

**Amber Valley Borough Council
Pay Policy Statement 2017-18**

1. This statement sets out the Council's pay policies.
2. In determining its grading structure and pay levels for all posts, the Council takes account of value for money in the use of public money, the need to recruit and retain high quality employees consistent with the requirements of the post, its equality duty, and other employment legislation.
3. The Council uses the National Joint Council for Local Government Services' (NJC) pay spine as the basis of its local grading structure. The grade of a post is determined by application of the nationally agreed Job Evaluation process. The value of scale point changes in line with national agreements, including any 'cost of living' increases. The last increase in the national pay spine was effective from April 2016.

The Council's Grading Structure

Local Grade	Pay	Salary Band	NJC Scale Points	No. of employees (FTE) in grade
Grade 1		£14,514 – £14,615	6 – 7	4.67
Grade 2		£14,771 – £15,507	8 – 11	27
Grade 3		£15,823 – £17,169	12 – 16	10.64
Grade 4		£17,547 – £19,939	17 – 21	48.75
Grade 5		£20,456 – £23,166	22 – 26	47.20
Grade 6		£23,935 – £27,394	27 – 31	18.71
Grade 7		£28,203 – £31,288	32 – 36	33.94
Grade 8		£32,164 – £36,019	37 – 41	12
Grade 9		£36,937 – £39,660	42 – 45	1
SM1		£40,619 – £41,551	46 – 47	6.81
SM2		£42,474 – £43,387	48 – 49	5
SM3		£44,316 – £45,244	50 – 51	0

[SM – Senior Manager]

4. All other pay-related allowances are the subject of either nationally or locally negotiated rates.
5. New appointments will generally be at the minimum of the relevant grade, but this can be varied to secure the best candidate, or to respond to variations in the pay market.
6. There are a number of pay points within each band. For employees not on the highest point within the band, there is a system of annual progression to the next point on the band, subject to satisfactory performance. Faster progression is possible under the Council's policy on merit increments.
7. The Council has addressed the equal pay requirements of the Equality Act 2010, by objectively justifying all pay differentials through the use of equality-proofed Job Evaluation mechanisms. This directly relates salaries to the requirements, demands and responsibilities of the post.

8. The Council does not employ a Chief Executive, the statutory role of Head of Paid Services alternates between the Executive Director (Resources) and Executive Director (Operations) on an annual basis, with the Executive Director who is not Head of Paid Service being the Deputy Head of Paid Service. The Executive Director (Resources) has the Statutory Officer role of Chief Finance Officer and the Assistant Director (Legal & Democratic Services) has the Statutory Officer role of Monitoring Officer.
9. The Chief Officers roles and grading structure were reviewed during 2013-14, with a reviewed pay structure implemented from the 1 February 2014. This was an independent review carried out by the Local Government Association (LGA). A further review of the Council's Senior Management structure will take place during the year as a part of a three phased approach to addressing the Council's Budget Deficit. A 100% review of all services is being carried out during 2016 and 2017, Phase 1 was completed in January 2017 and Phase 2 commences on the 1st April 2017.

Additional payments

10. In addition to the basic pay for the post, employees may be eligible for other payments under the Council's existing policies. Some of these payments are subject to tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:-
 - The Council pays an allowance of 45p a mile to all employees if they use their car for Council business.
 - Exceptionally, and subject to operational circumstance, any employees unable to take their full leave entitlement may be entitled to a payment for untaken leave as an accumulated sum on termination of employment.
 - Payments may be made to an employee to recognise additional duties and responsibilities that are over and above their contractual obligations, or for working agreed additional hours under exceptional circumstances. The Management Team may agree these one-off payments under the Council's approved honoraria scheme.
 - If an employee is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is generally paid for the first 12 months, in accordance with the Council's Redundancy Policy.

Chief Officers

11. The Council's policies and procedures for the recruitment of Chief Officers are set out in Part 4 of the Council's Constitution. The responsibilities of the Chief Officers are set out in Article 12 of Part of the Constitution.
12. This pay policy statement covers:-
 - a) Head of the Paid Service – Executive Director (Resources) (Band 1); Executive Director (Operations) (Band 1).

