

DERBYSHIRE COUNTY COUNCIL

COUNCIL

18 April 2012

Report of the Chief Executive and the Director of HR

PAY POLICY STATEMENT

1 Purpose of the Report

To agree the attached pay policy for Derbyshire County Council in accordance with the provisions of the Localism Act 2011.

2 Information and Analysis

Section 38 of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year thereafter. The Act initially referred solely to chief officers and their deputies but amendments have reflected concerns over low pay and the Act now covers all employees. The Act does not apply to local authority schools, including teachers or some other employees, eg Soulbury, ie Educational Psychologists etc. 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 the implementation of Single Status on 1 April 2010 all employees covered by the Pay Policy have enjoyed the same pay related terms and conditions, although the Chief Executive, Chief Officers and local government services employees have different national negotiating bodies that determine other conditions of employment, for example disciplinary procedures. All the jobs included have also been subject to job evaluation and are paid in accordance with the same local pay spine.

The Pay Policy Statement has been prepared in order to be as open and transparent as possible 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, but it is included in the Council's Pay Policy Statement.

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 in the lower quartile when compared to national public sector pay levels produced by Hay. This situation will continue to be monitored as this may give rise to recruitment and retention difficulties in the future. The Council currently has a single pay spine and does not apply market rates or performance related pay.

3 HR Considerations

The Pay Policy Statement has been discussed with named employees. 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 Key Decision

No

6 Call-in

Not applicable

7 Background Papers

Background papers are held by the Director of HR.

8 Officers' Recommendation

That Council approves the attached Pay Policy Statement.

Nick Hodgson
Chief Executive

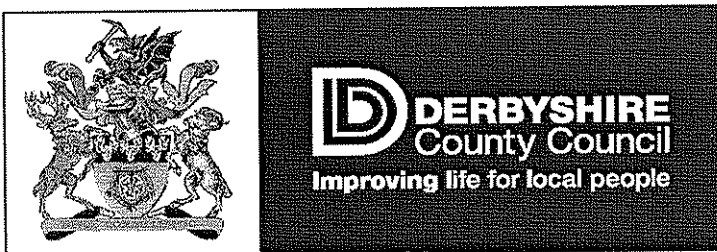
Toni Compai
Director of HR

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Appendix A

Derbyshire County Council

Pay Policy Statement



Toni Compai
Director of HR
April 2012

1. Introduction

This document sets out the Pay Policy Statement for Derbyshire County Council for 2012/13.

Any appointments above £100k and any amendments to this pay policy will require the approval of the Full Council.

2. Scope

This policy applies to all County Council employees in accordance with the provisions of the Localism Act 2011. The policy does not apply to staff of local authority schools.

The policy is also compliant with the Code of Recommended Practice for Local Authorities on Data Transparency 2011 which defines senior employee salaries as annual salaries of £58,200 (full time equivalent) and above.

3. About the Council

The Council has a revenue budget of over £1.1bn with 64 local councillors representing the 762,000 residents of Derbyshire, and delivers services to every community across the county.

The Council employs 39,000 people across six departments. The Chief Executive, Strategic Directors and Directors from the Council's senior management teams lead the work that provides services across Derbyshire. Appendix 1 details the senior management structure in the Council.

The Council spends over a billion pounds every year on delivering vital services to the people and communities of Derbyshire. It is important that the services provide excellent value for money and make the best use of our resources.

The Council:-

- Supports 423 schools.
- Runs 54 children's centres and supports 137 day nurseries.
- Supports 415 foster carers, runs nine children's homes and seven family support centres
- Helps more than 25,000 vulnerable and older people to live at home. Supports over 3,000 people in residential care.
- Assists 1,400 people to arrange their own services through Direct Payments.
- Maintains 3,100 miles of roads, 1,063 bridges, 3,216 miles of public rights of way and over 92,000 street lights.
- Operates a gritting route that covers 1,500 miles
- Runs 46 branch libraries, 12 mobile libraries and 1 museum.
- Manages 5 country parks and 10 nature reserves
- Disposes and recycles more than 400,000 tonnes of waste each year.
- Manages a network of 468 miles of multi user trails/greenways.

