



**South
Derbyshire**
District Council

DRAFTPAY POLICY STATEMENT 2014/15

CONTENTS

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

1.0 INTRODUCTION

- 1.1 This Pay Policy Statement for 2014/15 has been produced in accordance with the Localism Act (the Act). The Act requires that a Pay Policy Statement is published annually.
- 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 Guidance has been produced on the Act's provisions relating to openness and accountability in local pay, which local authorities must have due regard to in preparing and approving their annual Pay Policy Statement. The Council's statement takes into account this guidance as well as the provisions of the Act.
- 1.4 The Council has in line with the National Agreement for the National Joint Council for Local Government Services developed a local Workforce Development Strategy. The Strategy addresses five priority areas, one of which is pay and rewards. These areas are seen as critical to improving the delivery of customer focussed services. This Pay Policy Statement is therefore 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 Full Council before the start of each financial year. This will take place at the nearest meeting of Full Council that is held before April each year.
- 2.3 The Pay Policy Statement can be amended during the course of a financial year with approval by Full Council. The revised version will then be published as soon as reasonably practicable by the Council on its website.

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. This post is a member of the Council's Senior Management Team.
- 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 5.11.

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 senior officer remuneration are included in the Council's Statement of Accounts (Note 31)
- 4.15 The last national pay award for senior officers was in 2009.

Local Government Pension Scheme (LGPS)

- 4.16 The pension reform (Pensions Act 2008) provides for auto enrolment into the LGPS. An employee can opt out of the Scheme after starting their employment. Some of the benefits of the LGPS are shown in Appendix One.

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 implemented with effect 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.

Re - employment of Senior Officers and other employees in receipt of an LGPS pension

- 4.21 Under the terms of the Local Government Pension Scheme, an employee who has retired from local government service and is in receipt of a pension may reapply for local government employment. However, where this happens the pension is subject to abatement, i.e. if the pension added to the new salary is higher than the original salary then the amount of pension will be reduced accordingly.
- 4.22 Such persons would only be employed following strict application of the normal process of competitive selection for employment in line with the appropriate Council appointments procedure.

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 all equalities (including equal pay) and other relevant employment legislation.
- 5.3 Currently an employee's pay is based on either a pay scale or a fixed salary point. A pay scale consists of a number of incremental salary points, through which employees may progress until the top of the scale is reached. In some cases progression through the grade is dependent upon specified criteria (e.g. the attainment of a required qualification). The Council's pay structure is derived from 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 followed a job evaluation exercise which was completed 2000 and implemented with effect from 1998. The Council's current pay structure has been subject to Equal Pay Audits.
- 5.4 The Council is currently reviewing its pay and grading structure. To determine pay levels for the posts below Director the Council is using job evaluation. This is a recognised method of measuring the content of jobs and determining internal differentials. The Pay and Grading Review will be undertaken in conjunction with the recognised Trade Unions.

National Conditions of Service

- 5.5 The employment terms and conditions of service for most of the Council's employees below Director 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 effective on 1st April each year. The exception is the craft employees.
- 5.6 The pay and conditions of service for craft employees 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 effective from 1st April each year.

Definition of lowest paid employees

- 5.7 The definition of the "lowest-paid employees" adopted by the Council for the purposes of this Pay Policy Statement is set out below.
- 5.8 The lowest paid full - time employees within the Council are those who are paid on spinal column point 11 of Scale 1.

- 5.9 The current annual full-time equivalent value of this pay level, based on a 37 hour standard working week, is £14,880 per annum.

Remuneration of lowest paid employees

- 5.10 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

- 5.11 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. This is because the Monitoring Officer should have a broad knowledge of local authority legal and administrative procedures and the Members' Code of Conduct. To recognise the additional responsibility of undertaking this statutory role the Legal and Democratic Service Manager receives a supplement of £7,500 per annum to their substantive pay. This supplement is subject to an annual review.

Modern Apprentices

- 5.12 The Council offers Modern Apprenticeships in line with the national scheme. Apprentices are paid less than the Council's lowest paid employees, as defined in this pay policy statement. The Council applies a lower pay rate and/or different remuneration arrangements to this category of employees, to reflect the particular nature and/or duration/frequency of their employment.

Other elements of remuneration

- 5.13 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 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.

- 6.2 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.

