

Pay Policy Statement 2023/24



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Change History

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1.0	10/01/2023	Final

Consultees

Internal	External
Head of Paid Service	
(Chief Executive)	
Chief Finance Officer	
(Executive Director of Finance)	
Executive Director of Corporate Services	
Monitoring Officer	
(Director of Legal and Democratic Services)	
Corporate Services Portfolio Holder	

Distribution List

Internal	External
Executive Leadership Team (ELT)	Council
	Public (Publication on WNC Website)

Links to other documents

Document	Link

Additional Comments to note

At point of publication, a pay and grading project is underway within West Northamptonshire Council to introduce a job evaluation mechanism, a new WNC pay structure and an agreed set of day one terms and conditions for all employees on WNC interim pay, terms and conditions.

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1. Introduction and purpose

- 1.1 West Northamptonshire Council (WNC) is a Unitary Authority which covers the geographical areas of West Northamptonshire.
- 1.2 Under section 112 of the Local Government Act 1972, the council has the "power to appoint officers on such reasonable terms and conditions as authority thinks fit".
- 1.3 This Pay Policy Statement (the 'statement') is required under Part 1, Chapter 8 'Pay Accountability' of the Localism Act 2011. It does not form part of an employee's contract of employment and does not create any contractual rights.
- 1.4 This policy statement has been approved by the council and is effective from 1st April 2023. It will be subject to review annually and in accordance with legislation to ensure that it remains relevant and effective.
- 1.5 The financial information published to meet legislative responsibilities uses a snapshot date of December 2022.
- 1.6 The Pay Policy Statement, along with appendices, is published on the Council's Website -<u>www.westnorthants.gov.uk</u>

2. Requirements of the Localism Act

- 2.1 In accordance with the Localism Act, the purpose of the Pay Policy Statement is to provide transparency with regard to the council's approach to setting the pay of its employees by outlining the Council's policies relating to:
 - The remuneration of its Chief Officers
 - The remuneration of its lowest-paid employees,
 - and the relationship between:
 - The remuneration of its Chief Officers and
 - The remuneration of its employees who are not Chief Officers.

The pay ratios in respect of these are given at **Appendix one**.

- 2.2 The definition of chief officers (as set out in section 43(2)) is not limited to Heads of Paid Service or Statutory Chief Officers, it also includes Non-Statutory Chief Officers and those who report directly to Statutory or Non-Statutory Chief Officers (i.e. Deputy Chief Officers).
- 2.3 The Pay Policy Statement applies to WNC employees excluding schools. This is in line with the Secretary of State's 'Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act' (February 2012) and Supplementary Guidance (February 2013).
- 2.4 Although the Council is the ultimate employer for employees in some West Northamptonshire schools, each school has a separate Pay Policy with a reporting line to the Governing Body and it is the school that ultimately determines the terms and conditions for its employees.

2.5 The Pay Policy Statement reflects the approach taken to pay by WNC and any new appointment are offered on WNC pay, terms and conditions. As a result of the creation of WNC on 1 April 2021, we recognise there are a number of WNC employees on various TUPE protected terms and conditions. The council makes decisions in respect of pay awards and incremental progression for all employees including the TUPE workforce.

3. Context of West Northamptonshire Council

- 3.1 The council employees 2,755 staff and provides a wide range of services to 425,726 residents (according to 2021 census data).
- 3.2 An organisational structure chart can be found in **Appendix two**, but in summary:
 - The Chief Executive is the lead advisor to elected members and Head of Paid services.
 - Corporate Services Directorate includes Human Resources, Digital, Technology and Innovation, Customer Services, Legal and Democratic Services and Project Management Office.
 - Finance Directorate includes Accountancy, Strategic Finance, Revenues & Benefits, Procurement, Pensions, Audit & Risk, Finance Operations.
 - People Directorate includes Adult Social Care, Public Health, Education, Children's Trust (Commissioning & Partnerships).
 - Place, Economy & Environment Directorate includes Planning & Development, Transport & Waste, Regulatory Services, Assets & Environment, Archives & Heritage and County Parks.
 - Communities & Opportunities Directorate includes Housing & Homelessness, Community Safety, Town & Parishes, Leisure, Economic Development, Regeneration, Visitor Economy and Libraries.
 - Assistant Chief Executive includes Communications, Business Intelligence & Performance, Executive Support, Sustainability and Lord Lieutenancy.
- 3.3 Children's Services across Northamptonshire are provided by Northamptonshire Children's Trust (NCT) to WNC. NCT is jointly owned by WNC and North Northamptonshire Council (NNC) but managed by an independent board of Executive and Non-Executive Directors ensuring operational independence.

