



Northumberland County Council

Pay Policy Statement April 2022 to March 2023

Purpose

1. The Localism Act 2011 requires the County Council to prepare and publish a Pay Policy Statement. The purpose of such a statement is to articulate the Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. The Council wishes to ensure that it operates on the principles of equal pay for work of equal value, and also within the various other legislative requirements, including the Equality Act 2010.
2. This policy statement applies to the 2022-23 financial year and has been approved at a meeting of the Council which was open to the public and observers. It will be reviewed annually and takes into account the guidance on openness issued by the Secretary of State for Housing, Communities and Local Government (MHCLG)

Scope

3. The policy applies to all Council employees although it does not normally refer to particular individuals (except where specifically agreed) to ensure the General Data Protection Regulations are adhered to. This policy does not apply to school staff as it is the responsibility of each school to determine their own pay policies.
4. The Council's policies and schemes relating to data transparency, and the guidance on transparency issued by the Secretary of State for MHCLG should be read in conjunction with this pay policy statement.

Publication

5. This policy will be published on the Council's website and will be made available to the community. This will enable local people to have an informed view of whether local decisions on all aspects of remuneration are reasonable and make the best of public funds.

Salaries of Chief Officers and Senior Posts

6. The Council's management structure, along with the salaries of the Council's Chief Officers and its most senior staff will be published on the Council's internet site. All these posts are evaluated using the Local Government Employers job evaluation scheme. When determining salary bands, there are a number of factors taken into account, including:

- The current labour market
- The Council's senior structure, financial situation and foreseeable future changes to these
- The total remuneration package
- How pay is linked to remuneration of the wider workforce and national negotiating frameworks
- The costs over the short, medium and long term.

The Staff & Appointments Committee (Paragraph 14) has access to appropriate independent expert advice where necessary. Senior management pay bands will increase in line with the nationally negotiated pay increase for the NJC for Local Government Services employees. The Committee also has the discretion to agree additional pay points if required.

7. For the purpose of this policy statement, the Council defines its senior posts as those at Head of Service level and above.

8. Chief Executive works within the national conditions of service covered by the JNC for Chief Executives.

9. All Senior Officers are employed on Northumberland County Council Terms & Conditions for Senior Management, which are locally determined and are supplemented by policies of the Council. Chief Officers (as defined in paragraph 12) also work within the national conditions of service covered by the JNC for Chief Officers.

10. The data publicised for senior posts will detail the post title, the banding range (as recommended by the Department for Housing, Communities and Local Government in its guidance on Data Transparency), and the name of the current post holder. The conditions of service for senior staff require them to agree to the publication of such information.

11. All senior staff are appointed to a spot point within their salary range and there is no automatic incremental progression within the range. The default position is that there is no increment awarded, however, the Head of Paid Service will review the performance of each post holder and may award an increment in accordance with the Senior Manager Terms and Conditions of Employment. There is no "earn back" scheme in operation.

12. In addition to the above, for Chief Officer posts, salary and any other fees, allowances, bonuses, performance related pay, and benefits in kind that the post holder would routinely be entitled to will also be published in the Council's Statement of Accounts. Chief Officer is defined in s43 of the Localism Act 2011 as follows:

- € The head of the authority's paid service
- € The monitoring officer
- € Any statutory chief officer:
 - The person having responsibility, for all statutory purposes (inc. s151 of the Local Government Act 1972), for the administration of the authority's financial affairs.
 - The Director of Children's Services appointed under s18 of the Children Act 2004.
 - The Director of Adult Social Services appointed under section 6 (A1) of the Local Authority Social Services Act 1970 (as amended by the Children Act 2004).
 - The Director of Public Health appointed under s73A (1) of the National Health Service Act 2006.
 - The Director of Education appointed under s532 of the Education Act.
 - The Chief Fire Officer of a fire brigade maintained under the Fire Services Act 1947 and appointed under regulations made under section 18(1)(a) of that Act.
- € Any non-statutory officer:
 - A person for whom the head of the authority's paid service is directly responsible.
 - A person who in relation to most of their duties is required to report direct or is directly accountable to the head of paid service and any person who similarly is required to report direct or is directly accountable to the authority or its committees.

13. All County Council employees covered by this pay policy statement who have a contract of employment for at least 3 months, and, all Fire Authority employees, are automatically enrolled into the appropriate pension scheme i.e., the Local Government Pension Scheme (LGPS) or the Firefighters Pension Scheme. The employer will make pension contributions to those schemes. In respect of the LGPS, the current employers' contribution rate is 21% of pensionable pay in respect of future service accruals and, in addition, lump sum payments are made in respect of the past service deficit. There are 4 Firefighters Pensions Scheme currently in operation. In respect of the old Firefighters Pension Scheme (the scheme in existence prior to 6 April 2006) the employer pays a pension contribution of 21.7% of pensionable pay. In respect of the Firefighters Pension Scheme (which commenced on 6 April 2006), the employer pays 11.9% of pensionable pay. In respect of the latest Firefighters Pension Scheme (which commenced on 1 April 2015), the employer pays 14.3% of pensionable pay. Employees can opt out of their pension scheme if they wish. The fourth one is the Retained Modified Scheme, introduced 1 April 2015 and the employer's percentage is 21.7%.