Pay differences - senior posts

- 6.3 The pay differential between the senior management posts have been set though the research undertaken on behalf of the Council by the LGA an independent organisation (please see paragraphs 4.7 and 4.8). They were subsequently approved by the Council's Finance and Management Committee.

Pay multiples

- 6.4 An example of 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 1:6.1 (2013/14 – 1:5.8). This is based on the median basic salary for the whole workforce of £19,817 pa (£19,125 in 2013/14).
- 6.5 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 1:8.2 (2013/14 – 1:7.6)

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 2014/15.
- 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 The Council will publish this pay policy statement on its website at www.south-derbys.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.
- 9.2 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, also available on its website.
- 9.3 For further information about this pay policy statement please contact F McArdle, Chief Executive (01283 595700) or email frank.mcardle@south-derbys.gov.uk

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; except where their salary on the 1st 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 Scale with the Council, when they shall be entitled to their first increment on the 1st April.

There are some pay scales 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). These pay scales are applied to specific posts. Attainment of the required criteria enables progression beyond the bar that has been set. It does not necessary follow that movement to this point in the grade is effective from the date that the criterion has been met. This is determined by the criteria set for the post.

Market Supplements

The Council recognises that pressures in the national or regional 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. These are set out below:

Whether to augment membership of an active member (by up to 10 years)	The District Council's policy is not to exercise this discretion as it represents a significant cost to the Council
Whether to grant additional pensions to a member (by up to £5,000 per annum)	The District Council's policy is not to exercise this discretion as it represents a significant cost to the Council
Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	The Council has a policy that any flexible retirement must normally be at no cost to the Council. If there are any costs associated with an application for flexible retirement it is the Council's policy the Finance and Management Committee must approve it.
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	The District Council's a policy is not to exercise this discretion as it represents a significant cost to the Council
Whether to grant application for early payment of benefits on or after age 55 and before age 60	The Council's policy is not to agree the early release of pension benefits under this regulation. In those cases where it can be demonstrated to be in our interests or in the interest of the scheme member on compassionate grounds, taking into account all relevant factors, we will consider applications for the early payment of benefits.
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early.	The Council has a general policy not to exercise this discretion.
Whether to contribute to a shared cost Additional Voluntary Contribution (AVC) arrangement	The Council has a general policy not to exercise this discretion.
Whether to base redundancy payments on the employee's actual weeks pay rather than limit a week's pay to the statutory maximum.	It is the Council's policy to base redundancy payments on an employee's actual week's pay.
Whether to increase the number of weeks redundancy pay (up to 104 weeks)	The Council exercises this discretion, up to a maximum of 45 weeks in cases of voluntary redundancy.

These discretions are to be reviewed by June 2014 to take into consideration the changes in the Local Government Pension Scheme.

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

Employees who are members pay a contribution to the Local Government Pension Scheme. This 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 2014/15 is 12.8% 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 £600,000 for 2014/15.

Payments on Termination of Employment

There are no separate provisions for termination payments for Chief Officers.

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 policy. The policy includes eligibility criteria and it sets maximum limits on the levels of payment and total level of expenditure. 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 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 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 2014, but may be subject to change during the period of this Pay Policy Statement as a result of changes made by the National Joint Council 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. These include prior approval, production of receipts and only those expenses incurred when undertaking work on behalf of the Council.

Mobile Telephones

Mobile telephones are provided to 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 pays the cost of line rental, text, e-mail 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 to effectively undertake their duties and 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 respect of parish, district and county council elections vary according to 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 National Joint Council Conditions of Service make provision for employees graded up to spinal column point 28 (currently £23,709 pa), who undertake work outside of normal working hours, to receive appropriate overtime payments. Those above point 28 are not normally entitled to overtime payments but are allowed to take time off in lieu for any additional hours worked

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

Document Control

Version Control

Printed documents are uncontrolled. This document is only valid on the day it was printed.

Version	Description of Version	Effective Date
1.0	Pay Policy Statement	1 st April 2012
2.0	Pay Policy Statement - annual review	1 st April 2013
3.0	Pay Policy Statement	1 st April 2014

Approvals

Approved by	Date
Joint Negotiating Group	
Joint Consultative Committee (if applicable)	N/a
Finance & Management Committee	N/a

Associated Documentation

Description of Documentation	