



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

COUNCIL

13 July 2022

Report of the Director of Organisation Development & Policy

Update on the Council's Pay Policy Statement

1. Purpose

- 1.1 This report seeks approval to amend the Council's Pay Policy Statement (PPS) to remove limitations that prevent the Council from making recruitment and retention payments outside those covered in the existing Market Supplement Policy.

2. Information and Analysis

- 2.1 The PPS sets out the methods by which salaries of all employees are determined, the detail and level of remuneration of its most senior employees. It is reviewed annually and approved by Council prior to publication each year in April.
- 2.2 Since the 2022/23 PPS has been approved in March 2022 and published on 1 April 2022 a further change has arisen which requires the approval of Council.
- 2.3 In December 2021 funding from the NHS was provided for the purpose of making retention payments to retain Care Workers working in the Home Care sector over the winter period. This payment could be made to employees and workers employed by the Private, Voluntary and Independent sector.
- 2.4 When considering the possibility of making a retention payment to Care Workers, it was identified that such payments would not be

permitted under the existing PPS. Whilst there were other operational and legal considerations that were factored into the Council's position on not making retention payments at the time, it was considered appropriate to undertake a review of the PPS to remove the restrictions that prevent a payment to being made in the future to enable flexibility.

2.5 The wording of the PPS has been reviewed to provide the Council with flexibility in the future to apply recruitment and retention payments. The current and proposed wording is outlined at 2.6 and 2.7.

2.6 **Current Wording** - The Council has agreed to apply market rates to address recruitment and retention difficulties where these arise subject to strict criteria and approval through the Appointments and Conditions of Service Committee (ACOS). Read about the Council Market Supplement Policy [here](#).

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

2.7 **Proposed amended wording** - The Council has agreed to apply recruitment and retention payments to address recruitment and retention difficulties where these arise subject to the appropriate approval including Market Supplement Payments. Please see our recruitment and retention payments policies [here](#).

Any pay supplements paid to Senior Officers will be published within the Council's senior management salaries [here](#).

2.8 The proposed amendment enables the organisation to be responsive to the market across all sectors and job roles within the Council when appropriate. Should a case arise for a payment to be made, there will be a full assessment of the external market forces, internal factors and an assessment of the statutory, financial, legal and reputational risk to the Council.

2.9 In addition, to ensure there is a clear framework for assessing the need to make a recruitment or retention payment, an Interim Recruitment and Retention Payments Policy will be developed, and it is anticipated this will be submitted to the Appointments and Conditions of Service Committee in October 2022.

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- 2.10 Any applications for a recruitment and retention payment prior to the implementation of the policy will be subject to agreement at the Appointment and Conditions of Service Committee.
- 2.11 In addition, and to further enhance our responsiveness, the Council has reviewed the PPS that refers to the approval of senior officer appointments and in particular the requirement for the Council to agree salary packages in excess of £100k to enable the Council to efficiently recruit and appoint senior officers. In addition, following the introduction of the permanent senior officer operating model and senior accountability framework, Table 1, as set out in the PPS, has been updated to reflect the salaries of the Managing Director, Executive Directors, statutory chief officers, non-statutory chief officers and deputy chief officers. The current and proposed wording is outlined at 2.12 and 2.13.
- 2.12 **Current Wording** - Full Council will approve the appointment of the Managing Director (Head of Paid Service) and Executive Directors following the recommendation of such an appointment by a panel formed from the Appointments and Conditions of Service Committee, together with any appointments above £100k per annum.
- 2.13 **Proposed amended wording** – Full Council will approve the appointment of the Managing Director (Head of Paid Service) and Executive Directors following the recommendation of such an appointment by a panel formed from the Appointments and Conditions of Service Committee, together with any salary packages for the roles exceeding £100k per annum. The recruitment panels are formed in line with the requirements of the Council's Constitution. The salary package offered for Chief Officer appointments are made in line with the Council's Senior Accountability Framework and pay and grading structure and are set out in the table below.
- 2.14 The amended PPS is at Appendix 2 with the relevant updated sections highlighted for ease of reference.
- 2.15 In order to avoid any delays in recruitment of Chief Officers where the salary range exceeds £100k, it is proposed that Council agree that a salary within the range set out in Table 1 of the approved PPS, subject to any in-year JNC pay award, for such posts is approved and can be offered in respect of a new appointment during the year. Any additional salary package that is not included in the

salary range set out in the PPS would be subject to separate Council approval.

3. Consultation

- 3.1 The Council has engaged with the recognised Trade Unions to outline its intentions to amend the Council's PPS to enable recruitment and retention payments to be made where there is a justified business reason to support a payment to identified employee groups aligned to the required approval processes.
- 3.2 Trade Unions will be consulted on the future Interim Recruitment and Retention Payments Policy development that will support the Council's people strategy in attracting and retaining people in the most effective way.