4. Definitions for the purpose this pay policy

- 4.1 **'Pay'** in addition to salary this includes any bonuses, fees, allowances routinely payable to the appointed, any benefits in kind, increases in or enhancements to pension entitlements and termination payments. It does not include any employer pension or NI contributions.
- 4.2 **'Statutory Chief Officer'** The Localism Act defines Chief Officers by reference to various sections of the Local Government and Housing Act 1989. For the purposes of this Pay Policy Statement Statutory Chief officer refers to the following roles within West Northamptonshire Council:
 - Chief Executive (Head of Paid Service)
 - Executive Director Finance (Chief Finance Officer)
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- Director of Legal and Democratic (Monitoring Officer)
- Executive Director of People and Deputy Chief Executive (Director of Children's Services (DCS) & Director of Adults Services (DASS)
- Director of Public Health (DPH)
- 4.3 **'Non-Statutory Chief Officer'** means a person who reports or who is directly accountable to the Head of Paid Service, to the Council, or any committee or sub-committee of the Council as set out in section 2(7) of the 1989 Act (other than persons whose duties are solely secretarial or clerical or are otherwise in the nature of support services) and for this council will be:
 - Executive Director, Place, Economy and Environment
 - Executive Director, Corporate
 - Director of Communities & Opportunities.
 - Assistant Chief Executive
- 4.4 **`Deputy Chief Officer'** are people who report directly or are directly accountable to one or more of the Statutory or Non-Statutory Chief Officers (other than persons whose duties are solely secretarial or clerical or are otherwise in the nature of support services) as set out in section 2(8) of the 1989 Act and for this council will be:
 - Assistant Directors
- 4.5 For clarity, chief officer, and deputy chief officers' roles, whether filled on a permanent employment basis or interim agency basis, are within scope of this pay policy statement.
- 4.6 **'Lowest paid employees'** The Localism Act requires the Pay Policy Statement to define the Lowest Paid Employees. The simplest and most easily understood definition of lowest paid employees might be those employees on the lowest pay point in use by the authority.
- 4.7 WNC defines this as those employees who remain on protected terms and conditions of service under TUPE legislation following transfer to WNC. Jobs at this level include catering assistant, cleaner, domestic assistant, housekeeping assistant and support worker and is £20,300 pa FTE. The definition of the 'lowest paid employees' has been adopted because it accurately reflects the lowest pay rate within WNC. The lowest rate of pay within WNC's local pay structure is above this level, £20,859 pa FTE.

5. Accountability and decision making

- 5.1 It is essential for good governance that decisions on pay and reward packages for the Chief Executive and Chief Officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.
- 5.2 The responsibility for determining pay, terms and conditions for West Northamptonshire Council is delegated to the Head of Paid Service (Chief Executive). Pay at WNC is locally determined.
- 5.3 Where any appointment, including an interim agency appointment, proposes a remuneration package (see 4.1) that could exceed £100,000, approval will be sought from Full Council.
- 5.4 The council's policy and procedures with regard to recruitment of chief officers is set out within the Staff Employment Procedure Rules within the Constitution. When recruiting to all posts the council will take full and proper account of its own Recruitment and Selection
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Policy. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment

- 5.5 The <u>constitution</u> confirms the appointment or dismissal of the Head of Paid Service, the Chief Executive, the Executive Director Finance and the Director of Legal and Democratic may only be made by a meeting of the Full Council, which may either be direct or as confirmation of a recommendation from the Senior Appointments Committee.
- 5.6 The Senior Appointments Committee is responsible for the appointment and dismissal of Chief Officers apart from those stated above.
- 5.7 The Chief Executive or by an officer nominated by them, is responsible for all appointments and dismissals in respect of staff positions that are not Chief Officers.

6. The council's pay strategy

- 6.1 In determining the pay and remuneration of all its employees, the council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the council ensures that all pay arrangements can be objectively justified through the use of Job Evaluation methods (see below).
- 6.2 The council has the following pay scales:
 - WNC Local
 - WNC Local Soulbury
 - WNC Local (NHS)

The council also has over 30 sets of 'inherited' terms, conditions and pay as a result of TUPE legislation.

