

PAY POLICY STATEMENT 2017/18

Directorate: Chief Executive

Date: April 2017

Version Control

Version	Description of version	Effective Date
1.0	Pay Policy Statement 2014/2015	1 st April 2014
2.0	Pay Policy Statement 2015/2016	1 st April 2015
3.0	Pay Policy Statement 2016/2017	1 st April 2016
4.0	Pay Policy Statement 2017/2018	1 st April 2017

Approvals

Approved by	Date
Full Council	6 th April 2017

Associated Documentation

Description of Documentation

CONTENTS

Section		Page
1	Introduction	4
2	Status of the Pay Policy Statement	4
3	Transparency and Autonomy	4
4	Remuneration of the Council's Senior Employees	5
5	Employees In Posts Below Director	8
6	Pay Relationships	10
7	Decisions on Pay	11
8	Amendments to the Pay Policy Statement	11
9	Publication and Access to Information	11
Appendix One	Other Payments And Allowances	12

1.0 INTRODUCTION

- 1.1 This Pay Policy Statement for 2017/2018 has been produced in accordance with the requirements of the Localism Act 2011, which requires that a Pay Policy Statement is published annually. The Council's statement takes into account the guidance provided as well as the provisions of the Act.
- 1.2 Local Authorities should include in their Pay Policy Statements information in relation to:
- The remuneration of their most senior employees.
 - The remuneration of their lowest paid employees.
 - The relationship between the remuneration of their most senior employees and that of other employees.
- 1.3 This Pay Policy Statement is also linked to the Council's Workforce Development Strategy.

2.0 STATUS OF THE PAY POLICY STATEMENT

- 2.1 The Act makes it clear that the Pay Policy Statement for each financial year must be approved by Full Council. The approved policy will be published on the Council's website.
- 2.2 The Pay Policy Statement is reviewed on an annual basis. Each new version of the policy will be approved by the Full Council before the start of each financial year. This will take place at the nearest meeting of the Full Council to the 1st April each year.
- 2.3 The Pay Policy Statement can be amended during the course of a financial year with approval by Full Council.

3.0 TRANSPARENCY AND AUTONOMY

- 3.1 The Council recognises and welcomes the aims behind the requirement for a Pay Policy Statement which are to:
- Ensure that the Council's approach to pay is accessible for all.
 - Enable local people to take an informed view of whether local decisions by the Council are fair and make the best use of public funds.
- 3.2 The Council also welcomes the Government's recognition that each local authority remains an employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and continue to deliver value for money for the community.

4.0 REMUNERATION OF THE COUNCIL'S SENIOR EMPLOYEES

4.1 The Council's senior employees are:

- Chief Executive and Head of Paid Service.
- Three posts at a Director level. These posts report to the Chief Executive. The Directors are:
 - Director of Housing and Environmental Services
 - Director of Community and Planning Services.
 - Director of Finance and Corporate Services. This role also undertakes the role of Chief Finance Officer (CFO) in accordance with S151 of the 1972 Local Government Act that requires the Council to make arrangements for the proper administration of its financial affairs.

4.2 For information on the Council's Monitoring Officer please see paragraph 5.10.

Background

4.3 The Chief Executive and Directors are the Council's Senior Management Team. These senior employees are responsible for working with elected politicians to determine the overall strategic direction of the Council, to manage the Council's financial and other resources, 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.

Overall policy on the remuneration of senior posts

4.4 The Council's overall approach to the remuneration of its senior posts is based on:

- Compliance with equalities (including equal pay) legislation.
- Ensuring that its overall remuneration packages align with comparable posts in local government whilst taking into account:
 - Relevant pay data from similar authorities to allow meaningful benchmarking to be undertaken.
 - The responsibility of posts and their level in the Council.
- The trend towards slimmer senior management structures comprising posts with wider spans of responsibilities.
- National terms and conditions of employment that apply to senior posts.
- External professional advice provided by the Local Government Association

4.5 The Council will seek to maintain this overall approach by periodically monitoring pay data provided by such organisations as the Local Government Association. This period is determined by the Council. The last review of pay for senior officers was completed in May 2013 as a result of a restructure of the Council's establishment which included a reduction in posts at a senior level.

- 4.6 In terms of pay differentials for its senior posts, the Council recognises that:
- The role of Chief Executive and Head of Paid Service leads the Council workforce and has the greatest level of accountability. This post therefore warrants the highest level of pay in the Council.
 - The Directors report directly to the Chief Executive. These posts have a wide span of responsibility for a number of service areas and in turn have a number of managers reporting to them. These posts therefore warrant the next highest pay level below that of the Chief Executive and Head of Paid Service.

