

Effective from 1st April 2020

Pay Policy

1. Introduction

Northamptonshire County Council is committed to operating consistent and equitable pay arrangements for employees. This policy sets out key principles that must be adhered to in establishing employee pay levels and in approving pay related allowances. It sets out the basis for determining salaries, how salary levels are arrived at, the method of pay progression and the approval for acting up, market supplement, honoraria and severance payments.

The Council is an equal opportunities employer and, as such, is committed to the principle of equal pay in employment. The Council believes that its male and female workers should receive equal pay for like work, work rated as equivalent or work of equal value, and in order to achieve this will maintain a pay system that is transparent, based on objective criteria and free from bias.

This policy provides managers with guidance on the application of salaries and salary related payments. This policy is not intended to and shall not give rise to any rights under employees' contracts of employment.

In accordance with the Localism Act and the Transparency Code, this policy, the pay multiple between the highest paid employee and the Council's median salary, along with the remuneration levels for senior employees are published on the Council's Transparency pages of its [website](#).

The legislation requires pay to include all remuneration including all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind. All such payments are covered within this policy or the other pay related policies referred to in section 14.

2. Scope

This policy applies to employees on NCC Local terms and conditions of employment, which includes those on Local Government Services-based terms, Soulbury-based terms, Senior Managers and the Chief Executive. These employees are also covered by the Council's local pay bargaining arrangements.

All 'statutory officer' posts are therefore included within this policy i.e. Head of Paid Service, Director for Adult Social Care Services, Director of Children, Families and Education, Chief Education Officer, Section 151 Officer, and Monitoring Officer.

This policy does not apply to centrally employed teachers whose pay and conditions are determined in accordance with the School Teachers Pay and Conditions Document and Burgundy Book, as set out in the Centrally Employed Teachers Pay Policy, reviewed annually in September.

3. Legal context

This policy is in operation to ensure that the Council meets its obligations under the Localism Act, Equal Pay and other relevant employment legislation.

4. Local and National pay provisions

The Council operates local pay bargaining arrangements for employees on NCC Local terms and conditions. Any locally agreed inflationary pay settlements ('cost of living' awards) are applied to spinal column points.

Pay arrangements for Centrally Employed Teachers are set in accordance with those agreed by the respective national body and reflected in the Teacher Pay Policy.

5. Delegated authority levels

Managers should be aware in their discussions with employees or potential employees that any variation in pay detailed within this policy is subject to appropriate approval. Decisions on pay detailed within this policy are delegated as set out in the table below.

Decision	Delegated authority level
Starting pay and appointment to a higher graded job (above grade minimum) at grades A-M and up to, but not including, Assistant Director (and equivalent level)	Assistant Director
Starting pay and appointment to a higher graded job (above grade minimum) at Assistant Director and above (and equivalent level)	For Head of Paid Service and Chief Officers – delegated authority is in accordance with the Council's Constitution. Providing it is within the pay policy that has been agreed by Full Council, Director to approve actual salary when appointing to an Assistant Director job.
Partial acting-up payment up to, but not including, Assistant Director level (Tier 3 and below)	Assistant Director
Partial acting-up payment at Assistant Director level where total salary package is less than £100k (Tier 2)	Director
Partial acting-up payment for posts where total salary package is over £100,000 (Tier 1)	Chief Executive, in consultation with the Leader
Market supplement	Director
Market supplement for posts where total salary package is over £100,000.	Chief Executive, in consultation with the Leader
Market supplement for Chief Executive post	Full Council

Decision	Delegated authority level
Honorarium Payment: <ol style="list-style-type: none"> i. total value up to £500 ii. total value over £500 iii. where honorarium would mean total salary package is £100k or above iv. payment to Chief Executive 	<ol style="list-style-type: none"> i. Assistant Director ii. Director iii. Chief Executive, in consultation with the Leader iv. Full Council

Delegations for a decision on pay cannot be delegated below the levels outlined above.