4. Alternative Options Considered

- 4.1 An alternative consideration would be to not amend the Council's pay policy, however the existing PPS does not provide the required flexibility in the Council's ability to provide solutions to support the Council's recruitment and retention issues.
- 4.2 In addition, the Council could continue to approve the salary package and appointment of senior officers individually however this would inhibit our ability to recruit and appoint senior officers in the most timely way.

5. Implications

- 5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

6. Background Papers

- 6.1 None

7. Appendices

- 7.1 Appendix 1 – Implications.
Appendix 2 – Updated Pay Policy Statement

8. Recommendation(s)

That Council:

- a) agrees to update the Council PPS as outlined in Appendix 2; and
- b) agrees that a salary within the range set out in Table 1 of the approved PPS, subject to any in-year JNC pay award, for Chief Officer posts where the salary range exceeds £100k is approved and can be offered in respect of any new appointments during the year.

9. Reasons for Recommendation(s)

- 9.1 Updating the PPS will enable the Council flexibility to support recruitment and retention payments where there is a supported and justified business case and enable the Council to efficiently recruit and appoint senior officers.
- 9.2 To enable the Council to efficiently recruit and appoint senior officers and avoid delays.

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Implications

Financial

- 1.1 Due to the ongoing recruitment difficulties in the labour market, it has been identified that vacancies in some disciplines are increasingly hard-to-fill. Whilst the proposed amendment to the PPS to allow recruitment and retention payments will result in a cost to the Council, this can be offset with the opportunity cost of unfilled vacancies, the impact and potential disruption to service delivery, and the significant amount of officer time to manage the recruitment process.
- 1.2 The process for approving recruitment and retention payments will be carried out on a case-by-case basis including the identification of costs associated with each proposal. These costs are expected to be funded departmentally.

Legal

- 2.1 Pursuant to s. 38 Localism Act 2011 Derbyshire County Council, as a relevant authority, is required to prepare a PPS for the financial year setting out its policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and lowest paid employees. A relevant authority may amend its PPS by resolution and as soon as reasonably practicable after approving or amending the PPS, it must be published in such a manner as it thinks fit.
- 2.2 The PPS states that any amendments to this policy, other than minor amendments to reflect the 2022/23 pay agreement, will require the approval of Full Council.
- 2.3 The Openness and accountability in local pay: Guidance under section 40 of the Localism Act provides that Full Council, or a meeting of members should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers that £100k is the right level for that threshold to be set. For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment. As set out in the Constitution, Appendix 1 – Responsibility for Functions, approval of remuneration on appointments in excess of £100k is the responsibility of Full Council.

Human Resources

- 3.1 Changes to the PPS will enable the Council to consider recruitment and retention payments to employees that fall outside the existing market supplement policy.

An Interim Recruitment and Retention Payments Policy will be subsequently developed that will formalise the criteria for recruitment and retention payments, in addition to those outlined within the current Market Supplement Policy.

Information Technology

- 4.1 None

Equalities Impact

- 5.1 The Council's pay and grading structure is based on a "points to pay" relationship determined through Job Evaluation as a mechanism to ensure the consistent evaluation of the relative value of job roles across the Council. This ensures a fair, open and transparent pay and reward structure that is affordable and supports the equal treatment of all employees in respect of their pay, terms and conditions and is compliant with Equal Pay legislation and Single Status requirements.
- 5.2 The Council's policies on pay and terms and conditions are applied equally to employees, regardless of any protected characteristic arising from the Council's pay and grading structure, salary structure or reward and remuneration policies.
- 5.3 Recruitment and retention payments approved by the Council are supported by an Equalities Impact Assessment.

Corporate objectives and priorities for change

- 6.1 This proposal aligns with the people priorities outlined within the Council's People Strategy and in particular to 'attract and retain the best people in the most effective way possible, enable responsive workforce plans and develop credible reward strategies' by enabling the Council greater flexibility when applying recruitment and retention strategies.

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Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None

Derbyshire County Council
Pay Policy Statement

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Introduction

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

This Pay Policy Statement sets out the Council's policy on pay for senior managers and employees for 2022/23 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.

Under the Local Government Transparency Code 2015 additional organisational information is required to be published annually on the website. This consists of third tier organisation charts, senior salaries information, including functional responsibilities, budget amounts and numbers of staff responsible for, together with details of trade union facility time. Read about our current organisational data and trade union information [here](#).

This Pay Policy Statement was updated and approved by Full Council on 13 July 2022.