- b) Statutory Chief Officers -
 - i) Chief Financial Officer -Executive Director (Resources) (Band 1); and
 - ii) Monitoring Officer – Assistant Director (Legal & Democratic Services) (Band 2A).
- c) Non-statutory Chief Officers -
 - i) Assistant Director (Planning and Regeneration) (Band 2);
 - ii) Assistant Director (Landscapes, Growth & Community Safety) (Band 2);
 - iii) Assistant Director (Well-being) (Band 2).

13. The Council has a three band Chief Officer Grading Structure. The grades are increased in line with any national agreement for ‘*cost of living increases*’. The last such increase was in April 2016. To provide some flexibility in future decisions about the recruitment, or adjustments to pay of Chief Officers, this statement sets the range of pay for these posts.

The Council’s Chief Officer Grading Structure:

	Point 1	Point 2	Point 3
Band 1 – Executive Directors	£77,265	£79,841	£82,416
Band 2A – Assistant Director- Legal & Democratic Services	£63,125	£64,388	£65,650
Band 2 – Assistant Directors	£52,259	£53,805	£55,350

14. The Council has a band above the Senior Manager Grading of the (NJC) Grading Structure for Senior Heads of Service.

The Council’s Heads of Service Grading Structure:

	Point 1	Point 2	Point 3
Band 3 – Heads of Service	£46,701	£48,247	£49,792

15. The Executive Director (Resources) receives appropriate fees for services and expenses for the separate statutory appointment as Returning Officer at elections. Fees and payments received and made in respect of Borough Council, County Council and Parish Council elections vary according to the size of the electorate and number of postal voters. The duties carried out are calculated in accordance with a countywide scheme. Fees and payments received and made by the Returning Officer for National and European elections are set by and paid for by central government. Payments made to the Executive Director (Resources) for work on elections are recorded in the Council’s Financial Statements under ‘Notes to the Financial Statements’ ‘Officers Remuneration’

16. This recognises that the duties of the Returning Officer are distinctly separate from those as a local government employee. The Returning Officer is directly accountable to the court system as an independent statutory officer.

17. Election Fees - Separate payments are made to the other members of staff who work as part of the elections team, and are commensurate with duties and responsibilities carried out.
18. The Council does not operate a scheme of performance-related pay or bonuses for its employees.

Lowest-Paid Employees

19. The Council defines lowest-paid employees as being those employed in Grade 1 of the Council's grading structure. The lowest salary paid is £14,514. This pay rate is increased in accordance with any pay settlements, which are reached through the NJC.
20. The Council introduced and adopted the Living Wage with effect from 1 April 2014. An employee whose substantive equivalent hourly rate is below the Living Wage, receives an increase in their hourly rate to match it. This will remain until such time as their substantive salary increases to either match or exceed the Living Wage rate in force at that time. This rate will be applied as a discretionary pay supplement; however, contractually an employee's basic contractual pay will remain unchanged.
21. The Living Wage rate will be reviewed on an annual basis and will take account of the national Living Wage rate as well as the Council's budgetary considerations and structure.

Pay levels between Chief Officers and other employees

22. The pay levels within the Council are defined by the multiple between the median salary of employees and that of the Head of Paid Services. The ratio is 1:4.1, meaning that the Head of Paid Services is paid 4.1 times more than the middle graded post on the establishment earning £20,138. This is below the expected multiples of 1:8 – 1:12 for the public sector as identified in the Hutton Review, and pay multiples of near neighbouring authorities.
23. Based on the above, the pay multiple will be maintained below the Hutton Review minimum of 1:8.

Approval of large salary packages in excess of £100,000

24. The Council will first consider any large salary package for any post that is in excess of £100,000 before an offer of appointment is made. The salary package is the base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

Payments on termination

25. The Council's approach to statutory and discretionary payments on the termination of employment of all employees is set out in its Redundancy Policy, which includes the written statement in accordance with regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

Tax Payments

26. The Council will not enter into any individual arrangements that seek to minimise tax payments.

Publication of information

27. This statement will be published on the Council's Website by 31 March 2017.
28. In accordance with Schedule 1 of the Accounts and Audit Regulations 2015, there are two related disclosures required:
- Figures for the number of officers whose remuneration was £50,000 or more, grouped in £5,000 bands for the current and previous financial year.
 - The individual remuneration of senior employees for the current and previous financial year.

The statement of accounts is available on the Council's website.

Amber Valley Borough Council
31 March 2017