Advice should be sought from Human Resources to ensure any decisions on pay are made in accordance with the delegated authority levels and are compliant with the terms of this policy and legislation.

6. Payment of salary

Salaried employees receive their salary paid in 12 equal instalments, rather than for the number of days or hours worked in a particular month.

Those employed on a zero hours contract basis make a monthly claim for the hours that they have worked.

Any employee who may be eligible for a pay enhancement or allowance (for example, a shift enhancement pay rate for working on a Sunday) will make a monthly claim for that pay element or allowance, as applicable.

7. Starting pay and appointment to a higher graded job

The pay grades for NCC Local (Local Government Services-based) and Senior Manager posts are determined by the use of the Hay job evaluation scheme. The Localism Act advocates publishing the ratio of the pay of the organisation's top earner to that of the mean/median earner in order to support the principle of Fair Pay. However, the use of the HAY job evaluation methodology sets different levels of basic pay to reflect the differences in responsibilities, job content and skills and knowledge required. This process ensures that different jobs having the same value are paid at the same rate.

The Council therefore does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts, but it does publish the data on Pay Multiples on the [Transparency](#) website.

The pay grades for NCC Local (Soulbury based) posts are in accordance with NCC Local pay, based on the nationally agreed Soulbury pay structures as of 1 April 2013.

Individuals newly appointed to the Council will normally be placed on the minimum pay point of the grade for the job.

Employees who are successfully appointed to a higher graded job within the Council will normally be placed on the minimum pay point of the new job grade. If a grade overlaps and the employee is on the highest pay point of their current grade, the next pay point of the new job grade should apply.

In certain circumstances it may be appropriate to appoint to a higher point in the pay grade. This may arise when the preferred candidate for the job is in or has been in receipt of a salary at a higher level than the grade minimum.

Recruiting managers who wish to appoint a candidate (up to, but not including Assistant Director level) at a salary above the grade minimum must seek approval from their Assistant Director by email fully outlining the business case. Managers may seek guidance from Human Resources, if required.

The business case should incorporate the following:

- preferred candidate's current or most recent salary;
- salary range for job being appointed to;
- preferred candidate's interview assessment outcome compared to other interviewees;
- benefits to service and customers of appointing the preferred candidate;
- potential impact on other jobholders of appointing the preferred candidate at a level higher than the grade minimum;
- confirmation that increased employee costs will be met by the existing service budget.

The Assistant Director will:

- consider the request presented by the recruiting manager;
- discuss their proposed decision with Human Resources to ensure it is compliant with the terms of the Pay Policy;
- provide an immediate email response to the recruiting manager, confirming their decision so that the recruitment process can be completed;

The decision of the Assistant Director is final.

Full council are required to agree all major organisational re-structures and the associated grading and salary ranges for any new or changed posts created at Assistant Director and above. Starting pay and appointment to a higher graded job for posts at Assistant Director level and above will be as set out in the table in Section 5.

8. Re-employment of former employees

Former local government employees are able to be re-employed by the Council but there are some restrictions if they were previously made redundant by NCC or are already in receipt of a Local Government Pension Scheme pension.

When someone is released on voluntary or compulsory redundancy, it would not be expected that they would be re-employed as either an employee or an agency worker/contractor/under a contract for services in the same or similar job role or service area from which they were made redundant. Such action could indicate that the original decision on the voluntary or compulsory redundancy was not a value for money decision for the tax payer. Therefore any exceptions to this approach leading to the re-engagement of voluntary or compulsory redundant employees will have to be justified to ensure that the original terms of the redundancy i.e. cessation of work has actually occurred. Managers who wish to recruit employees or procure workers who have previously been made redundant from the same service area will need to provide a business case for doing so and request authorisation from their Director, who will discuss the business case with HR to confirm compliance.

When a Local Government Pension Scheme pensioner is re-employed within the local government sector and combined earnings and pension exceeds final salary in the original employment (when adjusted for inflation), the pension will be abated.

