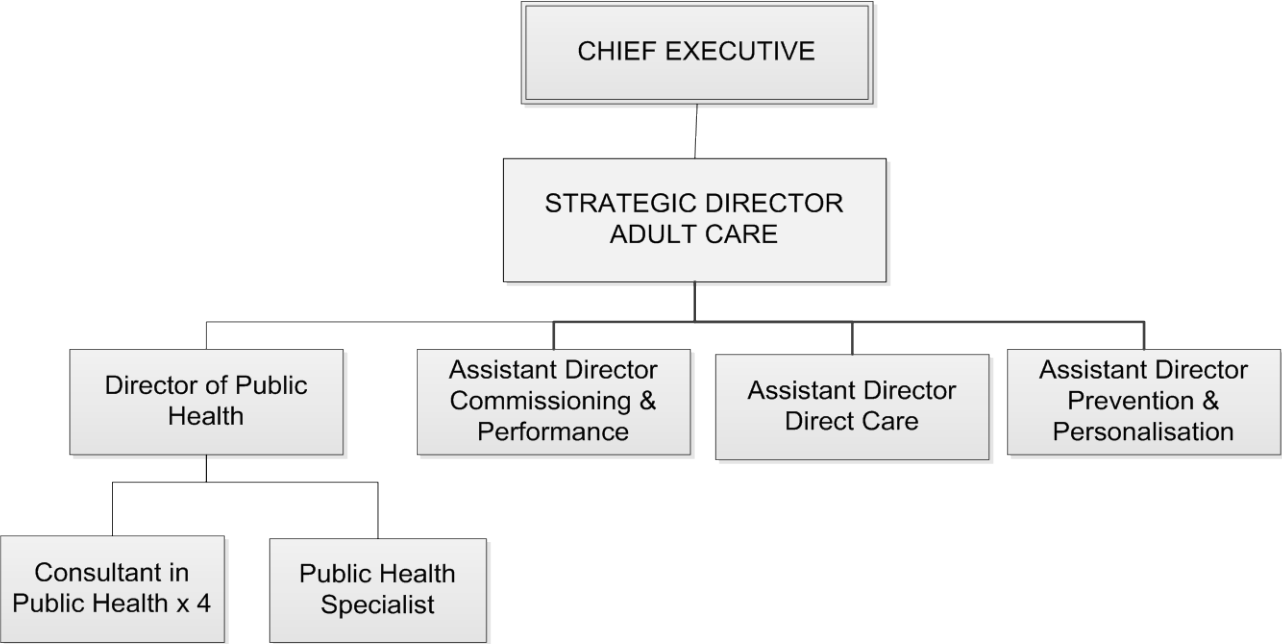
Appendix 1 – Senior Management Structure



