

DERBYSHIRE COUNTY COUNCIL

COUNCIL

4 February 2015

Report of the Chief Executive and the Director of HR

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.

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 local authority schools, including teachers. The Pay Policy Statement (Appendix A) 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 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. 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 Soubury and Public Health employees.

The Pay Policy has been amended to reflect the pay award for local government service employees and other employee groups for 2014/16 from 1 January 2015. Grades 17 and above (up to

£99,999) are subject to a 2% pay offer. The Pay Policy will be updated if the pay offer is agreed and implemented.

The Pay Policy Statement has been prepared in order to be open and transparent 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 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 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

TONI COMPAI
DIRECTOR OF HR

Derbyshire County Council

Pay Policy Statement

Appendix A



Toni Compai
Director of HR
April 2015

1. Introduction

This document sets out the Pay Policy Statement for Derbyshire County Council for 2015/16.

Any appointments above £100k and any amendments to this Pay Policy will require the approval of the Council.

2. Scope

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

3. About the Council

For 2015-16 the Council has a net budget requirement of £495.898m and will use these funds to provide approximately 776,160 residents with essential local services. By 31 March 2020 the Council needs to save £146.098m due to reductions in Government grants, inflation and greater demands on areas of the budget for Adult Social Care and vulnerable children.

As £45.050m cuts are planned in 2015-16 it is important that services provide excellent value for money and make the best use of our resources.

The Council employs 12,400 people across five departments, excluding staff of local authority schools. 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 in the Council.

The Council currently:-

- Supports 397 schools
- Runs 54 children's centres
- Supports 414 foster carers, runs 12 children's homes and seven family support centres
- Helps more than 35,000 people with complex needs to live at home
- Supports over 3,000 people in residential care
- Assists 1,700 people to arrange their own services through Direct Payments
- Maintains 3,417 miles of roads, 1,082 bridges, 3,200 miles of public rights of way, 91,279 street lights and 224 miles of multi user trails
- Operates a gritting route that covers 1,862 miles
- Runs 45 branch libraries, 2 mobile libraries, 1 museum & art gallery, record office, school library service and arts service
- Manages 4 country parks and 10 nature reserves
- Disposes and recycles more than 400,000 tonnes of municipal waste each year

- Manages a network of 265 miles of multi user trails/greenways.
- Provides 189 school crossing patrols
- Has 1,200 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 (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 new arrangements for grades 1/2 to 16 were introduced on 1 April 2010 and all new 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 £16,860 which represents an 8:1 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. The Director of Public Health is part of the senior management structure and the salary for the post remains within NHS Very Senior Manager Band 4, which is a fixed salary not subject to incremental progression. There are a further 4 Public Health employees paid above the senior officer threshold of £58,200 who transferred to the Council on 1 April 2013, who remain on their NHS terms and conditions.

Nine employees on Soulbury terms and conditions, including pay, 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, is the salary that is defined as the lowest within the Council. However, the Council has agreed to pay the Living Wage allowance to 2,900 employees earning below £7.85 per hour in 2015/16, which is equivalent to £15,144 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

Derbyshire Pay and Grading Structure grades are 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 award will be interpreted locally. The locally agreed 2014/16 pay award was 2.2% with bottom loading of up to 8.4% on pay points 3 to 11.

10. Terms and Conditions

From 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 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.