9. Incremental progression

Incremental pay progression arrangements are currently under review; this also applies to the Director and Senior Managers' Performance Progression Scheme,

Note: NCC Local (Soulbury based) terms and conditions include a Structured Professional Assessment (SPA) arrangement and this is unaffected by the review

10. Acting-up to a higher graded job

Acting-up is appropriate when the higher graded post becomes vacant due to maternity leave, sick leave etc. Acting-up payments are made to employees who agree to temporarily carry out the duties and responsibilities of a higher grade job. The higher graded job must be part of the Council's agreed staffing establishment.

A payment is payable when an employee carries out the work of the higher grade job for a continuous period of at least four weeks, for any reason other than annual leave.

Employees who undertake the **full duties and responsibilities** of the higher graded job will receive the salary that would apply if they were appointed to the higher graded post. For a full acting up, an employee is effectively moving to another position, so this would either be done through e-recruitment, or by using the **Appoint an internal mover form in ERP Gold**.

Employees who undertake **part of the duties and responsibilities** of a higher grade job will receive a partial acting-up allowance. For example, if the employee is covering 20% of the higher graded duties and responsibilities then they would receive 20% of the grade differential as acting up allowance.

Acting-up payments may be shared between two or more employees on a pro-rata basis. The employees concerned must undertake the full duties and responsibilities of the job for the specified period of time. For example, if the employee is spending 50% of their time on the acting up role then they would receive 50% of the grade differential as acting-up allowance.

If an employee in receipt of pay protection undertakes acting up duties, the pay protection payment will be reduced (or cease) for the duration of the acting up period, to reflect the acting up payment being received.

Payment of any acting-up payment will usually be for a maximum of 12 months. Where there is a need to partially or fully cover a position for more than 12 months, then consideration should be given to advertising the vacancy more widely.

Where there are only one or two employees who are able to "act-up" to the higher grade job it is relatively easy to identify the jobholder(s) who could reasonably be asked to carry out the higher graded job. Where there are a large number of employees who may be in a position to "act-up" to the higher graded job, then there will be a need to advertise the temporary vacancy or the acting-up arrangement.

Managers who wish to use either partial or full acting up arrangements must seek approval in the first instance from their Assistant Director/Director (depending on the level of job). Managers may also seek guidance from Human Resources, if required.

Partial acting-up

Managers should take HR advice before completing the **Pay a partial acting up form in ERP Gold**.

The approving manager will:

- consider the request presented by the requesting manager;
- discuss their proposed decision with Human Resources to ensure it is compliant with the Pay policy;
- provide a response through ERP Gold to the requesting manager, normally within 10 working days;

The decision of the approving manager is final.

Any acting up arrangements at Assistant Director level must be agreed by the Director. Any acting up arrangements for posts with a remuneration package at or above £100k must also be agreed in accordance with the delegated authority levels detailed in Section 5. In both cases the salary must be within the Pay Policy agreed by Full Council.

Acting-up allowances are removed once the need for the acting-up arrangement no longer exists. Managers are responsible for ensuring that employees receive sufficient notice of this.

Full acting-up

Managers need to complete full acting up arrangements as an appointment in e-recruitment (or use the non-e-recruitment process where applicable). If a manager is not using the e-recruitment system, they need to use the **Appoint an internal mover form in ERP Gold**.

Normally, the starting pay under a full acting up arrangement will be the minimum of the new grade's spinal column point, anything higher will need to be authorised, in accordance with the process set out in Section 6. Managers may seek guidance from Human Resources, if required.

Full acting-up is a pensionable, contractual element of pay and included in the calculation of benefits such as sick pay.

During a period of acting-up, employees are entitled to receive the full contractual benefits appropriate to the higher graded job.

11. Market supplements

A market supplement is an allowance paid to employees in a job or a job group in recognition of the need to "top-up" the base pay for the job, to ensure that the Council is competitive within the job market. Every effort should be made however, to recruit or retain staff on salaries within the range of the evaluated grade for the job before any market supplement is considered.