14. Any appointment within the Council that attracts a salary package of £100,000 or more will be considered and approved by the Staff & Appointments Committee. Salary package in this respect includes salary and any other fees, allowances, bonuses and benefits in kind that the post holder would routinely be entitled to. This does not include the employer's pension contributions should the post holder choose to join a pension scheme.

Salaries of Posts below Head of Service

15. The band applicable to a post in bands 1-10 (spinal column point 1–43 inclusive) is determined using the job evaluation scheme recommended by the NJC for Local Government Services. A panel of experienced trade union representatives and HR officers evaluate each post using agreed job descriptions. Posts in bands 11-13 (spinal column point 44- 55 inclusive) are evaluated using the Local Government Employers job evaluation scheme. There is a right of appeal against the grade determined for the job in accordance with a locally agreed procedure. There is also an agreed procedure for consideration of individual re-grading requests.

16. There are thirteen bands covering posts below Head of Service. Each band has a number of spinal pay points with a differential falling within agreed parameters. It is the Council's policy to appoint at the bottom of the relevant pay band with agreed rules around appointment, promotion or re-grading to a post with a higher maximum salary. In exceptional circumstances where this is not the case, appointing officers are required to provide clear evidence so that the principles of equal pay for work of equal value are not undermined.

17. Pay bands will be updated annually in line with guidance from the National Employers. Incremental progression within each pay band is normally applicable from 1 April each year up to the maximum of the band, subject to six months' service within the band. Where the service requirement is not met on 1 April, the increment will be paid on the six-month anniversary of the employee's start date on that band.

18. The Council's arrangements for remuneration in respect of additional payments and allowances are outlined in Northumberland County Council's Terms and Conditions of Employment, as are the methods of calculating pay for part time and term time only workers.

Salaries of Other Posts

19. There are a small number of other staff groups employed by the Council who are not covered by Northumberland County Council's Terms and Conditions of Employment. The pay levels for Youth and Community Workers, Tutors, Soulbury employees, centrally employed Teachers, Coroners, Uniformed Firefighters are determined by applying the relevant rules applicable within their own nationally agreed terms and conditions.

Relationship between Senior Posts and Lowest Paid Posts

20. As of December 2022, the Council's pay multiple is 8.73 i.e., the ratio of the median employee remuneration to that of the highest paid employee. This pay multiple is considered to be appropriate and not represent an excessive pay gap.

Severance and Redundancy Payments

21. The County Council's policy on redundancy, severance and pension is reviewed regularly (in accordance with *The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations*). The Redundancy Policy is published on the Council's website. Any changes to this scheme are consulted upon with the relevant trade unions recognised by the Council for collective bargaining purposes. Any significant changes to the scheme must be approved by the Joint Consultative Committee (JCC). This scheme is not contractual, and the County Council may vary the discretionary terms of the scheme. Payments must always be in the financial and managerial interests of the County Council and all cases must be approved by the relevant Executive Director and the Head of Paid Service or their nominated representative.

22. Severance or redundancy payments made to any Chief Officers and Senior Officers will be published in the Council's Statement of Accounts as required.

23. The Staff and Appointments Committee has delegated authority from the Full Council to approve severance and redundancy payments for Chief Officers. For clarity, this requirement applies to all those posts that fall into the scope of s43 of the Localism Act and all Heads of Service. All exit packages over 100k must be approved by the SAC.

The SAC will approve additional special payments for Chief Officers and senior officers and in the interests of transparency all special payments should be reported to the SAC.

Additional Special Payments

24. To ensure the Council has sufficient flexibility to cope with a variety of circumstances, foreseeable or not, the Head of Paid Service, or an individual nominated by the Head of Paid Service, may agree the use of market supplements or other such mechanisms for individual categories of posts, individual posts, or individual employees. As stated in paragraph 23 and, in the interests of transparency all special payments should be reported to the Staff and Appointments Committee.

25. The statutory role of Returning Officer carries a set fee at centrally funded polls such as Parliamentary, PCC elections and national referenda. At such polls this fee is set by order based on local authority size and previous authorised spend. At County Council, Combined Authority and Town & Parish elections (local elections), the Returning Officer's fee is not set by order and is subject to local discretion. It is proposed that the NCC Returning Officer fee for local elections and the calculation of payments made to the election core team and all other staff employed at these polls is based on the most current nationally funded election or a % of it, leading up to that local election. Moving forward all election roles supporting Elections will be aligned to NCC Paybands depending upon the key tasks and responsibilities required for the role. A suite of role profiles has been developed aligned with NCC Paybands and using NJC terms and conditions for calculation of payments for hours worked during elections.

