



**South
Derbyshire**
District Council

**ANNEX A
PAY POLICY STATEMENT
2012/13**

Approved by the Council on

**Northgate Human Resources
Organisational Development**

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1.0 INTRODUCTION

- 1.1 This Pay Policy Statement for 2012/13 has been produced in accordance with the Localism Act (the Act). The Act also requires that a Pay Policy Statement is published for each subsequent financial year after 2012/13.
- 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 Council must produce a Pay Policy Statement for the financial year 2012/13 and that it must be approved by Full Council. The approved policy will be published on the Council's website.
- 2.2 The Pay Policy Statement will be reviewed on an annual basis. Each new version of the policy will be approved by the 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 the 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 that 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.
- ❑ Director of Operations. This post is a member of the Council's Senior Management Team and the post holder also undertakes the statutory role of Monitoring Officer as required by Section 5 of the Local Government and Housing Act 1989.
- ❑ Heads of Service. These posts report either to the Chief Executive or Director of Operations. The Heads of Service are:
 - ❑ Head of Housing and Environmental Services
 - ❑ Head of Community and Planning Services.
 - ❑ Head of 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.

Background

4.2 The Chief Executive and Director of Operations are the Council's Senior Management Team. The Heads of Service are the next most senior officers within the Council. 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.

Overall policy on the remuneration of senior posts

4.3 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 (formerly Local Government Employers)
- 4.4 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 and the last review of pay for senior officers was completed in 2010 with the exception of the Chief Executive's pay which was reviewed in 2007.
- 4.5 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 Director of Operations, in addition to their management responsibilities, deputises for the Chief Executive when necessary and is also the Council's Monitoring Officer. This post therefore warrants the next highest pay level in the Council.
 - The Heads of Services report directly to either the Chief Executive or the Director of Operations. 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 Director of Operations.

Developing pay scales for senior posts

- 4.6 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. It has either appointed a Remuneration Panel consisting of elected members (in the case of the Chief Executive's post) or appointed an appropriate officer to develop and recommend, in accordance with a project brief, the relevant pay scales.
- 4.7 An independent organisation, the Local Government Employers (LGE), was commissioned by the Council to advise both the Remuneration Panel and appointed officers.
- 4.8 Part of the LGE'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 LGE 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 LGE identified relevant pay data which enabled the Council's pay scales for the Chief Executive's post and the other senior posts to be benchmarked against the pay scales for similar posts in comparable District Councils.
- 4.9 Based on this information recommendations were made to the Finance and Management Committee by the Remuneration Panel and appointed officers as appropriate on the pay scales for the Council's senior posts. The current pay scales for the Council's senior posts are set out below.

Remuneration of Senior Posts

- 4.10 The current pay scales for the Council's senior posts consist of six incremental points. Progression through the scale is usually on an annual basis that takes effect on 1st April each year. The scales have a bar beyond which further progression is subject to the post holder meeting one or more stated criteria as shown below.
- 4.11 Details of senior officer remuneration are included in the Council's Statement of Accounts (Note 31). http://www.south-derbys.gov.uk/business/council_budgets_and_spending/statement_of_accounts/default.asp
- 4.12 The last national pay award was in 2009.
- 4.13 In addition to an annual salary employees in the above posts have access to the Local Government Pension Scheme and other benefits as shown in Appendix One.

Pay awards

- 4.14 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.

Overtime etc

- 4.15 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

- 4.16 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.

Employment of those in receipt of an LGPS pension

- 4.17 Where in the unlikely event that the Council employs as a Chief Executive or Chief Officer 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 in line with the Council's Senior Officer Appointments Procedure.

5.0 EMPLOYEES IN POSTS BELOW HEAD OF SERVICE

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 an Equal Pay Audit.
- 5.4 The Council is currently reviewing its pay and grading structure. To determine pay levels for the posts below Head of Service the Council is using job evaluation. This is a recognised method of measuring the content of jobs and determining internal differentials.

National Conditions of Service

- 5.5 The employment terms and conditions of service for most of the Council's employees below Head of Service 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, for the financial year 2011/12 is £14,733 pa.

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.

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, 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

- 5.12 The other elements of remuneration which it is the Council's policy to offer to its employees are 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 LGE 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 mean average salary of the whole of the Council’s workforce. The current pay multiple is 1:4.7. This is based on the mean average basic salary and allowances for the whole workforce being £23,518.
- 6.5 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 1:7.5
- 6.6 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. The Council does not expect the above pay multiples to materially change. They will be monitored annually within the Pay Policy Statement.

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, Corporate Director or Head of Service, the Council will comply with its Senior Officer Appointment Procedure. 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.
 - Corporate Director and Heads of Service, 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 Head of Service 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 2012/13.
- 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 M Alflat, Director of Operations (01283 595712 or e-mail mark.alflat@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)

The Council offers all its employees access to the Local Government Pension Scheme, in accordance with the statutory provisions of the scheme. 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 has a policy 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 Council has a policy 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.
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	The Council has a policy 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 considers this on a case by case basis. Applications must be approved by the Finance and Management Committee.
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.	The Council has a policy to apply this discretion
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.

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 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 7.5%.

The Council's contribution towards the pension scheme for the year 2011/12 is 22.30%.

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 Heads of Service 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 February 2012, 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
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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.

In 2011, the fee paid for the designated Counting Officer at the Referendum was prescribed by central government by means of a Fees and Charges Order.

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

Approvals

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

Associated Documentation

Description of Documentation	