A market supplement can only be considered when there is clear evidence to support the following:

- the market rate for the job is substantially higher than the rate the job has been evaluated and graded at within the Council; and

- the grade applied to the job within the Council is directly impacting on the service's ability to recruit and/or retain the numbers of employees required to carry out the job role.

A manager who wishes to apply a market supplement to a job should take HR advice and will need to submit a **Pay a market supplement form in ERP Gold**. The business case contained in the form should evidence the following:

- retention difficulties (including turnover statistics and number of vacancies in the previous 12 month period);
- the link between retention difficulties and pay through the use of exit interviews, employee questionnaires etc.;
- recruitment difficulties in the previous 12 month period demonstrating no suitable applicants in at least two recruitment advertising campaigns;
- alternative strategies that have been applied to address recruitment and retention difficulties such as the use of advertising, exploring new ways of working, workforce and succession planning;
- the likely effectiveness of the council's market position if the market supplement is applied;
- verification of the pay differential between the council and the market by using the Hay pay comparison data base (this data can be accessed via Human Resources) or by analysing pay information from job advertisements or by commissioning a pay comparison survey;
- confirmation that the cost of any market supplement awarded can be met from the service's existing budget.

It is expected that the Assistant Director supports the business case before a manager submits the form for authorisation by the Director.

The Director will:

- consider the business case and impact to the Council of introducing the market supplement;
- determine whether a market supplement is appropriate and if so, the level that this should be set at, subject to an overall maximum of 20% of the top point of the relevant salary grade;
- discuss their proposed decision with Head of HR to ensure it is compliant with the Pay Policy;
- provide a response through ERP Gold, normally within ten working days;

Market supplements that lead to a remuneration package exceeding £100k must also be approved in accordance with the delegated authority levels detailed in Section 5.

Market supplements will be paid on a monthly basis and on a pro-rata basis to part-time employees, proportionate to their working hours. They are a pensionable pay element and will not be subject to any cost of living increase applied to the Council's pay points.

If an employee is in receipt of pay protection this will be reduced by any market supplement awarded to the current substantive post. Where the pay for the current substantive post increases, then any market supplement and pay protection will also be reduced by an equivalent amount.

Market supplements are a non-contractual element of pay and may be removed once the Council has identified that the justification for paying a market supplement no longer exists.

Market supplements must be reviewed on an annual basis, to ensure that there is an ongoing need to retain this allowance and review the amount of this allowance if appropriate. Managers who wish to retain the market supplement beyond the initial 12 month period are required to submit a fresh business case via a new **Pay a market supplement form in ERP Gold**.

Information on market factor supplement payments will be compiled and reviewed annually by Human Resources for monitoring purposes. The Trade Unions will be involved in any review of market supplement payments where the effectiveness of this Policy's application is challenged.

12. Honorarium payments

An honorarium payment is usually a **one-off** payment. It can only be made where there is clear evidence to support the following circumstances:

- where an employee temporarily carries out significant additional work over and above their usual responsibilities;
- where an employee carries out a significant amount of work over their normal contracted hours, but is not eligible for overtime payments because of their placing on the salary scale.

An honorarium payment **cannot** be made in the following circumstances, where the:

- employee is carrying out the full or partial duties and responsibilities of a higher graded job, when an acting-up payment should be made;
- ongoing duties and responsibilities of the job have changed to the extent that the job should be submitted for re-evaluation;
- additional work undertaken is commensurate with the employee's current job description/salary grade.

Honorarium payments are calculated as follows:

Reason for honorarium	Calculation of payment
Where an employee temporarily carries out significant additional work over and above their usual responsibilities	An amount equal to the highest difference between increments within the employee's current salary grade or, A figure that is considered fair and equitable when considered against the nature of the additional work being undertaken over and above the employee's usual responsibilities.
Where an employee carries out a significant amount of work over their normal contracted hours but is not eligible for overtime payments because of their placing on the salary scale.	An amount equal to the highest difference between increments within the employee's current salary grade; or, A figure that is considered fair and equitable when considered against the amount of additional hours undertaken and the employee's hourly rate of pay.