26. The Returning Officer's fee at local elections, together with the schedule of payments made to the election core team and for each job type employed at the election, will be published not later than the publication of the statutory election timetable, notice of election. Any job type that qualifies for a mileage payment that is not inclusive of a fee, mileage will be set at the standard rate for public sector workers.

27. The Returning Officer reserves the right to make reasonable payments as are necessary for the conduct and delivery of casual vacancies and planning referenda that fall outside of the main election cycle.

Re-Employment of Former Employees

28. The Council's policy is that there is no general restriction on any future re-employment of an employee who has been made redundant or who is in receipt of a Local Government or other public sector pension. However, where staff have requested voluntary redundancy, and this has been approved, then re-employment with the County Council to a permanent, fixed term or temporary post within a period of 2 calendar years will only be with the express approval of the Service Director Human Resources. Such approval will only be given on the basis of service need and will take account of current legislation at the date of the request. Posts which are, by their nature, casual and place no obligation on the Council to provide work (and no obligation on an individual to accept work offered) are exempt from this requirement; such posts will include casual registration, electoral and invigilating staff. The County Council does not however approve of "deals" involving the redundancy / early retirement and immediate re-employment of employees either on the payroll or via an agency/consultancy basis. If there are any exceptional circumstances, which might appear to justify such arrangements, these must be discussed and agreed in advance with the relevant Executive Director and Human Resources/Organisational Development.

Pay Protection

29. The Council's Pay Protection and Detriment Scheme outlines the circumstances where it is appropriate to provide pay protection, including the terms and duration.

Secondary Employment

30. Chief Officers may undertake secondary employment if a declaration is made, formal approval is sought and subsequently approved by the Leader of the Council.

31. Senior Officers may undertake secondary employment if a declaration is made, formal approval is sought and subsequently approved by the Head of Paid Service.

Contracts for services and appointment of consultants

32. By law, the county council must determine whether an arrangement with a consultant or contractor constitutes a contract of employment or is on a self-employed basis. We must determine this for every proposed agreement. The decision on status relates to the contract, not the individual. The decision must be undertaken before we agree to any engagement or sign any contract. Where an engagement constitutes a contract of employment, our standard terms and conditions will apply. The county council will pay the contract at the evaluated rate for the job. It may be appropriate to re-engage a former employee as a consultant with a contract for service in certain circumstances, such as:

- € for discrete pieces of work where the former employee has the appropriate skill and experience, which is not available elsewhere in the council
- € where it is more cost-effective
- € where it is difficult to recruit due to market conditions
- € where work of an urgent nature arises at short notice

The county council will make such arrangements time-limited and subject to appropriate written agreements covering the nature, duration and quality standards. We will include the basis on which the agreement terminates. The contractor must sign the written agreement before the arrangement starts. The initial consideration for providing cover for urgent work will be through the use of temporary employment contracts. We will advertise these in the usual manner. The county council may make acting-up or secondment arrangements available to existing staff, particularly where work relates to the regular business of the service area.

33. Under the Pensions Act 2008, the county council must comply with auto-enrolment regulations. We will assess whether a contractor is an employee rather than self-employed and therefore, pensionable under the Act. To determine whether a consultant is self-employed, consideration is given to:

- € the contractual terms we agree
- € the realities of the employment relationship

The county council will review whether there is provision for substitution and whether resources are provided by the consultant or by us. These examples are not exhaustive and are illustrative of the type of factors that will be taken into account.

Personal service contracts

34. In the contracting sector, the generally-accepted definition of a personal service company is:

- € a limited company that typically has a sole director, the contractor, who owns most or all of the shares

Contractors choose to work for clients using their own limited companies for many reasons. Limited companies can be a tax-efficient way for contractors to work. They may split their income between salary and dividends. This means they do not pay employers' or employees' Class 1 National Insurance Contributions on a large part of their income. Personal service contracts prevent the risk of there being a contract of service or an employment relationship with us. This eliminates any income tax liability on the county council. Using a limited liability company also insulates contractors from business risk to a certain extent. Due to Government changes in the rules for off-payroll working in the public sector for intermediaries, off payroll work is supported by the County Council Procurement service to ensure good practice is followed.

Policy Review

35. This policy statement will be reviewed annually and any disputes relating to interpretation will be considered by the Head of Paid Service or a person nominated by the Head of Paid Service who will be the final arbiter. Where unforeseen circumstances require flexibility of this policy, the Head of Paid Service, or the Staff & Appointments Committee if the matter concerns a Senior Officer, will have the power to implement changes. Any deviation from the policy in-year will be reported to the full Council at the next review date.