Developing pay scales for senior posts

- 4.7 The Council has determined the pay scales for its senior posts locally. It is the Council's policy that all pay scales are approved by the Council's Finance and Management Committee. With regard to the latest review of the pay scales for senior posts the Council a Remuneration Panel was appointed consisting of Elected Members to develop and recommend, in accordance with a project brief, the relevant pay scales.
- 4.8 An independent organisation, the Local Government Association (LGA), was commissioned by the Council to advise the Remuneration Panel.
- 4.9 Part of the LGA's remit is to assist local authorities to create pay solutions. Its work also leads to the development of national conditions of service and pay scales. The LGA has access to national pay data surveys e.g. the salary and numbers surveys for the Joint National Councils for Chief Executives and for Chief Officers. Using its experience of developing pay models and pay scales the LGA identified relevant pay data which enabled the Council's pay scales for the Chief Executive's post and the Directors posts to be benchmarked against the pay scales for similar posts in comparable District Councils.
- 4.10 Based on this information recommendations were made to the Finance and Management Committee by the Remuneration Panel on the pay scales for the Council's senior posts. The current pay scales for the Council's senior posts are discussed below.

Remuneration of Senior Posts

- 4.11 The pay scale for the Chief Executive and Head of Paid Service consists of five incremental points. Progression through the scale is usually on an annual basis that takes effect on 1st April each year.
- 4.12 The current pay scale for the Council's Directors consists of six incremental points. Progression through the scale is usually on an annual basis that takes effect on 1st April each year.
- 4.13 The scales have a bar beyond which further progression is subject to the post holder meeting stated performance criteria.

- 4.14 Details of actual senior officer remuneration are included in the Council's Annual Statement of Accounts (**Note 26**)
- 4.15 The last national pay award for senior officers was in April 2016.

Local Government Pension Scheme (LGPS)

- 4.16 Membership of the Local Government Pension Scheme is subject to the rules of the scheme and contribution rates are set by legislation. When individuals are already in receipt of a local government pension they are subject to the rules on abatement of pension within the scheme.

Pay awards

- 4.17 The salaries of senior posts are increased in line with any national pay award agreed by either the Joint National Council for Chief Executives or the Joint National Council for Chief Officers whichever is appropriate. Any changes are normally implemented with effective from 1st April each year.

Overtime, etc.

- 4.18 There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments paid to the above senior posts as they are expected to undertake duties outside their contractual hours and working patterns without additional payment.

Remuneration of Senior Employees on Recruitment

- 4.19 The Council's practice 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.
- 4.20 In line with the Council's procedure for senior officer appointments the appointment of a Chief Executive must be approved by Full Council.

5.0 EMPLOYEES IN POSTS BELOW A DIRECTOR

Key Principles

- 5.1 The Council aims to provide 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 that are cost effective and provide value for money.
- 5.2 The Council's employment policies comply with the provisions of the Equality Act 2010, which includes equal pay, and other relevant employment legislation.
- 5.3 Currently an employee's pay is based on either a pay scale, through which employees may progress until the top of the scale is reached, or a fixed salary point. In some cases progression through a grade is dependent upon specified criteria (e.g. the attainment of a required qualification). The Council's pay structure is based on the national pay spine, as set out in the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service. This structure has been subject to Equal Pay Audits.
- 5.4 The Council has recently reviewed its pay and grading structure for the posts below Director level, which included undertaking a job evaluation exercise. This was carried out by an external, independent, consultant in conjunction with the recognised Trade Unions and members of the Senior Management Team. A revised pay and grading structure, for posts below Director level, was implemented with effect from 1st April 2016.

National Conditions of Service

- 5.5 The employment terms and conditions of service for most of the Council's employees below Director/Chief Officer level are those of the National Joint Council (NJC) for Local Government Services as amended and/or supplemented by any local agreements with the Council. Any annual pay award is agreed by this NJC and is usually effective on 1st April each year.
- 5.6 The exception is craft employees, whose pay and conditions of service is determined by the Joint Negotiating Committee (JNC) for Local Authority Craft & Associated Employees. Pay for this group is set nationally according to trade type, i.e. it is a fixed - point salary with no incremental points. Pay awards are also negotiated nationally by this JNC and are normally effective from 1st April each year. Following a TUPE transfer of staff the Council also have a small number of staff on terms and conditions of employment that are outside national conditions of service but that are protected under the terms of the TUPE regulations and existing employment law.

