



# **PAY POLICY STATEMENT FOR THE FINANCIAL YEAR 2019/20**

## **INTRODUCTION**

### **Source and scope of policy statement**

This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 (the Act), which, from 2012 onwards, require local authorities to publish an annual statement of their policy for the relevant financial year in relation to:

- The remuneration of their most senior employees (which the Act defines as the Head of Paid Service (Chief Executive), the Monitoring Officer, the Chief Officers (or Directors), and the Deputy Chief Officers (i.e. Heads of Service who report directly to a Chief Officer);
- The remuneration of their lowest-paid employees; and
- The relationship between the remuneration of the most senior employees and that of other employees.

The Secretary of State has produced guidance on the Act's provisions relating to openness and accountability in local pay, which local authorities must have regard to in preparing and approving their annual pay policy statements. The Council's statement takes full account of this guidance as well as the provisions of the Act.

It also takes account of:

- The Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government in September 2011;
- Guidance issued by the Joint National Council (JNC) for Local Authority Chief Executives on pay policy statements, published in November 2011;
- Employment and equalities legislation affecting local authority employers, where relevant.

### **Status of policy statement**

The pay policy statement will be reviewed on an annual basis, and a new version of the policy will be approved before the start of each subsequent financial year, which will need to be complied with during that year.

The pay policy statement can be amended during the course of any financial year, but only by a resolution of the full Council. If it is amended during the year to which it relates, the revised version of the statement will be published as soon as reasonably possible after the amendment is approved by the Council.

### **Transparency and autonomy**

The Council recognises and welcomes the aim behind this pay policy statement to ensure that its approach to pay is accessible for all and to enable local people to take an informed view of whether local decisions on all aspects of remuneration are fair and make the best use of public funds.

It also welcomes the government's recognition that each local authority remains an individual employer in its own right, and, as such, has the autonomy to make decisions on pay that are appropriate to local circumstances and deliver value for money for local taxpayers.

This Statement is divided into seven sections:

- Section 1 Provides details of the remuneration of the District Council's senior officers.
- Section 2 Provides details of the remuneration of the District Council's lowest paid and other employees.
- Section 3 Shows the relationship of pay levels and provides comparative pay in accordance with requirements of the act.
- Section 4 Provides details of policies applied as appropriate across all categories of the District Council's employees.
- Section 5 Explains the basis of the District Council's decision making on remuneration.
- Section 6 Covers the Pay Policy period.
- Section 7 Details the District Council's commitment on publication and transparency.

## **SECTION 1: REMUNERATION OF THE COUNCIL'S SENIOR EMPLOYEES**

### **1.1 REMUNERATION COVERED IN THIS SECTION OF THE POLICY**

This section covers the Council's policies in relation to the remuneration of its senior employees, including:

- Its Chief Executive and Head of Paid Service;
- Its first tier officer i.e.
  - Corporate Director,
- Its second tier officers i.e.
  - Head of Resources (Section 151 Officer), Head of Corporate Services (Monitoring Officer), Head of Regeneration & Policy, Head of Regulatory Services, Head of Housing, Head of Community & Environmental Services.

### **1.2 CONTEXT**

These senior employees are responsible for working with elected politicians to determine the overall strategic direction of the Council, to develop the scale, nature, efficiency and effectiveness of all the services provided by the Council, and to provide day-to-day management of those services.

### **1.3 OVERALL POLICY ON REMUNERATION FOR SENIOR ROLES**

The Council's overall approach to remuneration for its senior employees is based on:

- Compliance with equal pay, equalities and other relevant employment legislation, plus
- Ensuring that its overall remuneration packages align with market norms for the local government and public sectors, whilst at the same time, taking account of
  - Pay levels in the local area, including neighbouring public sector employers;
  - The responsibilities and accountabilities of particular posts which may be very demanding
  - The Collective Agreement that ensures the harmonisation of pay and working conditions.

The Council seeks to maintain this overall approach by carefully monitoring pay data provided by the Joint National Councils (JNCs) for Chief Officers and Chief Executives, the Local Government Association/Employers, and other pay surveys.

In terms of pay differentials, the Council recognises that the role of Chief Executive/Head of Paid Service leads the organisation's workforce and has the greatest level of accountability, and so warrants the highest pay level in the organisation.

At first tier level the Council recognises this role is more demanding than others, and has identified those with a greater level of accountability through job evaluation and careful analysis of job demands and offers them levels of remuneration appropriate to their role.

Below this level, the Council recognises that the demands on and accountabilities of different management roles vary considerably, and seeks to align pay levels with the relative importance and responsibilities of jobs using a process of job analysis and evaluation.