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- Provides 270 school crossing patrols.
- Has 900 businesses that are members of our Trusted Trader scheme.
- Provides over 3,000 businesses with trading standards advice and support each year.
- Manages over a million transactions to Call Derbyshire annually and has over 100,000 visitors to our website each month.
- Responds to approximately 400 emergency planning incidents each year.

4. Pay Structure

The Council's pay structure for all employees, including senior employees, has been determined using the Hay Job Evaluation Scheme with pay ranges for each grade in the structure. The revised Derbyshire Pay and Grading structure is attached at Appendix 2. The new arrangements for grades 1-16 were introduced on 1 April 2010 and all new jobs are evaluated against the Hay Scheme and the pay grades applied as appropriate.

The median gross pay is £16,159 which represents a 9:1 ratio to that of the Chief Executive.

5. Senior Employee Pay

The pay structure for all senior employees follows Hay Job Evaluation methodology and covers grades 16 to 21 (Appendix 3). Attached at Appendix 4 is a Hay public sector pay comparison data for grades 17 and above. This includes salaries across the public sector, eg NHS.

Performance related pay, market rates and bonuses do not form part of senior employees' pay within the Council.

Assistant Directors are paid at Grade 16 (points 56 to 59), or Grade 17 points (60 to 64). A number of Assistant Directors are designated as a deputy and receive an allowance of £7,575 per annum and are also identified in Appendix 3 of this document. There is also a Deputy Chief Executive allowance of £12,000 which is applied to a Strategic Director/Director post for deputising in the absence of the Chief Executive.

6. Lowest Paid Employee

The first pay point on Grade 1 / 2 is currently £12,049 per annum per full time equivalent based on 37 hours per week, and it is this salary that is defined as the lowest within the Council.

7. Starting Pay

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

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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 in, 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

All pay grades in Appendix 2 (including deputy allowances) are adjusted each year by any "cost of living" increase agreed nationally by the relevant National Joint Committees for the duration of this policy.

10. Terms and Conditions

The implementation of Single Status in 2010 harmonised the terms and conditions of service to remove inequality in the pay and reward arrangements for employees covered by the policy. The new arrangements included two main elements:

- The introduction of a revised pay and grading structure, based on the job evaluation covered by the Agreement.
- A review of terms and conditions of service including both pay and non-pay related matters for those groups covered by the Agreement, i.e. the Derbyshire Package.

These revised terms and conditions were agreed with effect from 1 April 2010. Consequently all employees enjoy the same terms and conditions of employment. Whilst Chief Officers were not covered by the national Single Status Agreement, they are subject to the same terms and conditions of employment as all other employees, i.e. the "Derbyshire Package", which includes mileage rates based on the HMRC rates, second class rail travel etc.

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.

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

A number of senior employees have protected salaries as a result of the introduction of the new organisational structures and assimilation onto the revised pay and grading framework.