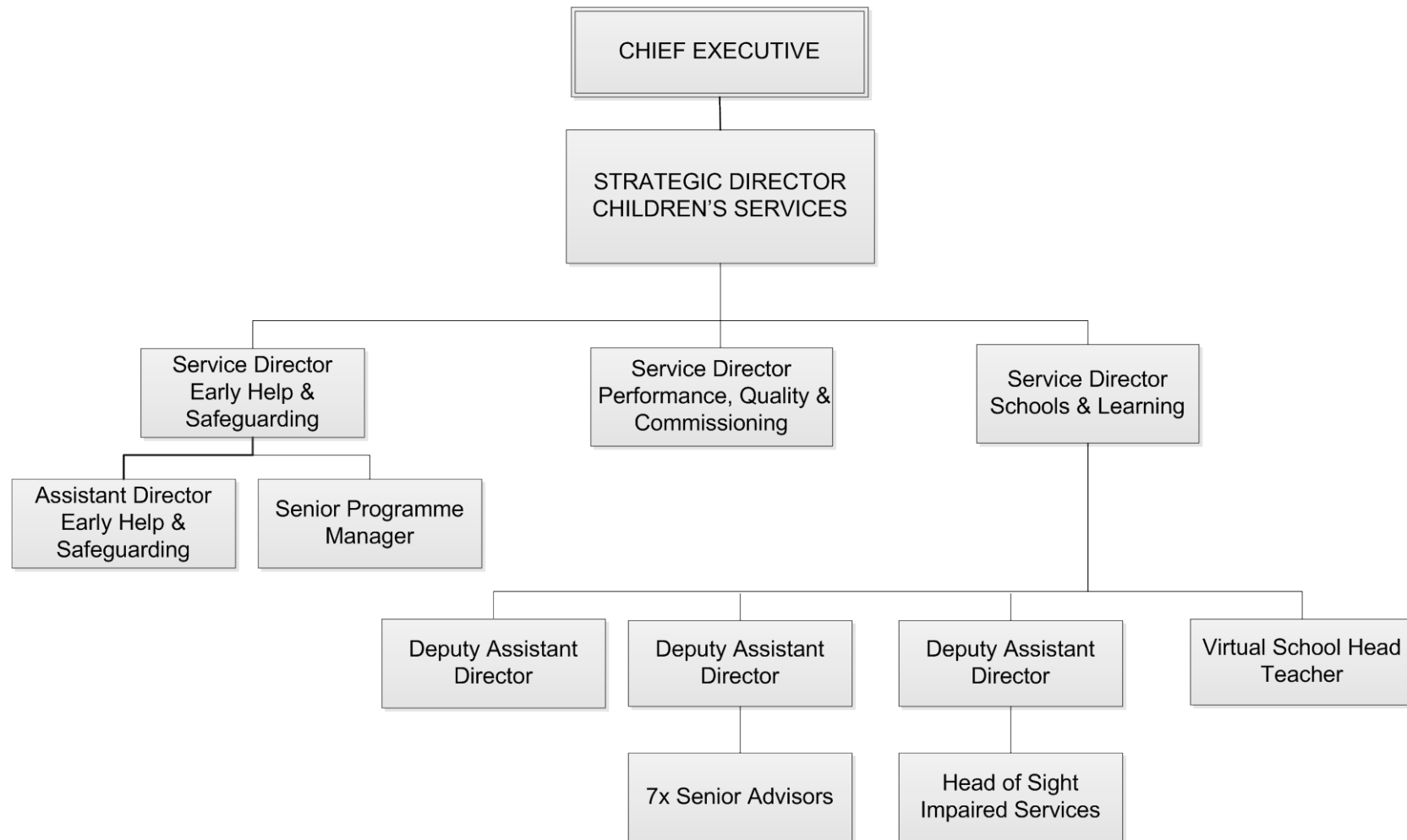
Corporate Resources



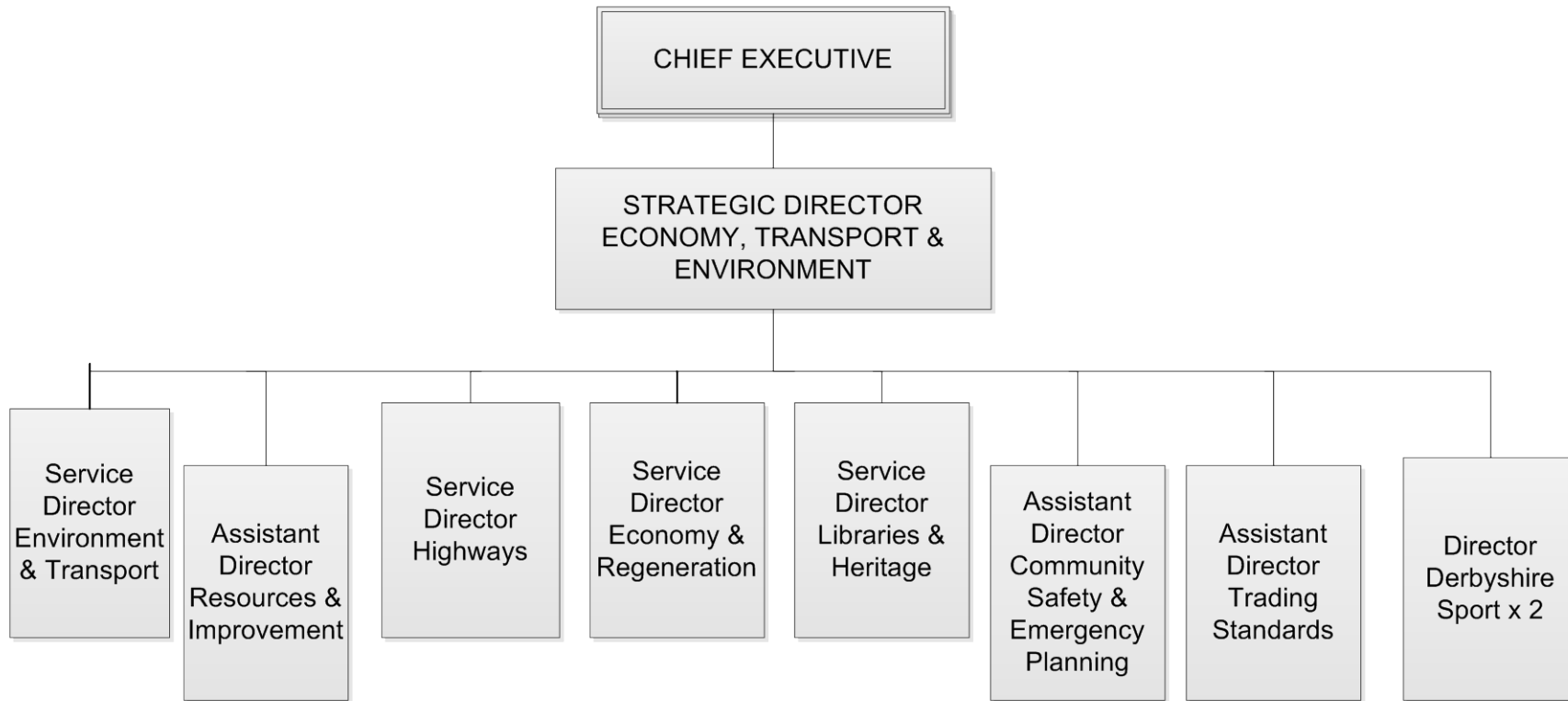
Adult Care



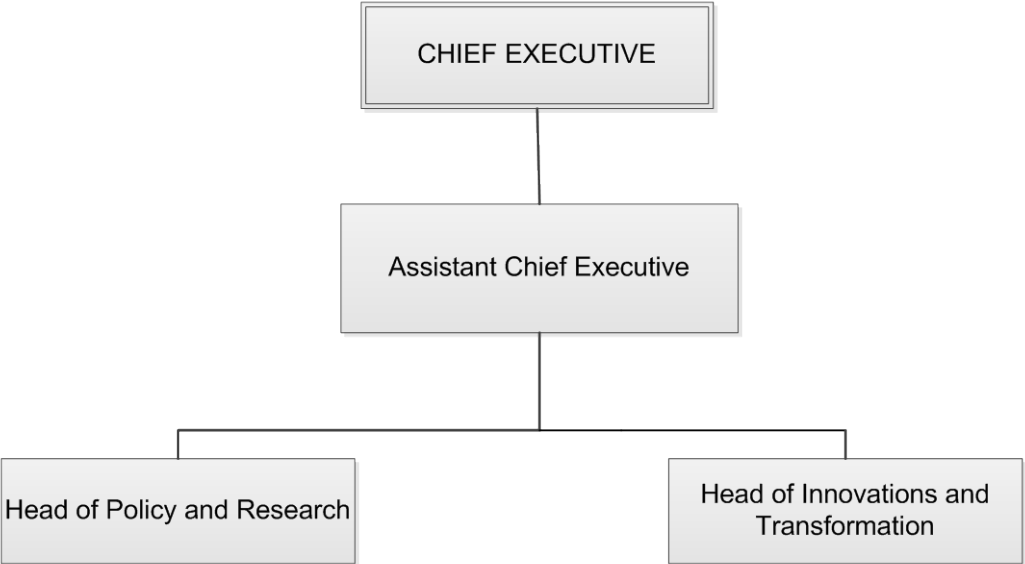
Children's Services



Economy, Transport and Environment



Chief Executive's Office



Appendix 2 – Derbyshire Pay & Grading Structure

Grade	Pay Point	2014/16
Grade 1/2	3	£13,746
	4	£13,936
Grade 3	5	£14,049
	6	£14,254
	7	£14,457
Grade 4	8	£14,657
	9	£14,923
	10	£15,186
	11	£15,445
Grade 5	12	£15,664
	13	£16,002
	14	£16,341
	15	£16,680
Grade 6	16	£17,123
	17	£17,565
	18	£18,008
	19	£18,451
Grade 7	20	£19,025
	21	£19,599
	22	£20,172
	23	£20,747
Grade 8	24	£21,321
	25	£21,894
	26	£22,469
	27	£23,042
Grade 9	28	£23,616
	29	£24,190
	30	£24,764
	31	£25,337
Grade 10	32	£26,301
	33	£27,264
	34	£28,227
	35	£29,190
Grade 11	36	£30,181
	37	£31,172
	38	£32,163
	39	£33,154
Grade 12	40	£34,171
	41	£35,187
	42	£36,204
	43	£37,221