#### **1.4 THE REMUNERATION OFFERED TO SENIOR EMPLOYEES**

At Chief Executive and first and second tier levels, the Council offers an annual salary, access to the Local Government Pension Scheme and a range of other benefits, as shown in the table at paragraph 4.

##### **Annual salaries**

Annual salary levels for senior employees are set in accordance with the overall principles set out in section 1.3 above. They consist of a grade range which is determined locally by the Council. This grade range consists of a number of incremental salary points, through which employees may progress until the top of the grade is reached.

The salary ranges from 1 April 2019 (to include the 2% local government pay award already agreed) are:

Chief Executive & Head of Paid Service: £100,273 to £106,412

Corporate Director – £81,386 to £86,366

Senior Manager - grade 17:	£65,034- £71,983
Senior Managers - grade 16:	£60,269- £65,034
Senior Managers - grade 15:	£54,450- £58,758
Senior Manager - grade 14:	£49,194- £53,088

##### **Remuneration of Senior Employees on Recruitment**

The Council's policy is that any newly appointed senior manager will start at the lowest pay point in the pay range for their job, other than when the particular skills and experience of the successful candidate merit a higher starting salary.

##### **Pay awards**

The salaries of senior employees will be increased in line with any pay increase agreed in the Joint National Councils (JNCs) for Chief Executives, Chief Officers or National Joint Council (NJC) for Local Government for all other staff. From 1 April, the 2019 the national pay award is year 2 of a 2 year pay award. From April 2019 the lowest hourly rate of pay will be £9 per hour i.e. exceeding the National Living Wage for those over 25 from 1 April of £8.21. The national pay award for 2019 also includes implementing a new national pay spine.

##### **“Earn back” pay**

The Council notes the suggestion in the Hutton Review of Fair Pay in the Public Sector, published in March 2011, for the introduction of “earn back” pay (a system where an element of a manager's pay is “at risk” if a certain level of performance) is not met.

The introduction of “earn back” pay within the Council’s current pay systems, as a way of relating pay levels to performance, is not an approach that would be compatible with its current pay policy.

## **1.5 RE-ENGAGEMENT OF CHIEF OFFICERS**

### **Re-engagement as employees or under a contract for services**

It is the policy of the Council not to re-employ former employees granted voluntary redundancy or any other enhanced severance package, including former Chief Officers or Heads of Service. In exceptional cases, and only where there is a clear benefit to the Council, such former employees may be re-engaged on a short term contract for service.

### **Employment of those in receipt of an LGPS pension**

Where in the unlikely event that the Council employs as a Chief Executive, Corporate Director or Head of Service a person who is in receipt of a pension under the LGPS, the rules on abatement of pensions adopted by the Council’s Administering Authority for the LGPS, pursuant to Regulations 70 and 71 of the the Local Government Pension Scheme (Administration) Regulations 2008 will be applied. Such persons would only be employed following strict application of the normal process of competitive selection for employment.

## **1.6 PUBLICATION OF DETAILS OF EMPLOYEE REMUNERATION**

In accordance with 39 (5) of the Localism Act, this pay policy statement will be published on the Council’s website. It will also be published in the Council’s Constitution and the District Council’s intranet.

The Council is also required to publish information about the remuneration of senior officers under The Accounts and Audit (Amendment No. 2) (England) Regulations 2009 and the Code of Recommended Practice for Local Authorities on Data Transparency, issued under Section 2 of the Local Government Planning and Land Act 1980. This latter information can be obtained via the Council’s website.

## **SECTION 2: REMUNERATION OF LOWEST PAID EMPLOYEES**

This section sets out the Council’s policies in relation to the remuneration of its lowest-paid employees, as defined in this pay policy statement.

### **2.1 OVERALL REMUNERATION POLICY: LOWEST PAID EMPLOYEES**

#### **Aims, Objectives and Key Principles**

The Council aims to develop, implement and maintain fair and equitable remuneration arrangements which enable it to recruit, retain, motivate and develop staff with the skills and capabilities necessary to ensure the continued provision of high quality services and which are cost effective and provide value for money.

The Council’s remuneration policy complies with all equal pay, equalities and other relevant employment legislation.

When setting pay levels for specific posts the Council takes account of internal differentials, as measured by job evaluation.

## **2.2 DEFINITION OF LOWEST PAID EMPLOYEES**

The definition of the “lowest-paid employees” adopted by the Council for the purposes of this statement is as follows:

The lowest paid employees within the Council are those substantive employees who are paid on the minimum salary point of the Council’s substantive pay structure, i.e. new spinal column point 1, of local grade 2.