6.3 The council takes the following approach to assessing individual and overall pay levels.

<u>Defining the role</u> (job description and person specification) – this describes the activities, responsibilities, accountabilities and behaviours which relate to each job and helps ensure that the role and its requirements is fully understood by the individual and the manager. This allows the council to assess the performance of its staff and so improves efficiency and effectiveness.

<u>Determining the job size</u> –The council's job family architecture is underpinned by the NJC Job Evaluation scheme for bands 1-11 and the HAY job evaluation scheme for bands 12-16 which are strategic management roles. Using job evaluation methods ensures that all pay arrangements can be objectively justified in regard to the Equal Pay requirements contained within the Equality Act.

<u>Determining overall pay levels</u> – WNC's pay framework is determined locally. This allows the council to assess the right pay policy and pay levels based on a number of key factors, including ability to pay, national pay comparators, local and regional pay comparators, etc.

The WNC pay and grading structure covers all jobs from the lowest band to Chief Officers, including the Chief Executive, on the highest band.

<u>Pay progression</u> –for all salary bands is set out in the council's Pay Progression Policy.

<u>Market Forces</u> - where necessary the council may apply market factor supplements for specific roles in order to ensure that it can recruit the best staff. This approach will only be adopted where there is clear evidence of recruitment difficulty, and any such payments will be time limited and in accordance with council policy.

7. Pay Design & Job Family Architecture

- 7.1 The council's pay spine is based on a locally determined pay scheme.
- 7.2 WNC has in place a job family architecture that encompasses all roles within the council which have been appointed to since 1st April 2021 on WNC terms and conditions. A job family is a group of roles with common features, engaged in work where the nature and principal purpose of the roles are alike. Whilst the level of skills, competency and responsibility differ between roles, the core nature of the activities carried and who they are providing a service to is similar across all levels. A job family is not the same as a directorate or business unit. WNC has nine job families.
- 7.3 There are 16 organisational levels within the job family architecture, 11 levels for officers and managers underpinned by the NJC Job Evaluation scheme, and 5 levels for strategic management, underpinned by the HAY job evaluation scheme. Each level has an associated role profile underpinned by a job evaluation score. The job family architecture and levels can be found within **Appendix three**.
- 7.4 The 16 organisational levels inform the WNC pay bands. To encourage internal growth, development and to improve progression:
 - we utilise the guidance provided in UNISON's 'keeping pay equal' document, as such we aim to keep the number of steps within each band consistent, as far as possible.
 - the fewer incremental steps at the lower end of the structure, reflects the reduced complexity of the roles, aiming also to encourage progression through the pay structure, as employees choose to develop their careers.
 - the bands do not overlap or abut.
 - there are bigger pay increases between band levels to recognise our WNC philosophy
 of internal growth and promotion, by making it more financially rewarding to step into
 a role with enhanced responsibilities.

8. Remuneration

8.1 The salary of the CEO and the salary bands for all Chief Officers are published on the councils website alongside those of other officers earning more than £50,000, see www.westnorthants.gov.uk/your-council/leadership-organisation-structure-and-senior-salaries

- 8.2 <u>Salary on appointment</u>: all new employees will usually be appointed to the bottom pay level for the relevant grade. However, there is discretion for managers to appoint above the bottom of the band, subject to approval of a business case. Further information is contained within the Council's Pay Policy.
- 8.3 As set out in section 5.3, where any appointment, including an interim agency appointment, proposes a remuneration package to the worker that could exceed £100,000, approval will be sought from Full Council.
- 8.4 All salaries are subject to an annual cost of living review which is locally negotiated with our recognised trade unions.
- 8.5 Pay progression for all salary bands is as follows:

Bands 1 - 10, incremental progression is subject to satisfactory performance (criteria outlined in the pay progression policy).

For roles in bands 11 and above, incremental progression is performance related, subject to achieving distinguished performance and other criteria outlined in the pay progression policy.