Grade	Pay Point	2014/16
Grade 13	44	£38,315
	45	£39,409
	46	£40,503
	47	£41,597
Grade 14	48	£43,265
	49	£44,933
	50	£46,601
	51	£48,270
Grade 15	52	£49,938
	53	£51,606
	54	£53,274
	55	£54,942
Grade 16	56	£56,663
	57	£58,384
	58	£60,104
	59	£61,825
Grade 17	60	£73,952
	61	£75,801
	62	£77,651
	63	£79,500
Grade 18	64	£81,349
	65	£84,734
	66	£86,853
	67	£88,972
Grade 19	68	£91,090
	69	£93,209
	70	£89,456
	71	£91,693
Grade 20	72	£93,930
	73	£96,167
	74	£98,403
	75	£108,087
Grade 21	76	£110,789
	77	£113,491
	78	£116,193
	79	£118,895
Grade 21	80	£138,060
	81	£141,309
	82	£144,558
	83	£147,807
	84	£151,056

Appendix 3 - Senior Employee Pay

Chief Executive	Salary	FTE	Grade
Chief Executive: Ian Stephenson <i>Responsible for all aspects of the overall running of the council and schools services. The Chief Executive, along with the S151 Officer (the Director of Finance) and Cabinet has overall responsibility for all Council Resources, amounting to a Net Budget Requirement of £484m. The Council employs ca 35,000 staff (ca 17,230 fte), including schools, serving a local population of over 770,000.</i>	£144,558	1.0	21
Assistant Chief Executive <i>Responsible for policy and research, communications, public relations and Call Derbyshire contact centre, innovation and transformation and Members' support services. Net budget ca £5.5m</i>	£88,972	1.0	18
Head of Policy and Research	£61,825	1.0	16
Head of Innovations and Transformation	£56,663	1.0	16

Corporate Resources	Salary	FTE	Grade
Strategic Director Corporate Resources <i>Responsible for corporate support services, Legal, Human Resources, Transformation, Property, Finance and Traded Services. Net budget ca £32m</i>	£110,789	1.0	20
Assistant Director Traded Services	£58,384	1.0	16
Director of HR <i>Responsible for the development and delivery of an effective, efficient and responsive HR service including Shared Services Centre, corporate and departmental HR teams and the Derbyshire Business Centre.</i>	£93,209	1.0	18
Assistant Director of HR	£61,825	1.0	16
Director of Finance <i>Responsible for the management of the financial affairs of the Council, directly managing a number of key financial services including, pensions, audit, corporate accountancy, investments, insurance, payments, income. As the S151 Officer for the Council, the Director of Finance has a responsibility to manage all of the Councils affairs including the Net Revenue Budget Requirement of £484m, Capital Programme of £89m and pension fund of £3.6bn</i>	£93,209	1.0	18
Assistant Director of Finance (Accountancy & Financial Strategy)	£61,825	1.0	16
Assistant Director of Finance (Audit)	£58,384	1.0	16

Director of Transformation <i>Responsible for the strategic development and operational management of Information and Communications Technology and for leading and co-ordinating a range of corporate programmes and projects.</i>	£93,209	1.0	18
Assistant Director Commissioning, Contracts, Programmes, Projects and Resources	£61,825	1.0	16
Assistant Director Customer Services	£61,825	1.0	16
Assistant Director Infrastructure	£61,825	1.0	16
Core Systems Programme Manager	£30,912	0.5	16
Director of Property <i>Responsible for property management including Valuation, Structural, Mechanical and Electrical Engineering, Energy Management and Design Services.</i>	£93,209	1.0	18
Assistant Director - Property Services	£60,104	1.0	16
Assistant Director of Property – Corporate Landlord	£61,825	1.0	16
Director of Legal Services <i>Responsible for the provision of legal advice on all aspects of the Council's functions and acts as the Monitoring Officer to ensure compliance with legal requirements.</i>	£93,209	1.0	18
Assistant Director of Legal Services	£61,825	1.0	16
Assistant Director of Legal Services	£61,825	1.0	16

Adult Care	Salary	FTE	Grade
Strategic Director Adult Care <i>Responsible for ensuring high quality, responsive adult care services, promoting wellbeing and ensuring better integration of adult social services with a range of partner agencies in the local community. Net budget responsibility ca £195m.</i>	£118,895	1.0	20
Assistant Director – Prevention & Personalisation	£77,651	1.0	17
Assistant Director – Commissioning & Performance	£75,801	1.0	17
Assistant Director – Direct Care	£75,801	1.0	17
Director of Public Health <i>Responsible for the delivery of health improvement, health protection and health services</i>	£91,090	1.0	18
Consultant in Public Health	£79,961	1.0	Public Health Scale
Consultant in Public Health	£83,250	1.0	AfC 8D
Consultant in Public Health	£49,950	0.6	AfC 8D
Consultant in Public Health	£67,240	1.0	AfC 8D
Public Health Specialist	£69,161	1.0	AfC 8C