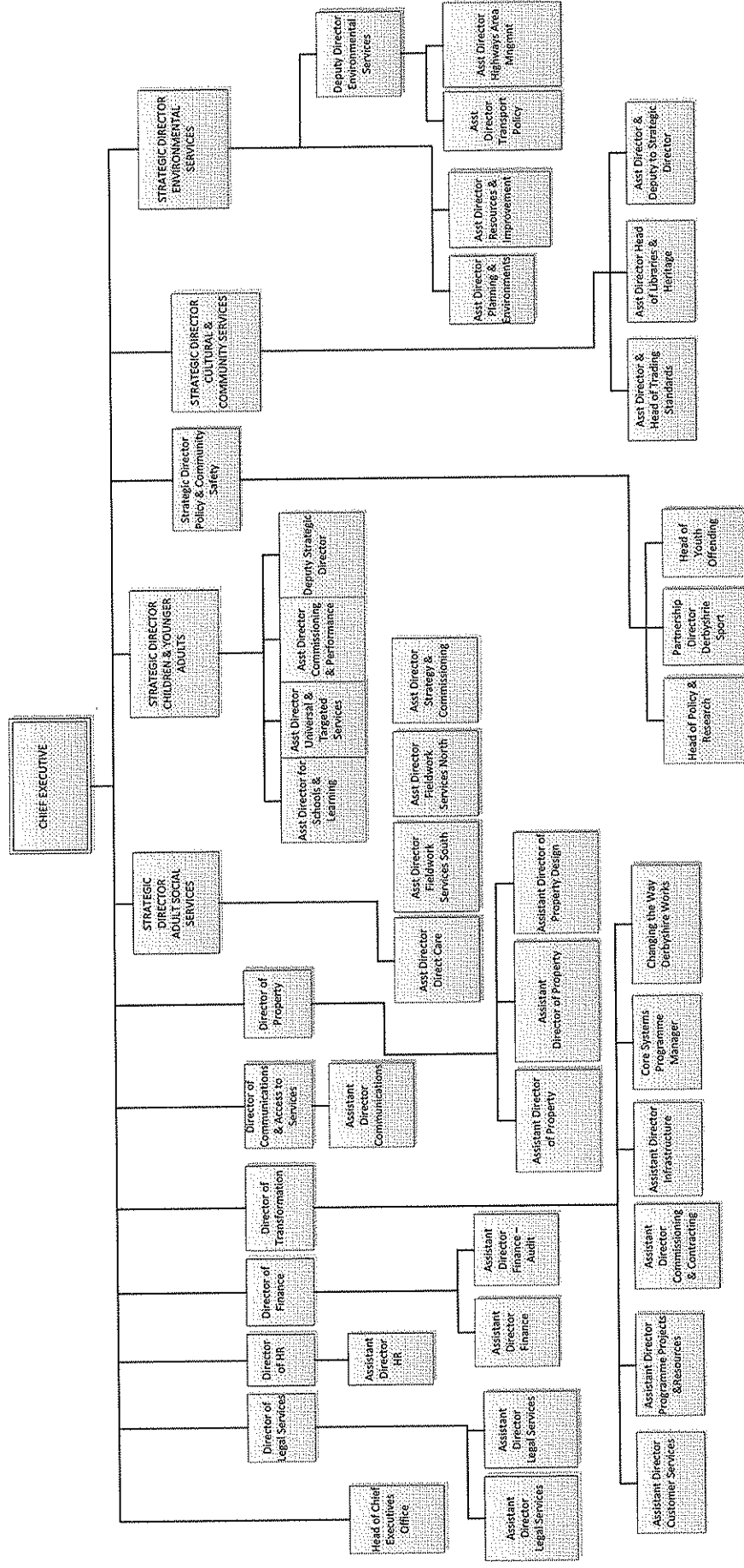
12. Termination and Re-employment

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.

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

13. Appendix 1 – Senior Management Structure



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13. Appendix 2 – Derbyshire Pay & Grading Structure

Grade	Pay Point	£
Grade 21	84	151,056
	83	147,807
	82	144,558
	81	141,309
	80	138,060
Grade 20	79	118,895
	78	116,193
	77	113,491
	76	110,789
	75	108,087
Grade 19	74	96,474
	73	94,281
	72	92,088
	71	89,895
	70	87,702
Grade 18	69	91,381
	68	89,304
	67	87,227
	66	85,150
	65	83,073
Grade 17	64	79,754
	63	77,941
	62	76,128
	61	74,315
	60	72,502
Grade 16	59	59,895
	58	58,228
	57	56,561
	56	54,894

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Grade	Pay Point	£
Grade 15	55	53,763
	54	52,013
	53	50,263
	52	48,513
Grade 14	51	46,763
	50	45,147
	49	43,531
	48	41,915
Grade 13	47	40,299
	46	39,239
	45	38,179
	44	37,119
Grade 12	43	36,059
	42	35,074
	41	34,089
	40	33,104
Grade 11	39	32,119
	38	31,159
	37	30,199
	36	29,239
Grade 10	35	28,279
	34	27,346
	33	26,413
	32	25,480
Grade 9	31	24,547
	30	23,991
	29	23,435
	28	22,879
Grade 8	27	22,323
	26	21,767
	25	21,211
	24	20,655
Grade 7	23	20,099
	22	19,543
	21	18,987
	20	18,431
Grade 6	19	17,875
	18	17,446
	17	17,017
	16	16,588
Grade 5	15	16,159
	14	15,831
	13	15,503

