

NORTHUMBERLAND

Northumberland County Council

Pay Policy Statement

April 2015 to March 2016

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 also 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 2015-16 financial year and has been approved at a meeting of the full County 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 Communities and Local Government.

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 Data Protection Act is 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 Communities and Local Government should be read in conjunction with this pay policy statement.

Publication

- 5 This policy will be published on the Council's internet site 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. Other than the Chief Fire Officer, the Deputy Chief Fire Officer and the Assistant Chief Fire Officer, these posts are evaluated using the Local Government Employers job evaluation scheme and the salary bands are determined by Full Council. When determining salary bands, the Council takes into account a number of factors, 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 Committee also 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.

The Chief Fire Officer, the Deputy Chief Fire Officer and the Assistant Chief Fire Officer posts are evaluated having regard to the provisions of the National Joint Council for Brigade Managers of Fire and Rescue Services, and to other fire authorities, local circumstances, local labour markets, and the points outlined above.

- 7 For the purpose of this policy statement, the Council defines its senior posts as those at Head of Service level and above.
- 8 The data publicised for senior posts will detail the post title, the banding range (as recommended by the Department for Communities and Local Government in their 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.
- 9 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.
- 10 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. The following posts are defined as Chief Officers:
 - Lead Executive Director
 - Executive Director – Local Services
 - Executive Director – Wellbeing and Community Health
- 11 Senior Officers are employed on terms and conditions of service, known as *Northumberland County Council Terms & Conditions for Senior Management*, which are locally determined and are supplemented by policies of the Council.
- 12 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 15.8 % of pensionable pay in respect of future service accruals and, in addition, lump sum payments are made in respect of the past service deficit. In respect of the old Firefighters Pension Scheme (the scheme in existence prior to 6 April 2006) the employer pays a pension contribution of 21.3% of pensionable pay. In respect of the new

Firefighters Pension Scheme (which commenced on 6 April 2006), the employer pays 11% of pensionable pay. Employees can opt out of their pension scheme if they wish.

- 13 If a Senior Officer is the lead professional officer in the Council, the Council will pay for membership of one professional institution. Additional subscriptions may be paid if the individual's membership is on behalf of the Council as a corporate body. Any subscription of this type must be approved in advance by the Head of Paid Service.
- 14 Any appointment within the Council that attracts a salary package of £100,000 or more will be considered by Full Council before it is advertised. Members will be given the opportunity to vote on whether they agree with proceeding with the recruitment for the post. 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 employers' 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 6 - 49 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 50 – 61 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 Fire

Fighters and Fire Fighter Senior Managers 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 at December 2014, the Council's pay multiple i.e. the ratio between the highest paid employee and the median average earnings is 8.35. This pay multiple is considered to be appropriate and not represent an excessive pay gap.

Severance and Redundancy Payments

21 In accordance with the discretions provided within Local Government Regulations¹, the Council maintains a local severance/redundancy payments scheme. This is reviewed annually and is published on the Council's internet site. 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 Policy Board. 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 his/her nominated representative. Any discretionary elements of the scheme are subject to Staff and Appointments Committee approval.

22 Severance or redundancy payments made to any Chief Officers will be published in the Council's Statement of Accounts as required. The Staff and Appointments Committee has delegated authority from Full Council to approve severance and redundancy payments for Chief Officers, unless the severance package (including redundancy, any discretionary elements, strain on pension fund costs and any pay in lieu of notice) exceeds £100,000, in which case the proposal must be approved by Full Council.

23 Any severance or redundancy package for any other employee where the cost exceeds £100,000 (including redundancy pay, any discretionary elements, strain on pension fund costs and any pay in lieu of notice) must be approved by Full Council.

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.

25 The Returning Officer receives a fee for election duties. For local elections the fee is £100 per contested division which equates to £6,600 when elections are held every four years. Some of the Deputy Returning Officers are also senior managers of the Council. They will normally receive payments of £60 per division but the amount will vary with the nature and scope of their duties. For national and European elections Returning Officer fees are set nationally. The remuneration is made to reflect the civil and criminal liabilities that accompany the roles. These and other election related fees are not included in the standard remuneration for posts and are paid separately.

¹ Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Re-Employment of Former Employees

26 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. In fact, to adopt policies to the contrary could be subject to challenge under equalities legislation. However, such re-employment should be unconnected with the redundancy, except where alternative employment is found and pension and redundancy payments are returned in accordance with the relevant legislation. The County Council does not approve of 'deals' involving the redundancy or early retirement, and immediate re-employment of staff either as direct employees, via an agency, or on a consultancy basis. If there are any exceptional circumstances which might appear to justify such arrangements, these must be agreed in advance with the relevant Executive Director and the Head of Paid Service or his/her nominated representative.

Pay Protection

27 The Council's Pay Protection and Detriment Scheme outlines the circumstances where it is appropriate to provide pay protection.

Policy Review

28 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 and 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 full Council at the next review date.