A manager who wishes to award an honorarium to an employee must complete the **Pay an honorarium form in ERP Gold** which contains the business case. Managers may seek guidance from Human Resources, if required.

The business case should evidence the following:

- the reason for the honorarium payment
- the service and customer benefits of the employee's work that has led to the request for the honorarium payment;
- the process that has been applied to identify employee(s) to receive an honorarium payment;
- alternative strategies considered to avoid the need for an honorarium payment to be made;
- potential impact on other employees of awarding this honorarium payment;
- confirmation that the cost of any honorarium payment awarded can be met from the service's existing budget.

The **Pay an honorarium form in ERP Gold** containing the business case will be passed to the relevant approving manager in accordance with the delegated authority levels to approve honorarium payments, these are dependent upon the level of payment being recommended.

Honorarium payments - total value up to £500

Honorarium payments of up to £500 can be approved by the Assistant Director, who will:

- consider the business case and impact to the council of awarding the honorarium payment;
- determine whether an honorarium payment is appropriate;
- if so, determine the level of payment giving consideration to the proposal presented by the manager;
- discuss their proposed decision with Human Resources to ensure it is compliant with the Pay Policy;
- provide a response through ERP Gold to the manager, normally within 10 working days;

The decision of the Assistant Director is final.

Honorarium payments – total value over £500

If the Assistant Director supports the business case to award an honorarium of over £500, they will pass the form containing the business case to the relevant Director, who will:

- consider the business case and impact to the Council of awarding the honorarium payment;
- determine whether an honorarium payment is appropriate;
- if so, determine the level of payment giving consideration to the proposal presented by the manager;
- discuss their proposed decision with the Head of HR, to ensure it is compliant with the Pay Policy;
- provide a response through ERP Gold to the manager, normally within 10 working days;

The decision of the Director is final.

Honorariums that lead to a remuneration package exceeding £100k must be approved in accordance with the delegated authority levels detailed in Section 5, having taken advice from the LGSS HR Director or their nominated representative.

Any honoraria payments including any payment made to the Chief Executive in their capacity of Returning Officer will be subject to Full Council approval. This is a separate statutory function from that of the Head of Paid Service and has a different legal entity. Therefore, in election years, Full Council will be asked to agree any payment to be made to the Returning Officer at the same time as agreeing the Pay Policy.

Honorarium payments are a one-off payment and will be paid on a pro-rata basis to part-time employees, proportionate to their working hours. They are a pensionable pay element.

Information on all honoraria payments will be compiled and reviewed annually by Human Resources for monitoring purposes. The Trade Unions will be involved in any review of honoraria payments where the effectiveness of this Policy's application is challenged.

13. Severance Payments

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](#). 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 Head 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.

14. Other pay related policies

Pay related policies applicable to all employees:

- Business Travel and Expenses
- Relocation expenses
- Early retirement redundancy – efficiency of service
- Pensions

Pay related policies applicable only to employees on NCC Local terms paid at/below spinal column point 27:

- Pay enhancements
- Overtime

Other non-contractual pay related policies that are market related, time limited and specific to a job, profession or qualification:

- Pay Arrangements for Approved Mental Health Practitioners

Pay scales published on LGSS Direct:

- NCC Local (LGS based) Grades A-M
- NCC Local (Soulbury based) for Educational Psychologists and Education Improvement Professionals
- NCC Local (Senior Manager) Grades SM1 – SM6
- NCC Local (Chief Executive)
- Centrally Employed Teachers Pay Policy

15. Monitoring and Review

Northamptonshire Leadership Team will review the application of this policy on an annual basis; prior to approval by Full Council which will take place annually, in March.

Any material change or deviation from this policy outside of the annual review will be subject to consultation with the relevant trade union representatives and require Full Council approval.