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	12	15,175
Grade 4	11	14,847
	10	14,527
	9	14,207
	8	13,887
Grade 3	7	13,567
	6	13,314
	5	13,061
Grade 1 and 2	4	12,808
	3	12,555
	2	12,302
	1	12,049

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Appendix 3 Senior Employee Pay

Chief Executive	Salary FTE	FTE	Grade
Chief Executive & Strategic Director of Corporate Resources: Nick Hodgson <i>Responsible for all aspects of the overall running of the council and schools services. Overall budget of £1.1bn. The Council employs ca 39,000 staff (ca 19,050 fte), including schools, serving a local population of over 762,000).</i>	£151,056	1.0	21
Head of Chief Executives Office	£79,754	1.0	17
Strategic Director Policy & Community Safety <i>Responsible for overseeing the Policy and Community Safety function, which includes the Youth Offending Service, Drug and Alcohol Action Team, County Council Community Safety Unit, the Safer Derbyshire Research Team, Public Health, Regeneration and the resources of partners within the Safer Derbyshire partnership. Budget of £18.5m.</i>	£96,474	1.0	19
Head of Policy & Research	£59,895	1.0	16
Partnership Director – Derbyshire Sport	£59,895	1.0	16
Head of Youth Offending	£59,895	1.0	16
Director of Communications & Access to Services <i>Responsible for managing, protecting and developing the reputation of the Council by explaining and publicising its work. Budget ca £2.6m.</i>	£91,381	1.0	18
Assistant Director Communications (includes designated deputy allowance of £7,575/annum)	£69,073	1.0	16

Corporate Resources Department	Salary FTE	FTE	Grade
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; Budget ca £7.6m</i>	£91,381	1.0	18
Assistant Director of HR (includes designated deputy allowance of £7,575 pa)	£67,470	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. Budget ca £5m and pension fund of £2.6 bn</i>	£85,150	1.0	18
Assistant Director of Finance (Accountancy & Financial Strategy) (includes designated deputy allowance of £7,575 /annum)	£69,073	1.0	16
Assistant Director of Finance (Audit)	£61,498	1.0	16

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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. Budget ca £22m.</i>	£91,381	1.0	18
Assistant Director Commissioning & Contracts (includes Designated Deputy Allowance of £7,575/annum)	£69,073	1.0	16
Assistant Director Customer Services	£59,895	1.0	16
Assistant Director Programmes, Projects & Resources	£59,895	1.0	16
Assistant Director Infrastructure	£66,461	1.0	16
Changing the Way Derbyshire Works Programme Manager	£66,512	1.0	16
Core Systems Programme Manager	£61,498	1.0	16
Director of Property <i>Responsible for property management including Valuation, Structural, Mechanical and Electrical Engineering, Energy Management and Design Services. Direct budget ca £132m.</i>	£91,381	1.0	18
Deputy Director of Property ((includes designated deputy Allowance of £7,575/annum)	£77,541	1.0	16
Assistant Director of Property (Design)	£59,895	1.0	16
Assistant Director of Property (Assets Manager)	£59,895	1.0	16
Director of Legal Services <i>Responsible for the provision of legal advice on all aspects of the Council's function and acts as the Monitoring Officer to ensure compliance with legal requirements.</i>	£85,150	1.0	18
Assistant Director of Legal Services	£54,894	1.0	16
Assistant Director of Legal Services	£59,895	1.0	16

Adult Care	Salary FTE	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. Shared budget responsibility ca £240m.</i>	£118,895	1.0	20
Assistant Director- Direct Care	£79,754	1.0	17
Assistant Director- Fieldwork Services – South	£79,754	1.0	17
Assistant Director – Fieldwork Services – North	£79,754	1.0	17
Assistant Director – Strategy & Commissioning	£79,754	1.0	17

