

Derbyshire County Council

Council

6 February 2019

**Report of the Strategic Director Commissioning, Communities and
Policy and Head of Paid Service**

Pay Policy Statement 2019

1 Purpose of the Report

To approve the Pay Policy Statement which is attached at Appendix 1 for publication on the Council's website on 1 April 2019.

2 Information and Analysis

The Localism Act requires local authorities to publish a Pay Policy Statement setting out the authority's policies for the financial year relating to the remuneration of employees and the relationship between remuneration for chief officers and other employees.

Associated guidance also recommends that the pay multiple is included to demonstrate the relationship between remuneration for chief officers and other employees. Within the guidance, the pay multiple is defined as being the ratio between the highest paid employee and the median average earnings across the organisation. The Council's pay multiple is 7.0:1

Information relating to teachers and staff employed in local authority schools does not have to be included.

The term 'chief officers' is defined by legislation for the purposes of the Pay Policy Statement and relates to designated positions and positions defined by reporting relationships within the Council, rather than to particular salary levels. The specified positions are the Head of Paid Service, the Monitoring Officer, statutory chief officers (namely the Strategic Director of Children's Services, the Strategic Director of Adult Care, the Director of Public Health and the Chief Finance Officer), non-statutory chief officers (namely the Strategic Director for Commissioning, Communities and Policy and the Strategic Director of Environment, Transport and the Economy) and deputy chief officers. Deputy Chief Officers are specified as

being those who report directly or are directly accountable to either statutory or non-statutory chief officers.

3 Legal Considerations

The requirement to publish a Pay Policy Statement and the information which must be included within the Statement is set out in section 38 of the Localism Act 2011. Section 43 specifies the officers who are considered to be chief officers for the purposes of the Statement.

In accordance with section 39 of the Localism Act, the Pay Policy Statement must be approved by a resolution of the authority before it comes into force and the Statement must be approved before the end of the 31st March immediately preceding the financial year to which it relates.

4 Other Considerations

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

5 Background Papers

Background papers are held by the Director of Organisation Development and Policy.

6 Officers' Recommendation

That Council approves the attached Pay Policy Statement for the financial year commencing 1 April 2019 and agrees that the Statement should published on the website.

Emma Alexander
Strategic Director Commissioning, Communities and Policy and
Head of Paid Service

Derbyshire County Council

Pay Policy Statement

1. Introduction

The Council is committed to fairness and transparency of pay in employment.

This Pay Policy Statement (the “statement”) sets out the Council’s policy on pay for senior managers and employees for 2019-20 and is in accordance with the requirements of section 38 of the Localism Act 2011 and Guidance and Supplementary Guidance issued by the Department for Communities and Local Government in February 2012 and February 2013. For the purposes of this statement, senior managers means ‘chief officers’ as defined by section 43 of the Localism Act 2011. The posts falling within the statutory definition are set out at Appendix 1.

Additional information on senior employee salaries, responsibilities, budgets and numbers of staff is published in the Local Government Transparency Code data at derbyshire.gov.uk/site-elements/documents/pdf/council/performance/open-data/senior-salaries-2018

The statement was approved by Full Council on 6 February 2019 and comes into force on 1 April 2019.

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

2. Scope

The statement applies to all Council employees, excluding teachers and staff of local authority schools.

3. About the Council

For 2019-20 the Council has a net budget requirement of £520m and will use these funds to provide approximately 792,000 residents with essential local services. By 31 March 2024 the Council needs to save £63m due to reductions in Government grants, inflation and greater demands on areas of the budget for Adult Social Care, vulnerable children and waste disposal.

As £13m cuts are planned in 2019-20 it is important that services provide excellent value for money and make the best use of our resources.

The Council has 13,421 appointments across four departments. Four Strategic Directors, together with the Director of Finance & ICT, Director of Public Health, Director of Legal Services and Director of Organisation Development & Policy form the Council’s Corporate Management Team leading the work that provides services across Derbyshire.

4. Pay arrangements

The Council uses the Hay Job Evaluation Scheme to evaluate the elements of each job to provide an individual score line and total points score. The Council’s pay structure (published on the website at derbyshire.gov.uk/working-for-us/pay-particulars/salary-scales) is aligned to the Hay Scheme’s points bandings and applies

across the whole workforce (with the exception of Soulbury and centrally employed Headteacher posts). Further information on the Hay scheme, including the elements assessed, is available on our website at derbyshire.gov.uk/working-for-us/careers-and-work-experience/job-families/job-evaluation.

The Council has agreed to apply market rates to address recruitment and retention difficulties where these arise subject to strict criteria and Cabinet approval.

Performance related pay and bonuses, including lease cars, are not part of pay within the Council.

5. Chief Officers' Remuneration

The grade and salary range of Strategic Directors and statutory chief officers is set out below.

Job Title	Grade	Salary range
Strategic Directors: <ul style="list-style-type: none"> Adult Social Care & Health (<i>Statutory Chief Officer</i>) Children's Services (<i>Statutory Chief Officer</i>) Commissioning, Communities & Policy (<i>Head of Paid Service</i>) Economy, Transport & Environment (<i>Non Statutory Chief Officer</i>) 	20	£112,465-£123,711
Director of Public Health (<i>Statutory Chief Officer</i>) Director of Finance & ICT (<i>Statutory Chief Finance Officer</i>) Director of Legal Services (<i>Monitoring Officer</i>)	18	£88,166-£96,984

Additional information on chief officer salaries is published in the Local Government Transparency Code data at derbyshire.gov.uk/site-elements/documents/pdf/council/performance/open-data/senior-salaries-2018 and salary scales at derbyshire.gov.uk/working-for-us/pay-particulars/salary-scales

6. Lowest Paid Employee

Pay point 3 on the Derbyshire Pay and Grading Structure in Grade 1/2 (2018/19), £16,396 (£8.50/hr), is the salary that is defined as the lowest within the Council.

The Council employs apprentices who are not included within the definition of 'lowest paid employees' as they are employed on temporary contracts and paid the minimum wage for their age.

7. Pay Multiple

In accordance with the Hutton Review of Fair Pay in the Public Sector and the requirements of the Local Government Transparency Code 2015, based on the 2018/19 pay structure, the pay multiple between the median salary (£17,780) and the highest salary (£123,711) is a ratio of 7.0:1.

8. Starting Pay

All employees, including senior managers, 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, or has undertaken an extended period of acting duties within the job.

9. Pay Progression

All employees, including senior managers, 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.

10. National Pay Agreement

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 increase, application is agreed locally. The statement will be updated once relevant pay agreements are finalised.

11. Terms and Conditions

All employees are covered by the Derbyshire Package terms and conditions of service available on the website at derbyshire.gov.uk/working-for-us/jobs/our-terms-and-conditions. Senior managers Grade 17 and above and local government service employees Grade 16 and below have different national negotiating bodies that determine other conditions, such as disciplinary procedures and pay awards.

12. Protection of Earnings Policy

The Council's policy on Protection of Earnings applies to all employees of the Council and is available on the website at derbyshire.gov.uk/working-for-us/leaving-us/redundancy

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

13. Termination of employment

No additional payments are made to any employee of the Council, including senior managers, 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.

14. Local Government Pension Scheme

The Council is part of the Local Government Pension Scheme which provides pension benefits to eligible employees. Further details are available on the website at: derbyshirepensionfund.org.uk/about-the-fund/about-the-lgps

The Council exercises the various discretions provided by the Local Government Pension Scheme which can be accessed on the website at derbyshire.gov.uk/working-for-us/pensions/governance/policy-statements

Appendix 1 – Senior Management Structure