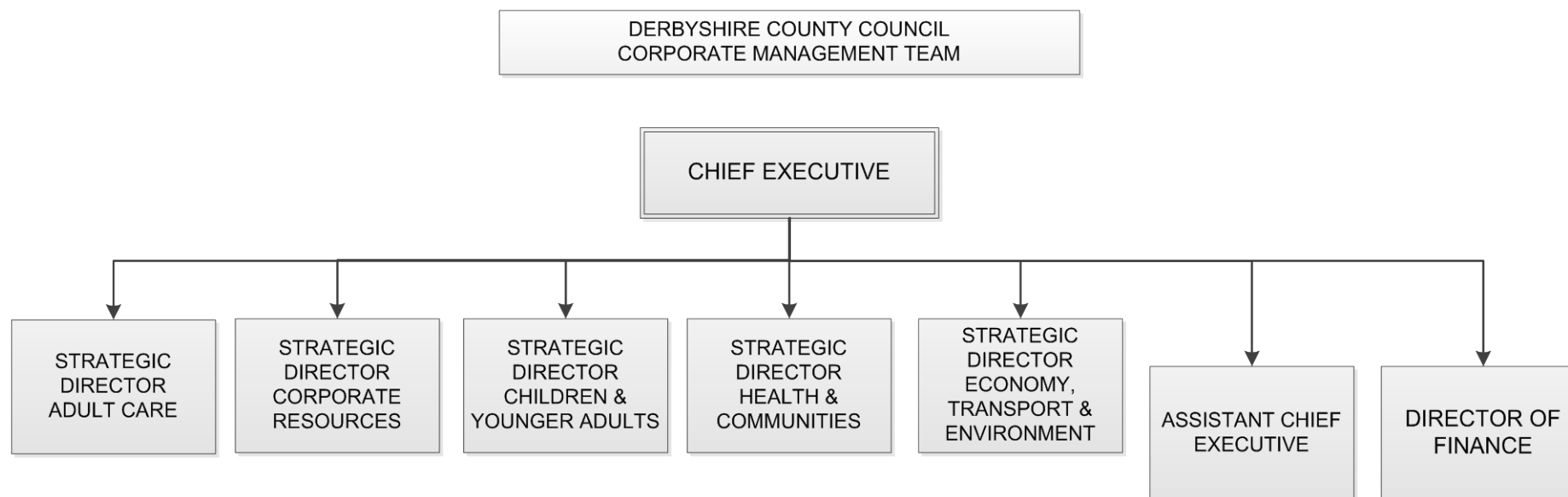
12. Termination and Re-employment

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.

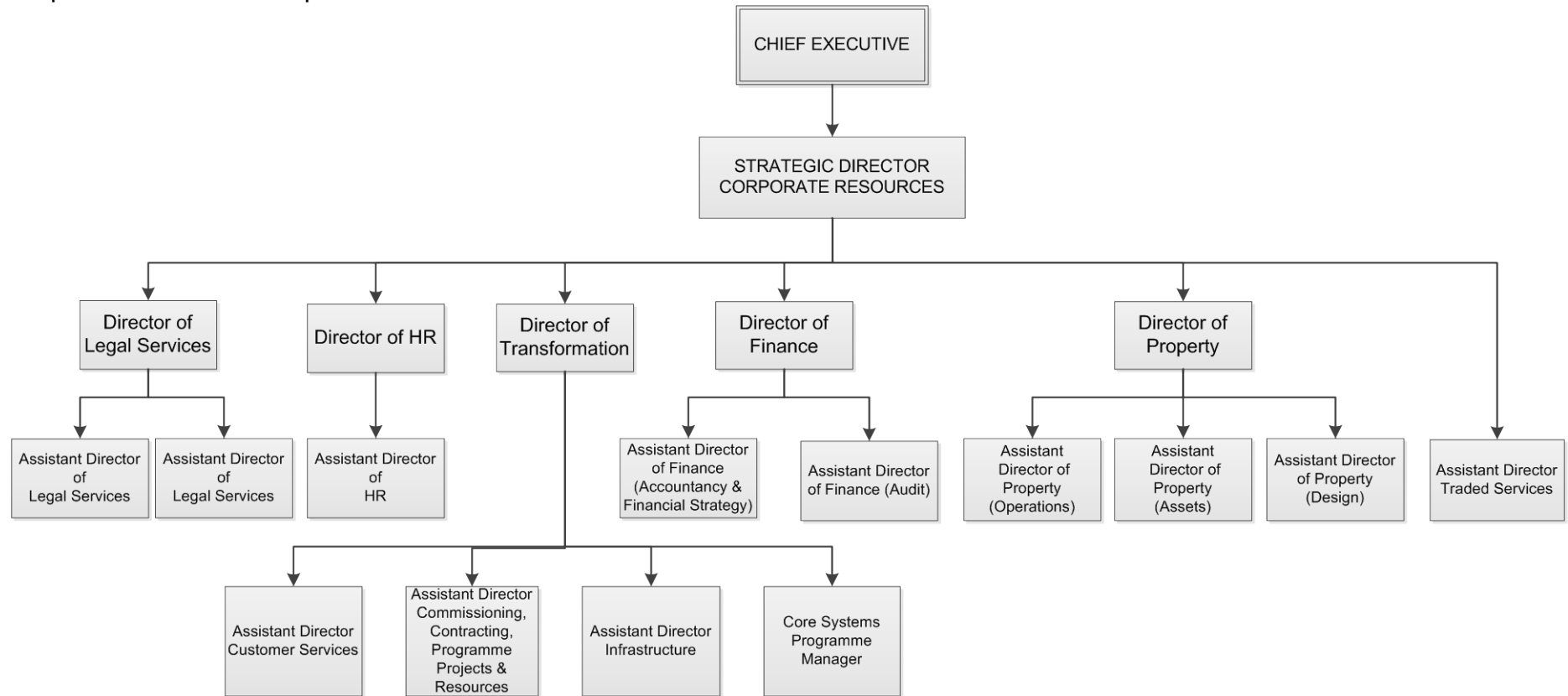
How the Council exercises the various discretions provided by the Local Government Pension Scheme can be accessed by the following link.