- 8.6 From time to time, it may be necessary to pay special allowances or supplements to individual employees, where specific circumstances require this and where it can be justified in accordance with council policies. The council uses the following, which are detailed within the council's Pay Policy:
 - <u>Acting up:</u> where a higher banded post becomes vacant. These payments are made to employees who temporarily agree to carry out the duties and responsibilities of a higher-level job.
 - <u>Partial acting up/additional responsibility allowance</u>: where only part of the duties of the higher-level post are temporarily covered.
 - <u>Market factor supplements</u>: an allowance to employees in a job or a job group to ensure the council is competitive within the job market to attract and retain employees with particular experience, skills and capacity, for example when there are skills shortages locally or nationally
 - <u>Honorarium</u>: a one-off payment where an employee has taken on additional duties and responsibilities over and above their usual responsibilities.
 - <u>Recruitment and retention initiatives:</u> For staff groups where there is a national shortage, WNC considers incentives to attract and retain staff from time to time. All such initiatives are trialled and kept under review to monitor their effectiveness and subject to a business case to ensure they are objectively justified by reference to clear and transparent evidence.
- 8.7 Other employment-related arrangements are as follows:
 - <u>The Deputy Chief Executive</u> designation attracts an additional allowance of £10,000 to reflect the responsibilities associated with deputising for the Chief Executive on occasions, in addition to their core responsibilities. The Director role to take on this designation is the Executive Director, People.
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- <u>Election fees and duties</u>: These are paid as a separate employment to the Council's Returning Officer.
- <u>Benefits in kind:</u> There are no benefits in kind given by WNC. Any gift or conflict of interest must be registered in accordance with WNC's **Code of Conduct**.
- <u>Relocation Policy</u>: This policy supports the recruitment process by offering financial assistance to new employees who have to move home to take up a job with the council, subject to certain criteria. The overall maximum amount that can be claimed is either 25% of starting salary or £8,000 (whichever is the lesser).
- <u>Pension</u>: All employees as a result of their employment are eligible to join the Local Government Pension Scheme. WNC's discretions within this scheme are set out in the **LGPS Pension Discretions policy.**
- <u>Benefits schemes:</u> The council believes that it has a responsibility to help support the health, wellbeing and welfare of its employees. As part of this approach, and in common with other large employers it provides or makes arrangements for various health, fitness and wellbeing benefits and discounts schemes, with a focus on those which support the local economy.

9. Severance Payments

- 9.1 The council's approach to statutory and discretionary payments on termination of employment, as well as the policy on increasing an employee's total pension scheme membership and on awarding additional pension, can be found in the following policies:
 - Early Retirement Redundancy- Efficiency of the Service Policy
 - Flexible Retirement Policy and Procedure
 - LGPS Employer Discretions Policy
 - Pay Policy

These policies are available to staff on the Council's intranet and to the public on request.

- 9.2 On ceasing to be employed by the Council, employees will be paid contractual payments due under their contract of employment. In the event of redundancy, severance pay will be paid in line with the Council's Redundancy policy.
- 9.3 The Council may consider payments under Section 203 of the Employment Rights Act 1996 in exceptional cases. If consideration is being given to any such payment, the relevant Director will discuss their proposal with the Assistant Director of HR to ensure it is compliant with pay policy and the Council's constitution, where relevant. In agreement with the Council's external auditors' advice, any Chief Officer payments under Section 203 as part of a mutual agreement (between the employer and the employee) will be undertaken in formal liaison with the Leader and the relevant Cabinet Members.
- 9.4 The decision for severance packages below £20,000 will be taken by the Executive Director in consultation with the Assistant Director HR.

- 9.3 The decision for severance packages above \pounds 20,000 but below \pounds 100,000 will be taken by the Chief Executive in consultation with the Chief Finance Officer and the Leader of the Council.
- 9.4 Severance packages in excess of £100,000 will be taken to Full Council for approval.

10. Appendices

Appendix One: Remuneration Pay Multiples

The Localism Act requires the Council to set out the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers. In determining the relationship, regard has been given to Hutton's Review of Fair Pay in the Public Sector (Final report dated March 2011), the Secretary of State's guidance and Local Government Association (LGA) guidance. These reference sources define the relationship in terms of a pay multiple calculation.

Remuneration:

These calculations are based on salary data as of 31^{st} December 2022. The 2023/2024 pay award, applicable from 1^{st} April 2023) is still to be determined.