Full Council will approve the appointment of the Managing Director (Head of Paid Service) and Executive Directors following the recommendation of such an appointment by a panel formed from the Appointments and Conditions of Service Committee, together with any salary packages for the roles exceeding £100k per annum. The recruitment panels are formed in line with the requirements of the Council's Constitution. The salary package offered for Chief Officer appointments are made in line with the Council's Senior Accountability Framework and pay and grading structure and are set out in table 1 below.

Any amendments to this policy, other than minor updates to reflect the 2022/23 pay agreement, will require the approval of Full Council.

Scope

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

About the Council

For 2022/23 the Council has a net budget requirement of £618.5m and will use these funds to provide approximately 807,000 residents with essential local services. By 31 March 2027 the Council needs to save £67m due to reductions in Government grants, inflation and greater demands on areas of the budget for Adult Social Care, vulnerable children and waste disposal.

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As £8.1m savings are planned in 2022/23 it is important that services provide excellent value for money and make the best use of our resources.

The Council has approximately 12,000 appointments across four departments. A Managing Director (Head of Paid Service) and four Executive Directors, together with the Director of Finance & ICT, Director of Public Health, Director of Legal & Democratic Services and Director of Organisation Development & Policy form the Council's Corporate Management Team leading the work that provides services across Derbyshire.

Pay arrangements

The Council uses the Korn Ferry Group's 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 is aligned to the scheme's points bandings and applies across the whole workforce (with the exception of Soulbury, Further Education Lecturers, Apprentices and centrally employed Teaching and Headteacher posts). Read about the Council's pay structure and pay progression [here](#). Read about information relating to the job evaluation scheme, including the elements assessed [here](#).

The Council has agreed to apply recruitment and retention payments to address recruitment and retention difficulties where these arise subject to the appropriate approval including Market Supplement Payments. Please see our recruitment and retention payments policies [here](#).

Any pay supplements paid to Senior Officers will be published within the Councils senior management salaries [here](#).

Chief Officers' Remuneration

The grade and salary range of the Managing Director, Executive Directors and statutory chief officers, non-statutory chief officers and deputy chief officers is set out below. The table details the level and elements of remuneration for each chief officer and the remuneration that would be paid to chief officers on recruitment. *Senior Salaries shown reflect the 2021/22 salary rates and are subject to change following the 2022/23 JNC pay agreement.*

Table 1

Job Title	Grade	Salary range 2021/22
Managing Director (<i>Head of Paid Service</i>)	21	£163,415- £178,568
Executive Directors: <ul style="list-style-type: none">• Adult Social Care & Health (<i>Statutory Chief Officer</i>)• Children's Services (<i>Statutory Chief Officer</i>)• Place (<i>Non-Statutory Chief Officer</i>)	20	£119,637- £131,600

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<ul style="list-style-type: none"> Corporate Services & Transformation (<i>Non-Statutory Chief Officer</i>) 		
Director of Public Health (<i>Statutory Chief Officer</i>) Director of Finance & ICT (<i>Statutory Chief Officer</i>) Director of Legal & Democratic Services (<i>Monitoring Officer</i>) Director of Organisation Development & Policy (<i>Deputy Chief Officer</i>) Director of Corporate Property (<i>Deputy Chief Officer</i>) Director of Adult Social Care (<i>Deputy Chief Officer</i>) Service Director Early Help and Safeguarding (<i>Deputy Chief Officer</i>) Service Director Schools & Learning (<i>Deputy Chief Officer</i>) Highways Director (<i>Deputy Chief Officer</i>) Environment & Transport Director (<i>Deputy Chief Officer</i>) Economy & Regeneration Director (<i>Deputy Chief Officer</i>)	18	£93,788- £103,169
Service Director, Transformation and Partnerships (<i>Deputy Chief Officer</i>) Service Director, Performance, Quality and Partnerships (<i>Deputy Chief Officer</i>) Service Director, Commissioning and Transformation (<i>Deputy Chief Officer</i>) Deputy Director of Public Health (<i>temporary post</i>) (<i>Deputy Chief Officer</i>)	17	£81,855 – £90,042
Assistant Director Public Health x 3 (<i>Deputy Chief Officer</i>) Assistant Director, Traded Services, Process Improvement & Music Partnership (<i>Deputy Chief Officer</i>)* Assistant Director of Finance (<i>Deputy Chief Officer</i>) Assistant Director of Finance (Audit) (<i>Deputy Chief Officer</i>) Assistant Director of ICT (<i>Deputy Chief Officer</i>) Head of Pension and Investments (<i>Deputy Chief Officer</i>)	16	£62,872 - £68,599
Head of Service Commissioning & Partnership (<i>Deputy Chief Officer</i>)* Finance Manager x 2 (<i>Deputy Chief Officer</i>) Head of Client Financial Services (<i>Deputy Chief Officer</i>)	15	£55,409 - £60,962
Public Health Lead (Public Health Policy) (<i>Deputy Chief Officer</i>) Performance & Engagement Manager (<i>Deputy Chief Officer</i>) Department Service Relationship Manager (<i>Deputy Chief Officer</i>)	14	£48,007 - £53,561

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*Reporting to the Executive Director of Childrens Services on an interim basis.