The current annual full-time equivalent value of this pay level, based on a 37 hour standard working week, for the financial year 2018/19 is £16,394 SCP 6 and for financial year 2019/2020 will be £17,364 new SCP 1.

The Council considers this to be the most appropriate definition as this is the lowest pay point/pay level on its substantive pay structure and which normally applies to new entrants to the lowest graded jobs within the organisation.

## **2.3 REMUNERATION OF LOWEST PAID EMPLOYEES**

For the purposes of this policy statement, remuneration includes the employee’s basic annual salary and any bonuses, allowances or other similar payments, benefits in kind, any increases or enhancements to any pension entitlement and any termination or other severance payments.

### **Pay structure**

The basic pay of the Council’s lowest paid employees comprises a grade range derived from the revised national pay spine, as set out in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service. This grade range consists of a number of incremental salary points, through which employees may progress until the top of the grade is reached.

### **Craft Employees**

There are no employees on pay and conditions of service for craft employees as determined by the Joint Negotiating Committee for Local Authority Craft & Associated Employees.

### **Other elements of remuneration**

The other elements of remuneration which it is the Council’s policy to offer its lowest paid employees are set out in the table set out in Section 4.

## **2.4 OTHER TERMS AND CONDITIONS**

The other terms and conditions which apply to the Council’s lowest paid employees are as set out in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service, as amended and/or supplemented by any local agreements which may apply.

## **2.5 REMUNERATION OF EMPLOYEES WHO ARE PAID MORE THAN THE LOWEST PAID EMPLOYEES BUT WHO ARE NOT CHIEF OFFICERS**

The Council's policy and practice with regard to the remuneration of employees who are paid more than its lowest paid employees but who are not Chief Officers is the same as that which applies to its lowest paid employees, other than where any differences are indicated in this policy statement.

## **2.6 EMPLOYEES WHO ARE PAID LESS THAN THE COUNCIL'S LOWEST PAID EMPLOYEES, AS DEFINED IN THIS PAY POLICY STATEMENT**

Apprentices are paid a rate outside the local government pay spine. The Council's Apprenticeship pay is the Apprenticeship rate plus 10% in year 1 then the National Minimum Wage for the age of the Apprentice in any subsequent years as an Apprentice plus 10%. The Council applies this pay rate and/or different remuneration arrangements to this category of employees, to reflect the particular nature and/or duration/frequency of their employment.

## **SECTION 3: PAY RELATIONSHIPS**

- 3.1 This section sets out the Council's overall approach to ensuring pay levels are fairly and appropriately dispersed across the organisation, including the current pay multiple which applies within the Authority, and its policy toward maintaining or reaching a specific pay multiple in the future.
- 3.2 The Council believes that the principle of fair pay is important to the provision of high quality and well-managed services and is committed to ensuring fairness and equity in its remuneration practices. The Council's pay policies, processes and procedures are designed to ensure that pay levels are appropriately aligned with, and properly reflect, the relative demands and responsibilities of each post and the knowledge, skills and capabilities necessary to ensure that the post's duties are undertaken to the required standard, as well as taking account of relevant market considerations. This includes ensuring that there is an appropriate relationship between the pay levels of its senior managers and of all other employees.
- 3.3 Under the provisions of the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government under Section 2 of the Local Government Planning and Land Act 1980, the Council is expected to publish its "pay multiple", i.e. the ratio between the highest paid salary and median average salary of the whole of the local authority's workforce. The current pay multiple, based on earnings for the financial year ending 31 March 2019, is 1 to 5.26 – the median average salary being £19,819 and the top of the Chief Executive scale £104,325.
- 3.4 The pay multiple between the basic salary of its highest paid employee (the Chief Executive) and the lowest paid employees, as defined in this statement is 1 to 6.13 – the bottom of scale 2 being £17,364 and the top of the Chief Executive scale £106,412 (2019/2020 financial year).
- 3.5 The Council considers that the current pay multiples, as identified above, represent an appropriate, fair and equitable internal pay relationship between the highest salary and that which applies to the rest of the workforce.

## **SECTION 4: POLICIES COMMON TO ALL EMPLOYEES**

- 4.1 The District Council operates a transparent pay structure that reflects the relevant duties and responsibilities of each post within the organisation. The majority of the payment terms are universal and apply to all employees. The Council also recognises that it must pay additional allowances to certain individuals or groups of employees to reflect the diverse and occasionally unique nature of their duties. All departures from the universal set of allowances are justified on the basis that they enhance the effectiveness of the individual's role or seek to protect the individual on health and safety grounds (e.g. mobile telephones to support the District Council's lone worker policy).

