

## **Appendix 1**



### **North Northamptonshire INTERIM Pay Policy Statement 2021/22**

This is the first Pay Policy Statement for North Northamptonshire Council. It is an interim statement reflecting the position at the start of February 2021 and will be updated and re-published during 2021/22 once all pay, terms and conditions of employment have been determined for the new council.

This Pay Policy Statement has been approved by resolution of the Shadow Authority and is effective from 1 April 2021. In addition to the aforementioned review during 2021/22, it will be subject to review annually for approval by 31 March, and in accordance with new or proposed legislation to ensure that it remains relevant and effective. It is published on the Council's website.

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#### **1. Introduction and purpose**

North Northamptonshire Council is a new unitary authority that will be created on 1 April 2021, replacing the Borough Council of Wellingborough, Kettering Borough Council, Corby Borough Council, East Northamptonshire District Council and Northamptonshire County Council.

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".

This interim Pay Policy Statement sets out the approach to pay policy at this point in time, in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its directly employed workforce by identifying:

- 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 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. Scope

The council is directly responsible for a budget of £292.5m (excluding schools) and for the employment of approximately 3,200 staff.

This interim pay policy statement covers Chief Officer roles, with the exception of Deputy Chief Officers as these roles are currently in the process of being appointed to.

It also covers, for the purpose of identifying the lowest paid, employees who TUPE transfer on their current terms and conditions from the district, borough and county councils into North Northamptonshire Council on 1 April 2021.

## 3. Definitions

‘Pay’ - in addition to salary includes charges, fees, allowances, benefits in kind, increases in or enhancements to pension entitlements and termination payments.

‘Chief Officer’ refers to the following roles within North Northamptonshire Council:

<b>Definition under the Localism Act 2011</b>	<b>Post held at North Northamptonshire Council</b>
Head of Paid Service	<ul style="list-style-type: none"> <li>• Chief Executive</li> </ul>
Monitoring Officer	<ul style="list-style-type: none"> <li>• Director of Legal &amp; Democratic</li> </ul>
Section 151 Officer	<ul style="list-style-type: none"> <li>• Executive Director, Finance</li> </ul>
Statutory Chief Officers	<ul style="list-style-type: none"> <li>• Executive Director, Adults, Communities and Wellbeing (DASS)</li> <li>• Executive Director, Children’s Services (DCS)*</li> <li>• Director of Public Health (DPH)*</li> </ul>
Non-Statutory Chief Officers	<ul style="list-style-type: none"> <li>• Executive Director, Place and Economy (Deputy Chief Executive designate)</li> <li>• Director of Transformation</li> </ul>

*\*Roles shared with West Northamptonshire Council*

‘Deputy Chief Officer’ refers to Tier 3 roles within North Northamptonshire Council and includes Assistant Directors and Assistant Chief Executive.

‘Lowest paid employees’ refers to those staff employed from the population of employees who TUPE transferred into the Council who are on the lowest pay point of their pay scale.

## 4. Accountability and decision making

### Remuneration

The appointment and remuneration packages of the Head of Paid Service and other statutory Chief Officers were approved by the Shadow Authority on 20 August 2020 and 17 September 2020 respectively; the appointment and remuneration package for non-statutory Chief Officers were made in line with the same remuneration principles as the statutory roles.

Chief Officer salaries were benchmarked to be competitive and cost effective against roles in comparable Unitary councils, both in terms of the size and complexity of services delivered.

On appointment salaries were offered within the relevant benchmarked salary range for the role and commensurate with the candidates most recent salary and experience. The benchmarked salary ranges are set out in **Section 7**.

The Deputy Chief Executive 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 Chief Executive is the appointed Returning Officer and will receive a fee for running local and parliamentary elections and referendums. This role is separate from that of Chief Executive and carries with it personal accountabilities. The fee paid will vary, but be in accordance with the relevant scales of fees agreed by the Shadow Executive Committee on 3 February 2021. For national elections and referendums, fees are met by the body responsible for funding the poll.