Definition of lowest paid employees

- 5.7 The definition of the “lowest-paid employees” for the purposes of this Pay Policy Statement is those full time employees who are paid on spinal column point 12 of Scale 2.
- 5.8 The current annual full-time equivalent value of this pay level, based on a 37 hour standard working week, is £16,123 per annum (last pay award 1st April 2017).

Remuneration of lowest paid employees

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

The Council’s Monitoring Officer

- 5.10 Although not a senior post as defined above, the Council’s role of Legal and Democratic Services Manager has the additional statutory responsibilities of Monitoring Officer. To recognise the additional responsibility of undertaking this statutory role the Legal and Democratic Service Manager receives a supplement of £15,453 per annum, to their substantive pay. This supplement is subject to an annual review, the last review having been in May 2016.

Modern Apprentices

- 5.11 The Council offers Modern Apprenticeships in line with the national scheme. Apprentices are paid less than the Council’s lowest paid employees, which reflects the particular nature of their role, together with experience and training requirements.

Other elements of remuneration

- 5.12 The other elements of remuneration which it is the Council’s policy to offer to its employees is set out in the table in Appendix One. The element of remuneration offered depends on the job role and any job-related requirements e.g. to have a relevant qualification or travelling in order to perform the duties of the job.

6.0 PAY RELATIONSHIPS

- 6.1 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, together with 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.

Pay differences - senior posts

- 6.2 The pay differential between the senior management posts has been set following research undertaken on behalf of the Council by the LGA, an independent organisation and subsequently approved by the Council's Finance and Management Committee.

Pay multiples

- 6.3 A "pay multiple" is the ratio between the highest paid salary and median average salary of the whole of the Council's workforce. On this basis, the current pay multiple is **1:5.45** (2016/17 – 1:5.80). This is based on the median basic salary for the whole workforce of £22,658 pa (£20,849 in 2016/17).
- 6.4 The pay multiple between the basic salary and allowances of its highest paid employee and the lowest paid employees, as defined in this statement is **1:7.75** (2016/17 – 1:8.05)

7.0 DECISIONS ON PAY

- 7.1 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.
- 7.2 When the need arises for the Council to appoint a Chief Executive and Head of Paid Service or Director, the Council will comply with its Senior Officer Appointment Procedure for external appointments. This includes the appointment of a Recruitment and Selection Panel of Elected Members.
- 7.3 The authority to delegate the appointment to a Recruitment and Selection Panel is sought in the case of:
- Head of Paid Service - from Full Council.
 - Director - from the Finance and Management Committee.
- 7.4 The appointment of the Chief Executive (Head of Paid Service) will require a decision by Full Council.
- 7.5 Appointments below Director are made by a panel of appropriate managers.

8.0 AMENDMENTS TO THIS PAY POLICY STATEMENT

- 8.1 This pay policy statement relates to the financial year 2017/18.
- 8.2 The Council may agree any amendments to this pay policy statement during the financial year to which it relates.

9.0 PUBLICATION OF AND ACCESS TO INFORMATION

- 9.1 This pay policy Statement will be published on the Council's website after it has been approved by Full Council. Any subsequent amendments made during the financial year will also be similarly published.
- 9.2 For further information about this pay policy statement please contact F McArdle, Chief Executive (01283 595700) or email frank.mcardle@south-derbys.gov.uk

Appendix One

OTHER PAYMENTS AND ALLOWANCES

The Council operates a transparent pay structure that reflects the relevant duties and responsibilities of each post within the organisation. The Council also recognises that it must pay other payments and allowances to certain individuals or groups of employees to reflect their duties or to attract and/or retain employees. Any payments or allowances are open to all employees. The Council considers this to be justified on the basis that to maintain services for the Community demands a properly resourced and skilled workforce.

Pay Progression

For most posts on pay scales incremental progression through each scale will be applied on the 1st April each year. Employees with less than six months service in the Scale by 1st April will be granted their first increment six months after their appointment, promotion or re-grading. The exception would be where an employee's salary on the 1st April following, 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 Scale with the Council; in which case they shall be entitled to their first increment on the 1st April.

There are some posts that have a bar that prevents incremental progression through the Scale. To go beyond the bar the post holder must satisfy certain criteria (e.g. the attainment of specified competencies or the attainment of a required qualification).