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

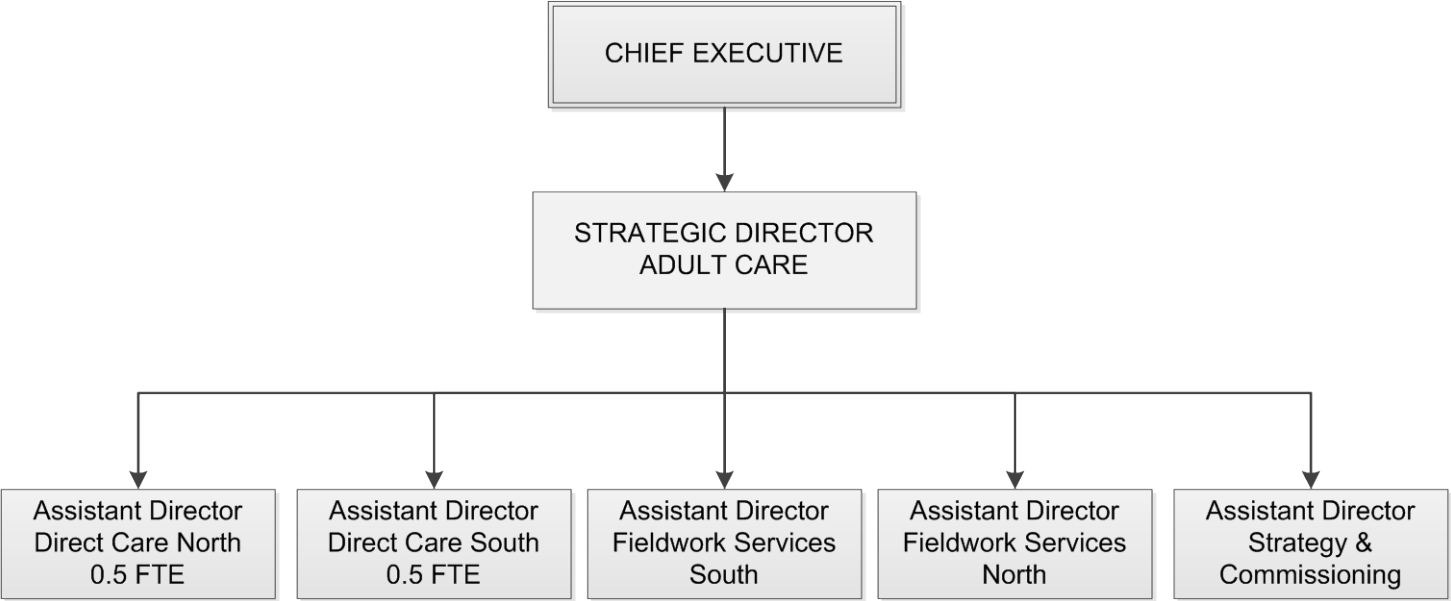
Appendix 1 – Senior Management Structure