The North Northamptonshire Constitution (to be recommended to the Shadow Authority on 25 February 2021), will confirm delegated responsibility to the Employment Committee for the approval of remuneration packages in excess of £100,000 (to include salary, bonus, fees allowances and benefits in kind) offered to new Chief Officer appointments with effect from 1 April 2021.

The responsibility for determining pay, terms and conditions for North Northamptonshire Council (with the exception of Chief Officer salaries referenced above) has been delegated to the Head of Paid Service (Chief Executive). Negotiations on these pay terms and conditions are ongoing with the recognised trade unions at this time; the financial implications of the final package will be brought to the Shadow Executive/Cabinet for approval.

Appointment and remuneration of Deputy Chief Officers (Tier 3 Assistant Director roles) falls within the responsibilities delegated to the Head of Paid Service, as noted above. Recruitment to these roles is currently underway; the majority of appointments are expected to be made by March 2021. Salaries have been benchmarked to be competitive and cost effective against roles in comparable unitary councils, both in terms of the size and complexity of services delivered.

The North Northamptonshire Constitution (to be recommended to the Shadow Authority on 25 February 2021), will confirm that prior to making an appointment to a post that is remunerated £100,000 or more, the Head of Paid Service shall notify members of the Executive prior to making an offer.

### Severance

The North Northamptonshire Constitution (to be recommended to the Shadow Authority on 25 February 2021) will confirm delegated authority to the Head of Paid Service to agree and make severance payments. Decisions will be exercised in consultation with the Monitoring Officer and Section 151 Officer. In circumstances where a severance payment is £100,000 or more, the Head of Paid Service shall notify members of the Executive prior to exercising delegated authority.

## **5. Remuneration levels**

The lowest paid full-time equivalent employee in the period 2021/22 will be paid at £17,187 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 who will be paid in the period a salary of £170,000.

The Hutton report on Fair Pay in the public sector was asked to explore the case for a fixed limit on pay dispersion in the public sector, through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. There are advantages and disadvantages of using a maximum pay multiple. The Hutton Report concluded that the most appropriate metric is top to median earnings.

A median earnings figure cannot be provided at the time of writing; this figure will be drawn from the median earnings of those employees who will TUPE transfer into North Northamptonshire Council on 1 April 2021.

For this interim pay policy statement, 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 1:7.9.

These ratios are within the expected multiples of 1:8.1 – 1:12.1 for the public sector as identified in the Hutton Review of Fair Pay in the Public Sector (March 2011) Report.

## **6. Pay strategy**

In determining the pay and remuneration of 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.

The council will take the following approach to assessing individual and overall pay levels:

- to recruit and retain staff in a way which is externally competitive and internally fair.
- the appropriate grade for a job is established through a process of job evaluation that takes into account the level of knowledge, skills and accountability required for the role.
- in determining the grading structure and setting overall pay levels for all posts, take account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- the principle of encouraging employees to develop in their role and to improve their performance will inform the design, with pay grades containing a number of pay steps and an annual opportunity to progress up pay steps within the relevant job grade
- any requirement for additional allowance or supplement will be objectively justified by reference to clear and transparent evidence and where market supplements are considered, that this is with reference to data available from within and outside the local government sector.
- where different pay arrangements apply to different groups of staff, the reasons will be clearly evidenced and documented.
- policies about **termination payments** and **employer discretions under the Local Government Pension Scheme** will be reviewed and published for all staff. These will be produced with the intention of only making additional payments when in the best interests of the Authority and maintaining consistency through all pay grades.

## 7. Benchmarked salary ranges – Chief Officers

Role	Salary range
Chief Executive (Head of Paid Service)	£170,000 - £180,000
*Executive Director of Children’s Services and Statutory DCS	£145,000 - £155,000
Executive Director of Finance and Statutory Section 151 Officer	£130,000 - £140,000
Executive Director of Adult Social Service and Statutory DASS	£130,000 - £140,000
Executive Director Place & Economy and Deputy Chief Executive	£130,000 - £140,000
Director of Legal and Democratic Services and Statutory Monitoring Officer	£110, 000 - £115,000
Director of Transformation	£99,000 - £113,000
*Director of Public Health	£99,000 - £113,000

*\*Roles shared with West Northamptonshire Council*