Read about chief officer salaries within the Council's open data and the Local Government Transparency Code data [here](#). Derbyshire salary scales including senior officer salaries are available [here](#).

Lowest Paid Employee

At 1 April 2022 pay point 1/2 on the Derbyshire Pay and Grading Structure in Grade 1/2 £18,333 (£9.50/hr), is the salary that is defined as the lowest within the Council. (The Council's pay structure is pending the 2022/23 pay award).

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 national minimum wage rate applicable for their age.

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 Council's pay structure, the pay multiple between the median salary (£22,384) and the highest salary (£163,415) is a ratio of 7.3:1. (The Council's pay structure is pending the 2022/23 pay award).

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 up duties within the job.

Pay Progression

Employees on Grades 1/2 to 4 are on single pay points. Employees on Grade 5 and above 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.

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 will reflect the national agreement and read

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across to the Derbyshire Pay and Grading Structure. The statement will be updated once relevant pay agreements are finalised.

Terms and Conditions

All employees are covered by the Derbyshire Package terms and conditions of service. Read about the Derbyshire Package terms and conditions of service [here](#). Other conditions, such as disciplinary procedures and pay awards are negotiated by the National Joint Council for Local Government Services for employees up to Grade 16, the Joint Negotiating Committee for Chief Officers of Local Authorities for senior managers Grade 17 and above and the Joint Negotiating Committee for Local Authority Chief Executives for the Managing Director.

Protection of Earnings Policy

Read about the Council's policy on Protection of Earnings [here](#). This applies to all employees of the Council.

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

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.

Local Government Pension Scheme

The Council is part of the Local Government Pension Scheme which provides pension benefits to eligible employees. Read about the Local Government Pension scheme [here](#).

The Council exercises the various discretions provided by the Local Government Pension Scheme. Read about the Derbyshire Pension Fund and Derbyshire County Council employer discretions [here](#).

Short Term Secondments

A temporary payment may be made for covering part of another job or taking on extra responsibilities. Read about the Secondment Policy [here](#).

Gender Pay Gap

In accordance with the Gender Pay Gap legislation which came into force on 31 March 2017, employers with at least 250 employees are required to publish their

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gender pay gap information by 31 March each year. Read about information relating to the Council's Gender Pay Gap [here](#). See information relating to Government Gender Pay Gap [here](#).

Senior Management Structure – Statutory and Non-Statutory Chief Officers and Deputy Chief Officers

Managing Director (*Head of Paid Service*)

Executive Director Corporate Services & Transformation (*Non-Statutory Chief Officer*)

- Director of Legal & Democratic Services (*Monitoring Officer*)
 - Assistant Director of Legal Services x 2
 - Head of Democratic & Registration Services
- Director of Organisation Development & Policy
- Director of Corporate Property
- Director of Finance & ICT (*Statutory Chief Officer*)
 - Assistant Director Finance x 2
 - Head of Pensions & Investments
 - Assistant Director ICT
 - Finance Manager x 2
 - **Head of Client Financial Services**

Executive Director Adult Social Care & Health (*Statutory Chief Officer*)

- Director of Public Health (*Statutory Chief Officer*)
 - Deputy Director of Public Health (*temporary post*)
 - Assistant Director Public Health x 3
 - Public Health Lead (Public Health Policy)
- Director of Adult Social Care
- Director of Transformation

Executive Director Children's Services (*Statutory Chief Officer*)

- Service Director Early Help & Safeguarding
- Service Director Performance, Quality & Partnerships
- Service Director Schools & Learning
- Service Director Commissioning & Transformation
- **Assistant Director, Traded Services, Process Improvement & Music Partnership ***
- **Head of Service Commissioning & Partnership ***

Executive Director Place (*Non-Statutory Chief Officer*)

- Highways Director
- Economy & Regeneration Director
- Environment & Transport Director
- **Performance & Engagement Manager**
- **Department Service Relationship Manager**

***Reporting to the Executive Director of Childrens Services on an interim basis.**

Senior Management Structure – Statutory & Non-Statutory Chief Officers and Deputy Chief Officers

1 April 2022