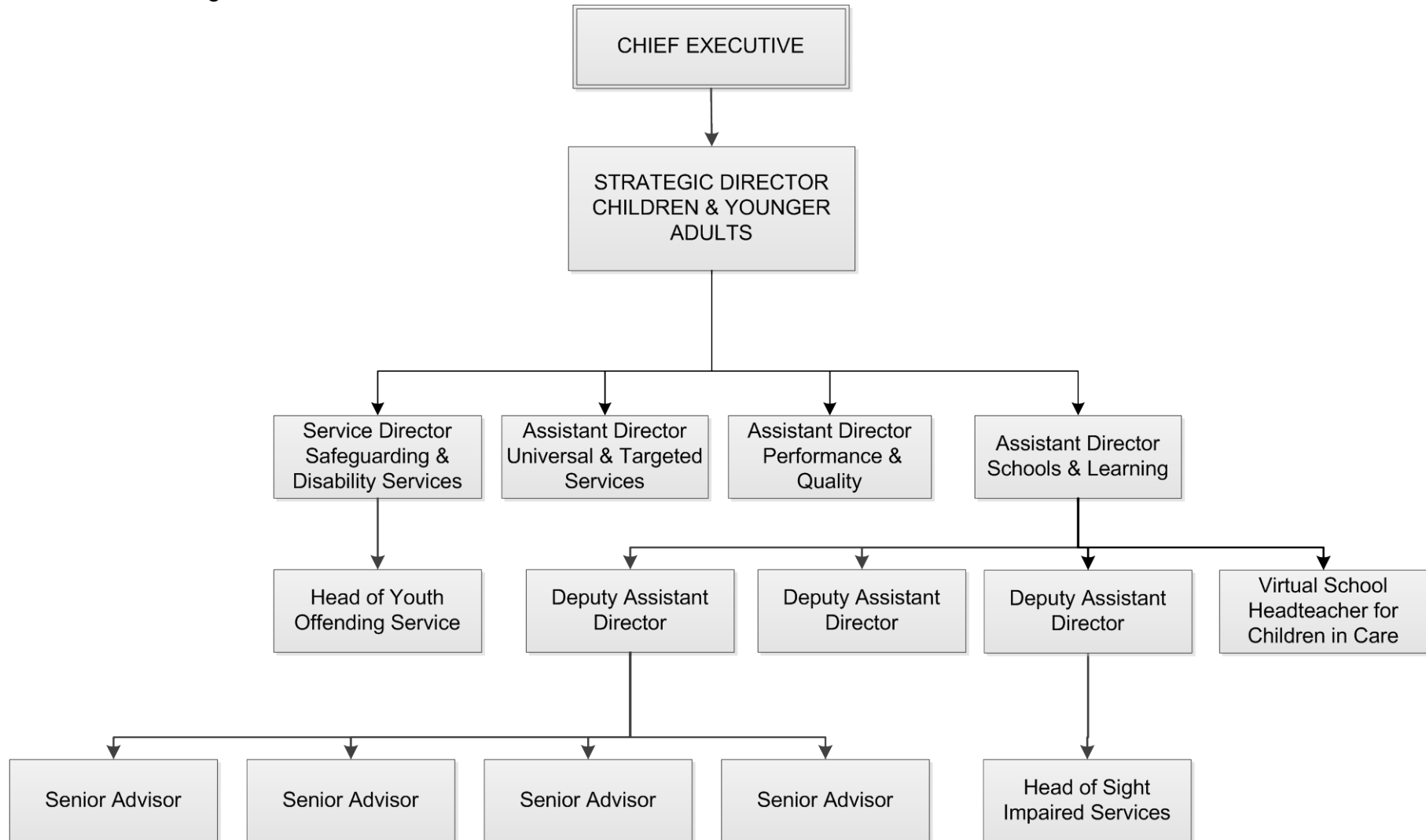
Corporate Resources Department



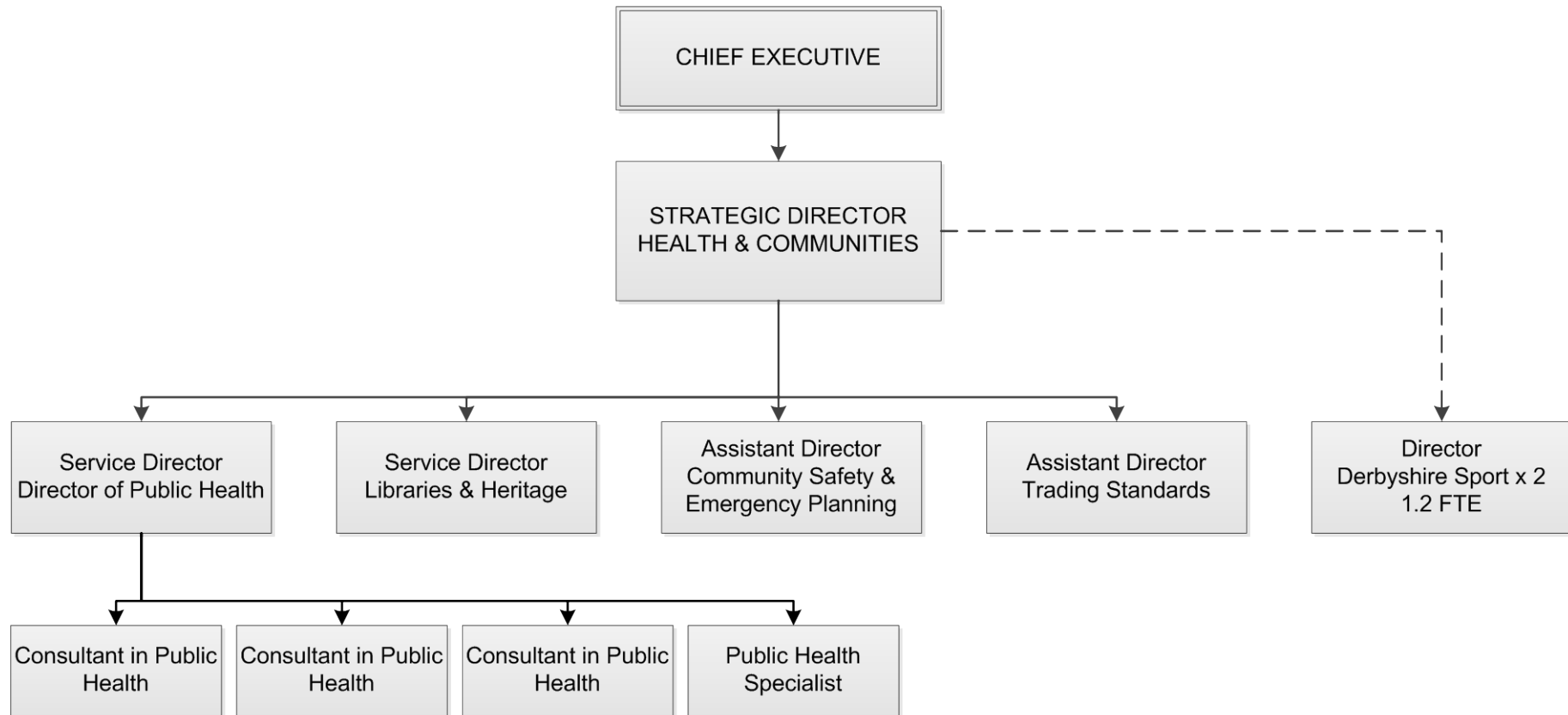
Adult Care Department



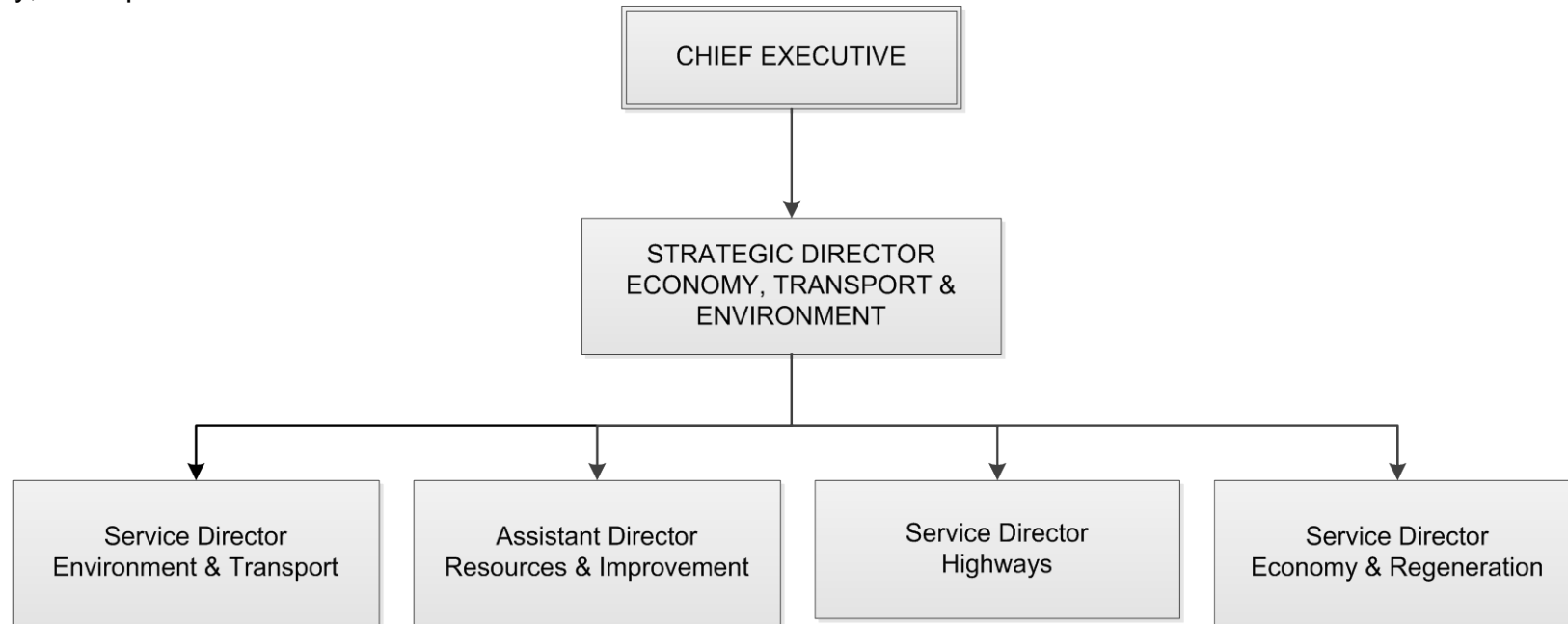
Children and Younger Adults



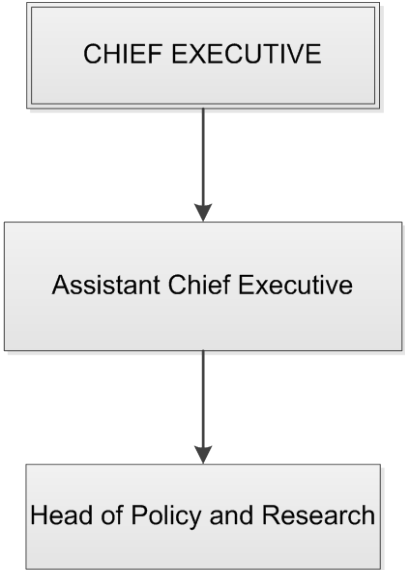
Health and Communities



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	£72,502
	61	£74,315
	62	£76,128
	63	£77,941
Grade 18	64	£79,754
	65	£83,073
	66	£85,150
	67	£87,227
Grade 19	68	£89,304
	69	£91,381
	70	£87,702
	71	£89,895
Grade 20	72	£92,088
	73	£94,281
	74	£96,474
	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 £495.898m. The Council employs ca 35,000 staff (ca 19,050 fte), including schools, serving a local population of over 770,000.</i>	£141,309	1.0	21