This Section details the universal set of allowances and the current year's exceptions.

### **4.2 Pay Progression**

Incremental progression through each grade will be automatic and applied on the 1<sup>st</sup> April each year. Employees with less than six months service in the grade by 1<sup>st</sup> April will be granted their first increment six months after their appointment, promotion or re-grading; except where their salary on the 1<sup>st</sup> April following appointment, promotion or re-grading would be less than one spinal column point in excess of the salary they would have received on that day in their old grade with the District Council, when they shall be entitled to their first increment on the 1<sup>st</sup> April.

### **4.3 Market Supplements**

The Council recognises that pressures in the national or regional labour market can mean that pay levels for a particular category of employee in a particular function can be such that the Council's normal pay level would not be sufficiently competitive to enable it to recruit or retain an employee in that function. In that case, the Council's market supplement policy will be applied.

### **4.4 Local Government Pension Scheme (LGPS)**

The Council offers all its employees access to the Local Government Pension Scheme, in accordance with the statutory provisions of the scheme. From 1 April 2014 the Council automatically enrolls all new employees into the pension scheme.

Any pension payments made on termination of employment either on grounds of redundancy, in the interests of the efficiency of the service or on grounds of ill health will be made within the statutory terms of the LGPS.

The discretions which the Council is able to apply under the scheme upon termination of employment are the same for senior employees as for all other employees who are LGPS members.

### **4.5 Flexible Retirement**

Under the Local Government Pension Scheme Regulations, an employer can consent to a reduction in an employee's hours or grade and consent to the release of pension benefits where the employee is aged 55 or over.



In all cases decisions must be based on the merits of each application and the needs of the service and not be influenced by the employee's wish for early payment of their pension scheme benefits.

The District Council's policy delegates authority to the Chief Executive to determine such cases.

#### 4.6 Payments on Termination of Employment

Other than payments made under the LGPS, the Council's payments to employees whose employment is terminated on grounds of redundancy or in the interests of the efficiency of the service will be in accordance with the policies the Council has adopted for all its employees in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and Redundancy.

Other than payments pursuant to the LGPS and Redundancy, the Council's policy is not to make any other termination payments, other than where it has received specific legal advice to the effect that a payment may be necessary to eliminate risk of claims against the Council.

#### 4.7 Other Payments and Allowances

KEY

\* - Contractual allowance, dependent upon nature of work undertaken

# - available to specific category of employee

> - available to all employees in accordance with Council policy

NA - Not available

Element of Remuneration	Chief Executive/ Head of Paid Service	1 <sup>st</sup> tier	2 <sup>nd</sup> tier	Other employees
Reimbursement of removal/ relocation costs on appointment	>	>	>	>
Acting-up/additional responsibility payments	NA	>	>	>
Car provision	N/A	N/A	N/A	N/A
Mileage rates	>	>	>	>
Payment of professional subscriptions or membership fees	NA	NA	*	*
Reimbursement of subsistence or other expenses	>	>	>	>
Provision of mobile telephones	>	>	>	>
Provision of landline telephones	*	*	*	*
Election fees	>	>	>	>
TOIL Scheme	NA	>	>	>
Bonus Payments	NA	NA	NA	NA

#### **4.8 Removal/Relocation expenses**

Where senior employees need to move house in order to take up an appointment with the Council, the Council will reimburse their removal, legal and other associated relocation costs in accordance with its policy, which sets maximum limits on the levels of payment. The policy requires repayment in part or in full if the employee leaves within 5 years of appointment.

#### **4.9 Acting up/additional responsibility payments**

Where employees are required to act up to a higher graded post or undertake additional responsibilities beyond those of their substantive post for a temporary period of time, they may receive an additional payment in recognition of the extra responsibilities. This policy applies to all employees.

#### **4.10 Car Provision**

The Council no longer offers subsidised lease cars.

#### **4.11 Mileage payments**

From April 2019 we are changing, by local agreement, the way that employees are compensated for business travel, with all employees claiming 45p per mile.

In addition our new Travel & Subsistence Policy confirms that whilst we will retain a distinction between casual car users and essential car users, the designation of essential user will be reviewed annual based on the number of miles undertaken in the previous year. Employee's exceeding 400 business miles in the previous year will be designated an essential user and receive a taxable sum (paid monthly) in contribution of the additional cost to providing their car for work.