Children's Services	Salary	FTE	Grade
Strategic Director Children's Services <i>Responsible for the delivery and promotion of services to children and families; for adult education and transition services for disabled persons aged 11-25 years.</i> <i>Net budget responsibility ca £90m.</i>	£108,087	1.0	20
Service Director – Early Help and Safeguarding	£86,853	1.0	18
Service Director – Schools & Learning	£86,853	1.0	18
Service Director – Performance, Quality and Commissioning	£73,952	1.0	17
Senior Programme Manager	£60,104	1.0	16
Assistant Director Early Help and Safeguarding	£61,825	1.0	16
Deputy Assistant Director	£67,054	1.0	S+3 2531
Deputy Assistant Director	£67,054	1.0	S+3 2531
Deputy Assistant Director	£100,548	1.0	HEAD P40
Senior Advisor	£62,740	1.0	S+3 2127
Senior Advisor	£62,740	1.0	S+2 2530
Senior Advisor	£61,674	1.0	S+3 2127
Senior Advisor	£60,633	1.0	S+3 2026
Senior Advisor	£60,633	1.0	S+1 2125
Senior Advisor	£59,564	1.0	S+3 2127
Senior Advisor	£59,564	1.0	SOU 21-24
Head of Sight Impaired Services	£63,147	1.0	HEAD P21
Virtual School Head Teacher for Children in Care	£61,623	1.0	HEAD P20

Economy Transport and Environment	Salary	FTE	Grade
Strategic Director Economy Transport and Environment <i>Responsible for leading and managing the development and implementation of strategic policies and plans to ensure the provision of the Council's Economy, Transport and Environment Department, covering Highways, Transport and Environment, Economy and Regeneration, Libraries and Heritage, Trading Standards, Derbyshire Sport, Community Safety and Emergency Planning.</i> <i>Responsible for a net budget of circa £75m.</i>	£113,491	1.0	20
Service Director Environment & Transport	£81,349	1.0	17
Service Director Economy & Regeneration	£75,801	1.0	17
Service Director Highways	£75,801	1.0	17
Assistant Director Resources & Improvement	£61,825	1.0	16
Director - Derbyshire Sport	£36,062	0.6	16
Director - Derbyshire Sport	£36,062	0.6	16
Assistant Director - Community Safety & Emergency	£61,825	1.0	16

Planning			
Assistant Director – Trading Standards	£61,825	1.0	16
Service Director – Libraries & Heritage	£77,651	1.0	17

Appendix 4 - Public Sector Pay Comparisons

Grade	Job Title	Upper Quartile	Median	Lower Quartile
21	Chief Executive	240,000	212,400	165,000
20	Strategic Director, Children's Services	129,844	112,057	103,782
20	Strategic Director, Adult Care	129,844	112,057	103,782
20	Strategic Director, Economy, Transport & Environment	129,844	112,057	103,782
20	Strategic Director, Corporate Resources	129,844	112,057	103,782
18	Assistant Chief Executive	110,393	96,089	89,057
18	Director of Property Services	110,393	96,089	89,057
18	Director of Transformation	110,393	96,089	89,057
18	Director of Finance	110,393	96,089	89,057
18	Director of Legal Services	110,393	96,089	89,057
18	Director of HR	110,393	96,089	89,057
18	Director of Public Health	110,393	96,089	89,057
18	Service Director Early Help and Safe Guarding	110,393	96,089	89,057
18	Service Director, Schools & Learning	110,393	96,089	89,057
17	Assistant Director, Direct Care	95,557	84,788	75,836
17	Assistant Director Prevention and Personalisation	95,557	84,788	75,836
17	Assistant Director Commissioning & Performance	95,557	84,788	75,836
17	Service Director, Performance, Quality and Commissioning	95,557	84,788	75,836
17	Service Director, Highways	95,557	84,788	75,836
17	Service Director, Environment & Transport	95,557	84,788	75,836

Grade	Job Title	Upper Quartile	Median	Lower Quartile
17	Service Director, Economy & Regeneration	95,557	84,788	75,836
17	Service Director Libraries and Heritage	95,557	84,788	75,836