Assistant Chief Executive <i>Responsible for communications, Policy & Research and the Chief Executive's Office.</i>	£85,150	1.0	18
Head of Policy and Research	£61,825	1.0	16

Corporate Resources	Salary	FTE	Grade
Strategic Director Corporate Resources <i>Responsible for central support services including Legal, Human Resources, Transformation, Property, and Finance. Net budget ca £32.737m</i>	£108,087	1.0	20
Assistant Director Traded Services	£56,663	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.</i>	£91,381	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 £495.898m, Capital Programme of £185.090m and pension fund of £2,600.000m</i>	£89,304	1.0	18
Assistant Director of Finance (Accountancy & Financial Strategy)	£61,825	1.0	16
Assistant Director of Finance (Audit)	£56,663	1.0	16
Director of Transformation	£91,381	1.0	18

<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>			
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	£30,913	0.5	16
Director of Property <i>Responsible for property management including Valuation, Structural, Mechanical and Electrical Engineering, Energy Management and Design Services.</i>	£91,381	1.0	18
Assistant Director of Property (Operations)	£58,384	1.0	16
Assistant Director of Property (Design)	£61,825	1.0	16
Assistant Director of Property (Assets)	£61,825	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>	£91,381	1.0	18
Assistant Director of Legal Services	£60,104	1.0	16
Assistant Director of Legal Services	£61,825	1.0	16