Tier 1: 1,500 miles and above per annum- £1,200 per annum

Tier 2: 1,000 - 1,499 mile per annum- £800 per annum

Tier 3: 500 – 999 miles per annum- £400 per annum.

From April 2020, the previous year is taken as January to December to enable changes in essential user payments from April each year to be confirmed in January.

#### **4.12 Payment of professional subscriptions or membership fees**

The Council pays the professional subscriptions for the following posts only:

Head of Resources (as Section 151 officer): Chartered Institute of Public Finance Accountants (CIPFA).

Solicitor: Law Society Practice Certificate

Estates & Facilities Manager: Royal Institute of Chartered Surveyors (RICS)

#### **4.13 Reimbursement of Subsistence or Other Expenses**

In accordance with the new Travel & Subsistence Policy, the following expenses are claimable:

Subsistence:	Breakfast	£5.77
	Lunch	£0
	Evening Meal	£9.78
Car Parking:	Fees actually incurred	
Special Licences:	HGV driving licence	
Change in Place of Work:	Compensation for additional travel incurred for a period 18 months due to a compulsory change in work place.	

Certain conditions must be met for approval of reimbursement within the scheme.

#### **4.14 Mobile Telephones**

Mobile telephones are provided to the Chief Executive and to other specific employees on the basis that they are necessary for them to undertake their duties effectively and to mitigate risk in lone worker situations. The Council funds the provision of the phone and business calls. Employees are expected to pay for personal calls.

#### **4.15 Landline Telephones**

A scheme of reimbursement applies to certain officers who are required to have a landline to effectively undertake their duties.

#### **4.16 Election Fees**

The Head of Corporate Services receives fee payments pursuant to his/her appointment as Returning Officer at elections. The fees paid in elections vary according to the size of the electorate and number of postal voters. Fee payments for all but the District Council elections are set by the relevant body, and are in effect not paid by the Council, as the fees are reclaimed.

The fee for the Returning Officer therefore varies at each election. The Council has a policy of paying the maximum fee. Separate payments are made to the Deputy Returning Officer and other members of staff who work as part of the elections team, and are commensurate with time spent undertaking election duties.

#### **4.17 Payments for Additional Working (TOIL) Scheme**

The NJC Conditions of Service make provision for employees graded up to new spinal column point 22, who undertake work outside of normal working hours, to receive appropriate overtime payments. Those above new point 22 are not entitled to overtime payments but are allowed to take time off in lieu.

The scheme is not available to those officers whose conditions of service are determined by the Joint National Councils for Chief Executives or Chief Officers.

#### **4.18 Bonus Payments**

No employees are eligible for bonus payments under the Joint Negotiating Committee for Local Authority Craft & Associated Employees.

### **SECTION 5: DECISION MAKING ON PAY**

- 5.1 The Council recognises the importance of ensuring openness and transparency and high standards of corporate governance, with clear lines of accountability, in its pay decision-making processes and procedures. Any pay-related decisions must be capable of public scrutiny, be able to demonstrate proper and appropriate use of public funds and ensure value for money. The arrangements adopted by the Council are designed to reflect these requirements, as well as ensuring compliance with all relevant legislation and other statutory regulation.
- 5.2 Any proposal to offer a new chief officer appointment on terms and conditions which include a total remuneration package of £100,000 or more, including salary, bonuses, fees or allowances which would routinely be payable to the appointee and any benefits in kind to which the officer would be entitled as a result of their employment will be referred to the full Council for approval before any such appointment is advertised or before any such offer is made to a particular candidate.

### **SECTION 6: AMENDMENTS TO THIS PAY POLICY STATEMENT**

- 6.1 This pay policy statement relates to the financial year 2019/20.
- 6.2 The Council may agree any amendments to this pay policy statement during the financial year to which it relates.

### **SECTION 7: PUBLICATION OF AND ACCESS TO INFORMATION**

- 7.1 The Council will publish this pay policy statement on its website at [www.derbyshiredales.gov.uk](http://www.derbyshiredales.gov.uk) as soon as is reasonably practicable after it has been approved by the Council. Any subsequent amendments to this pay policy statement made during the financial year to which it relates will also be similarly published.
- 7.2 The information required to be published by the Council in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government under Section 2 of the Local Government Planning and Land Act 1980, and in accordance with the requirements of the Accounts and Audit (Amendment No. 2) (England) Regulations 2009, as referred to/set out in this pay policy statement, is also available on its website.
- 7.3 For further information about this pay policy statement please contact the Council's Human Resource Section on: 01629 761364 or by e-mailing [humanresources@derbyshiredales.gov.uk](mailto:humanresources@derbyshiredales.gov.uk)