Market Supplements

The Council recognises that pressures in the labour market can mean that pay levels for a particular type of job or profession can be such that the Council's normal pay level would not be competitive to enable it to recruit or retain an employee in that function. In that case, the Council would consider the application of a market supplement.

Local Government Pension Scheme (LGPS)

There are a number of discretions available under the Local Government Pension Scheme which is applicable to all employees. The details of these can be seen in the Council's published Policy Statement on Pensions Discretions.

These discretions were reviewed in June 2014, to take into consideration the changes in the Local Government Pension Scheme and which were approved by Finance and Management Committee on 26th June 2014.

The Council also has policies on Flexible Retirement, Redundancy, Voluntary Redundancy and Retirement on Efficient Exercise Grounds.

Employees who are members pay a contribution to the LGPS which is based on their annual full-time equivalent pensionable pay (including pensionable allowances). Contribution rates are nationally set and currently range from 5.5% and 12.5%.

The Council’s contribution towards the pension scheme for the year 2017/18 is 13.8% of an individual’s pensionable pay. In addition, the Council will make a lump sum payment during the year towards the past service deficit on the current Pension Fund. This is estimated at approximately £1.1million for 2017/18.

Payments on Termination of Employment

The Council’s approach to the termination of employment of Senior Officers (and all other employees) is set out in the:

- ❑ The discretions the Council has adopted under the regulations of the Local Government Pension Scheme (see above table).
- ❑ Its policies on Flexible Retirement, Redundancy, Voluntary Redundancy and Retirement on Efficient Exercise Grounds.

All payment/costs arising from the application of the above must be approved beforehand by the Council’s Finance and Management Committee.

Removal/Relocation expenses

Where 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 Relocation Policy. The policy requires repayment in full if the employee leaves within 2 years of appointment.

Additional responsibility payments

Where employees are required to undertake additional responsibilities for a temporary period of time, they may receive an additional payment in recognition of these. This policy does not apply to Directors and above.

Mileage payments

Specific posts identified by the Council attract a Car Allowance. These are paid in accordance with nationally agreed rates set by the NJC for Local Government Services. They are:

	451 to 999cc	1000 to 1199cc	1200 to 1450cc
Essential Users			
Lump sum per annum	£846	£963	£1,239
Per mile first 8,500	36.9p	40.9p	50.5p
Per mile after 8,500	13.7p	14.4p	16.4p

Casual Users			
Per mile first 8,500	46.9p	52.2p	65.0p
Per mile after 8,500	13.7p	14.4p	16.4p

The above rates are current at 1st April 2017, but may be subject to change during the period of this Pay Policy Statement as a result of changes made by the NJC for Local Government Services.

Professional Subscriptions

The Council pays one professional subscription in relation to specific posts. This applies where it is a requirement of the post for the employee to be a member of a professional body and it is a payment of the annual membership only.

Reimbursement of Subsistence or Other Expenses

In accordance with the requirements of the National Conditions of Service set by the NJC for Local Government Services, the Council makes provision for the reimbursement, up to a maximum specified limit, of approved expenses by employees. The expenses covered are as follows:

Subsistence:	Breakfast	£4.77
	Lunch	£6.57
	Tea	£2.59
	Evening Meal	£8.14
Car Parking:		Fee incurred

Certain conditions must be met for approval of reimbursement of the above expenses.

Mobile Telephones

Mobile telephones are provided to employees when necessary for them to undertake their duties effectively and safely. The Council pays the cost of line rental, and business calls. Employees are required to pay for any personal use.

Landline Telephones

A scheme of reimbursement applies to certain officers who are required to have a landline installed, in particular those officers who are listed in the Council’s Emergency Plan.

Election Fees

The Chief Executive receives fee payments pursuant to his appointment as Returning Officer at elections. The fees paid in vary according to type of election, the size of the electorate and number of postal voters.

Fee payments for national and European elections are set by central government and are, in effect, not paid by the Council, as the fees are reclaimed. Separate payments are made to the Deputy Returning Officer(s) and other members of staff who work as part of the elections team, and are commensurate with time spent undertaking election duties.

Payments for Additional Working

The NJC Conditions of Service make provision for employees graded up to spinal column point 28 (currently £24,964 pa) who undertake work outside of normal working hours, to receive appropriate overtime payments. Those above point 28 are permitted to take time off in lieu for any agreed additional hours worked.

This provision is not available to senior officers whose Conditions of Service are determined by the JNC for Chief Executives or Chief Officers.