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## **Derbyshire County Council**

### **Council**

**3 February 2021**

## **Report of the Managing Executive Director Commissioning, Communities & Policy**

### **Pay Policy Statement 2021**

#### **1. Purpose of the report**

To approve the Pay Policy Statement (attached at Appendix 1) for publication on the Council's website on 1 April 2021.

#### **2. Information and Analysis**

Since 2012 the Council has published an annual Pay Policy Statement in accordance with Section 38 of the Localism Act 2011 setting out the Council's policies on pay and conditions for its most senior employees (defined as 'chief officers' in the Act) and employees. Teachers and staff employed in local authority schools are not covered by the Act.

The Pay Policy Statement sets out the methods by which salaries of all employees are determined, the detail and level of remuneration of its most senior employees (chief officers), the definition of the Council's lowest paid employees and the pay multiple (ratio) between the salary of the highest paid employee and the median full time equivalent salary in the Council. The Council's pay multiple is 6.8:1

The Act defines chief officers as:

- Head of Paid Service
- Monitoring Officer
- Statutory Chief Officer
- Non-Statutory Officer
- Deputy Chief Officer

The method of calculation for the pay multiple has been reviewed to ensure that the median full time equivalent salaries of the workforce is representative of all employees in line with LGA guidance. The guidance states that employers need to calculate the remuneration of each individual employee based on the total full time equivalent (FTE) salary. The previous method of calculation reflected relief employees as zero

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rather than their FTE. Therefore, although the salary of the Council's highest earning employee has increased in April 2021, the ratio of the pay multiple has only increased from 6.7:1 to 6.8:1. Had the Council not reviewed the method of pay multiple the ratio would have been 7.8:1 in 2021.

Any amendments to the policy, other than minor updates to reflect the 2021/22 pay agreement or updates regarding the exit pay cap provisions will require the approval of Full Council.

### **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 31<sup>st</sup> 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 2021 and agrees that the Statement should be published on the website.

**Emma Alexander**  
**Managing Executive Director**  
**Commissioning, Communities & Policy**

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# **Derbyshire County Council**

## **Pay Policy Statement**

## 1. 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 2021-22 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. Current organisational data and trade union information is available under open data on the website at [derbyshire.gov.uk/council/performance/open-data-transparency](http://derbyshire.gov.uk/council/performance/open-data-transparency)

This Pay Policy Statement was approved by Full Council on 3 February 2021 and comes into force on 1 April 2021.

Full Council will approve the appointment of the Managing Executive 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.

Any amendments to this policy, other than minor updates to reflect the 2021/22 pay agreement, 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 2021-22 the Council has a net budget requirement of £572.5m and will use these funds to provide approximately 803,000 residents with essential local services. By 31 March 2026 the Council needs to save £72.8m 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 £13.3m savings are planned in 2021-22 it is important that services provide excellent value for money and make the best use of our resources.

The Council has 12,023 appointments across four departments. A temporary Managing Executive Director (Head of Paid Service) and three Executive Directors, together with the Director of Finance & ICT, Director of Public Health, Director of Legal and Democratic 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 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 (published on the website at [derbyshire.gov.uk/pay-and-benefits/pay-information/salary-scales](http://derbyshire.gov.uk/pay-and-benefits/pay-information/salary-scales)) 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). Further information on the 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](http://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 approval through the Appointments and Conditions of Service Committee. Full details are set out in the Council's Market Supplement Policy on the website at [derbyshire.gov.uk/pay-and-benefits/pay-information](http://derbyshire.gov.uk/pay-and-benefits/pay-information).

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

#### 5. Chief Officers' Remuneration

The grade and salary range of the Managing Executive Director, Executive Directors and statutory chief officers is set out below. *Senior Salaries shown reflect the 2020/21 salary rates and are subject to change following the 2021/22 JNC pay agreement.*

Job Title	Grade	Salary range 2020/21
Temporary Managing Executive Director Commissioning, Communities & Policy ( <i>Head of Paid Service</i> )	21	£150,554-164,728
Executive Directors: <ul style="list-style-type: none"> <li>• Adult Social Care &amp; Health (<i>Statutory Chief Officer</i>)</li> <li>• Children's Services (<i>Statutory Chief Officer</i>)</li> <li>• Place (<i>Non Statutory Chief Officer</i>)</li> </ul>	20	£117,869-£129,655
Director of Public Health ( <i>Statutory Chief Officer</i> )	18	£92,402-£101,644

Director of Finance & ICT ( <i>Statutory Chief Finance Officer</i> )		
Director of Legal & Democratic Services ( <i>Monitoring Officer</i> )		

Additional information on chief officer salaries is published in the Local Government Transparency Code data at [senior salaries](#) and salary scales at [salary-scales](#)

## **6. Lowest Paid Employee**

Pay point 1 on the Derbyshire Pay and Grading Structure in Grade 1/2 (2020/21) £17,840 (£9.25/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 national minimum wage for their age rate.

## **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 2020/21 pay structure, the pay multiple between the median salary (£21,999) and the highest salary (£150,554) is a ratio of 6.8:1.

## **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 up duties within the job.

## **9. 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.

## **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 will reflect the national

agreement and read across to the Derbyshire Pay and Grading Structure. 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](http://derbyshire.gov.uk/working-for-us/jobs/our-terms-and-conditions). 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 and the Joint Negotiating Committee for Chief Officers of Local Authorities for senior managers Grade 17 and above.

## **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/pay-and-benefits/pay-information/support-for-employees-on-pay-protection](http://derbyshire.gov.uk/pay-and-benefits/pay-information/support-for-employees-on-pay-protection).

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.

### **Exit Pay Cap Regulations**

The statutory provisions governing exit payments to local government workers have undergone reform and the implementation of a £95,000 cap on public sector exit payments, including employer contributions to pension strain costs, this came into effect on 4 November 2020.

The reform of the Discretionary Compensation Payments Regulations and Local Government Pension Scheme Regulations are not expected to come into force until early 2021. The Council is reviewing the Redundancy Redeployment and Buyout of hours Policy which will be updated to reflect changes resulting from Exit Pay Cap regulations.

## **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](http://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](http://derbyshire.gov.uk/working-for-us/pensions)

### **15. Short Term Secondments**

A temporary payment may be made for covering part of another job or taking on extra responsibilities. Further details are available in the Secondment Policy on the website at [derbyshire.gov.uk/jobs-and-recruitment/recruitment-and-contractual-arrangements/fixed-term-employees](http://derbyshire.gov.uk/jobs-and-recruitment/recruitment-and-contractual-arrangements/fixed-term-employees)

### **16. 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 gender pay gap information by 31 March each year. The Council's gender pay gap is published annually on the Council's website at [derbyshire.gov.uk/working-for-us/equal-opportunities/gender-pay-gap](http://derbyshire.gov.uk/working-for-us/equal-opportunities/gender-pay-gap) and also externally on the Government's Gender Pay Gap website [gender-pay-gap.service.gov.uk](http://gender-pay-gap.service.gov.uk).



**Appendix 1 – Senior Management Structure**