Health & Communities	Salary	FTE	Grade
Strategic Director Health & Communities <i>Responsible for overseeing the Public Health, Community Safety, Emergency Planning, Trading Standards, Libraries & Heritage and Sports Development services. Net budget ca £11.686m.</i>	£108,087	1.0	20
Director - Derbyshire Sport	£35,030	0.6	16
Director - Derbyshire Sport	£35,030	0.6	16
Assistant Director - Community Safety & Emergency Planning	£60,104	1.0	16
Service Director, Director of Public Health	£97,970	1.0	NHS VSM Band 4
Assistant Director – Trading Standards	£61,825	1.0	16
Service Director – Libraries & Heritage	£72,502	1.0	17
Public Health Specialist	£67,805	1.0	AfC 8C
Consultant in Public Health	£77,605	1.0	Public Health Scale
Consultant in Public Health	£81,618	1.0	AfC 8D
Consultant in Public Health	£81,618	1.0	AfC 8D

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 £198.408m.</i>	£108,087	1.0	20
Assistant Director – Fieldwork Services – North	£79,754	1.0	17
Assistant Director – Fieldwork Services – South	£74,315	1.0	17
Assistant Director – Strategy & Commissioning	£72,502	1.0	17
Assistant Director – Direct Care North	£39,877	0.5	17
Assistant Director – Direct Care South	£36,251	0.5	17

Children & Younger Adults	Salary	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. Net budget responsibility ca £96.674m.</i>	£108,087	1.0	20
Service Director – Safeguarding & Disability Services	£83,073	1.0	18
Assistant Director – Schools & Learning	£76,128	1.0	17
Assistant Director - Universal & Targeted Services	£72,502	1.0	17
Assistant Director – Performance & Quality	£72,502	1.0	17
Head of Youth Offending Service	£61,825	1.0	16
Deputy Assistant Director	£65,611	1.0	S+3 2531
Deputy Assistant Director	£64,563	1.0	S+3 2531
Deputy Assistant Director	£99,552	1.0	HEAD P40
Senior Advisor	£61,389	1.0	S+2 2530
Senior Advisor	£61,389	1.0	S+3 2127
Senior Advisor	£60,346	1.0	S+3 2127
Senior Advisor	£59,328	1.0	S+3 2026
Head of Sight Impaired Services	£62,521	1.0	HEAD P21
Virtual School Head Teacher for Children in Care	£61,012	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, and Economy and Regeneration. Responsible for a net budget of circa £80.214m.</i>	£110,789	1.0	20
Service Director Environment & Transport	£79,754	1.0	17
Service Director Economy & Regeneration	£72,502	1.0	17
Service Director Highways	£72,502	1.0	17
Assistant Director Resources & Improvement	£61,825	1.0	16

Appendix 4 - Public Sector Pay Comparisons

Grade	Job Title	Upper Quartile	Median	Lower Quartile
21	Chief Executive	240,000	210,000	165,000
20	Strategic Director, Children and Younger Adults	129,600	113,400	101,100
20	Strategic Director, Adult Care	129,600	113,400	101,100
20	Strategic Director, Economy, Transport & Environment	129,600	113,400	101,100
20	Strategic Director, Health and Communities	129,600	113,400	101,100
20	Strategic Director, Corporate Resources	129,600	113,400	101,100
18	Assistant Chief Executive	110,405	96,278	87,199
18	Director of Property Services	110,405	96,278	87,199
18	Director of Transformation	110,405	96,278	87,199
18	Director of Finance	110,405	96,278	87,199
18	Director of Legal Services	110,405	96,278	87,199
18	Director of HR	110,405	96,278	87,199
17	Assistant Director, Direct Care North	97,084	83,647	72,839
17	Assistant Director, Direct Care South	97,084	83,647	72,839
17	Assistant Director, Fieldwork Services South	97,084	83,647	72,839
17	Assistant Director, Fieldwork Services North	97,084	83,647	72,839
17	Assistant Director Strategy & Commissioning	97,084	83,647	72,839
17	Service Director, Safe Guarding & Disability Services	97,084	83,647	72,839
17	Assistant Director, Universal & Targeted Services	97,084	83,647	72,839

Grade	Job Title	Upper Quartile	Median	Lower Quartile
17	Assistant Director, Schools & Learning	97,084	83,647	72,839
17	Assistant Director, Performance & Quality Services	97,084	83,647	72,839
17	Service Director, Highways	97,084	83,647	72,839
17	Service Director, Environment & Transport	97,084	83,647	72,839
17	Service Director, Economy & Regeneration	97,084	83,647	72,839
17	Service Director, L&H Community Services & Development	97,084	83,647	72,839