- The lowest paid full-time equivalent employee at West Northamptonshire Council is paid at £21,300 per annum full time equivalent (FTE). The definition of lowest paid employee is a fully competent employee undertaking a defined role and excludes apprentices who are undertaking approved training.
- The highest paid employee is the Chief Executive, paid £175,333
- The median salary is based on the full time equivalent (FTE) salary of each employee to reflect the value of the role. The median salary is the middle salary if each salary is lined up from highest to lowest. This salary is £30,320

Pay Multiples:

The pay multiple between the highest paid employee, the Chief Executive and the lowest paid fulltime equivalent employee is 8.6 :1 and the lowest paid employee and average chief officer is 1: 6.5.

The pay multiple between the highest paid employee, the Chief Executive and the median salary of the rest of the workforce at $\pm 30,320$ is 5.8:1.

These ratios are within the expected multiples of 8.1 - 12.1 for the public sector as identified in the Hutton Review of Fair Pay in the Public Sector (March 2011) Report.

The pay multiple for the previously published Pay Policies are as follows:

2022/2023 - interim pay policy

The pay multiple between the anticipated lowest paid (full time equivalent) employee and Chief Executive is 1:9.4 and the lowest paid employee and average chief officer is 1:7.5

2021/2022 - interim pay policy

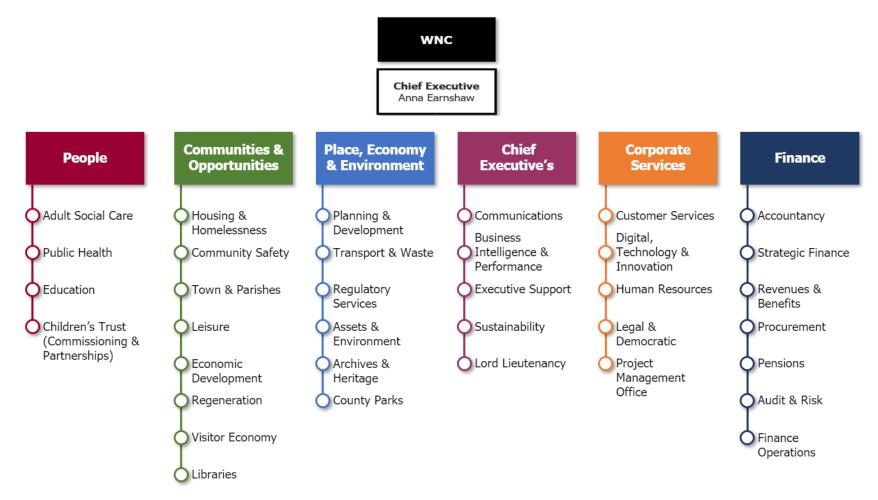
The pay multiple between the anticipated lowest paid (full time equivalent) employee and Chief Executive is 1:9.9 and the lowest paid employee and average chief officer is 1:7.8.

Salary Ranges - Chief Officers

Role	FTE
Chief Executive Head of Paid Service	£175,333
Executive Director of People Statutory DASS, Statutory DCS, Deputy Chief Executive	£144,732
Executive Director of Finance Statutory Chief Finance Officer (S151)	£144,732
Executive Director of Place & Economy	£144,732
Executive Director of Corporate	£139,631
Director of Legal & Democratic Services Statutory Monitoring Officer	£114,130
Director of Public Health Statutory DPH	£116,490
Director of Communities & Opportunities	£116,490
Assistant Chief Executive	£98,341

As at December 2022 all Chief Officers are on WNC interim pay, terms and conditions, as such their pay is based on an offscale spot point.

Appendix Two: Organisational structure and service breakdown.



Appendix Three: Job Family Architecture

#	Business Administration	Care & Welfare	Community & Inclusion	Customer Assistance	Enabling Learning	Operations & Infrastructure	Professional Support	Regulatory & Technical	Strategic Management
16									SM16
15									SM15
14									SM14
13									SM13
12									SM12
11		CW11	CI11	CA11		0111	PS11	RT11	
10		CW10	CI10	CA10		0110	PS10	RT10	
9		CW9	C19	CA9	EL9	019	PS9	RT9	
8		CW8	C18	CA8	EL8	018	PS8	RT8	
7	BA7	CW7	C17	CA7	EL7	017	PS7	RT7	
6	BA6	CW6	C16	CA6	EL6	016	PS6	RT6	
5	BA5	CW5		CA5	EL5	015	PS5	RT5	
4	BA4	CW4		CA4	EL4	014	PS4	RT4	
3	BA3	С₩З		CA3		013		RT3	
2	BA2	CW2		CA2		012			
1	BA1			CA1		011			