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Children & Younger Adults	Salary FTE	FTE	Grade
Strategic Director Children and Younger Adults Service <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. Shared responsibility in gross budget £639m.</i>	£108,087	1.0	20
Deputy Strategic Director (includes designated deputy Allowance of £7,575/annum)	£87,329	1.0	17
Assistant Director for Schools and Learning	£79,754	1.0	17
Assistant Director Commissioning & Performance	£79,754	1.0	17
Assistant Director Universal & Targeted Services	£72,502	1.0	17

Environmental Services	Salary FTE	FTE	Grade
Strategic Director Environmental Services <i>Responsible for leading and managing the development and implementation of strategic policies and plans to ensure the provision of the Council's Environmental Services, covering highways and transport, strategic planning, waste management, environment and countryside matters. Capital Budget of ca £96m.</i>	£118,895	1.0	20
Deputy Director of Environmental Services (includes designated deputy Allowance of £7,575/annum)	£87,329	1.0	17
Assistant Director of Planning & Environment	£79,754	1.0	17
Assistant Director Highways Area Management	£79,754	0.6	16
Assistant Director Highways Area Management	£66,461	0.6	16
Assistant Director Resources & Improvement	£60,573	1.0	16
Assistant Director Resources & Improvement	£61,498	0.5	16
Assistant Director Transport Policy	£58,228	1.0	16

Culture & Community Services	Salary FTE	FTE	Grade
Strategic Director Cultural & Community Services <i>Responsible for leading and managing the Council's Cultural and Community Services function, consisting of libraries, school library service, the arts, museums, archives and Trading Standards services. Direct budget ca £19.2m.</i>	£96,474	1.0	19
Assistant Director Head of Libraries & Heritage	£56,561	1.0	16
Assistant Director of & Head of Trading Standards	£63,692	1.0	16
Assistant Director & Deputy to Strategic Director (includes designated deputy Allowance of £7,575/annum)	£71,267	1.0	16

		Upper Quartile	Median	Lower Quartile
21	CHIEF EXECUTIVE	230,334	207,921	182,242
20	STRATEGIC DIRECTOR CHILDREN & YOUNGER ADULTS	139,089	126,044	114,747
20	STRATEGIC DIRECTOR ADULT CARE	139,089	126,044	114,747
20	STRATEGIC DIRECTOR ENVIRONMENTAL SERVICES	134,349	122,015	108,574
19	STRATEGIC DIRECTOR OF CULTURAL AND COMMUNITY SERVICES	119,202	106,552	94,929
19	STRATEGIC DIRECTOR - POLICY AND COMMUNITY SAFETY	119,202	106,552	94,929
18	DIRECTOR OF PROPERTY	111,199	98,581	88,567
18	DIRECTOR OF COMMUNICATIONS AND ACCESS TO SERVICES	111,199	98,581	88,567
18	DIRECTOR OF TRANSFORMATION	111,199	98,581	88,567
18	DIRECTOR OF FINANCE	111,199	98,581	88,567
18	DIRECTOR OF LEGAL SERVICES	111,199	98,581	88,567
18	DIRECTOR OF HR	111,199	98,581	88,567
17	DEPUTY DIRECTOR OF ENVIRONMENTAL SERVICES	94,708	85,410	77,267
17	ASSISTANT DIRECTOR - FIELDWORK NORTH	94,708	85,410	77,267
17	ASSISTANT DIRECTOR - FIELDWORK SOUTH	94,708	85,410	77,267
17	ASSISTANT DIRECTOR - STRATEGY AND COMMISSIONING	94,708	85,410	77,267
17	ASSISTANT DIRECTOR - DIRECT CARE	94,708	85,410	77,267
17	ASSISTANT DIRECTOR - PLANNING AND ENVIRONMENT	94,708	85,410	77,267
17	ASSISTANT DIRECTOR - SCHOOLS AND LEARNING	94,708	85,410	77,267
17	DEPUTY STRATEGIC DIRECTOR - CHILDREN AND YOUNGER ADULTS	94,708	85,410	77,267
17	ASSISTANT DIRECTOR - COMMISSIONING & PERFORMANCE	94,708	85,410	77,267
17	ASSISTANT DIRECTOR - UNIVERSAL AND TARGETED SERVICES	94,708	85,410	77,267
17	HEAD OF CHIEF EXECUTIVES OFFICE	90,845	82,007	74,255