

Pay Policy 2022-23



Date: March 2022 **Author:** HR Manager Policy and Practice



1. Introduction

This is North Tyneside Council's (the Authority's) annual Pay Policy for the period 1 April 2022 to 31 March 2023.

The purpose of the statement is to set the Authority's policies on a range of pay matters relating to the workforce. The Authority understands the importance of openness and transparency in setting pay which is fair, consistent and equitable across the workforce. It is also vital that the Authority can demonstrate value for money, particularly around the role that senior leaders play in the organisation.

In accordance with the Localism Act 2011, the Authority is required to publish the pay policy for each financial year detailing:

1. The Authority's definition of lowest paid employees
2. The relationship between the remuneration of senior posts and that of other employees.

In determining the pay and remuneration of all its employees the Authority will comply with all relevant employment legislation including the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Agency Workers Regulations 2010 and where relevant the Transfer of Undertakings (Protection of Employment) Regulations 2006.

This pay policy statement has been approved at a meeting of full Council and is available on the Authority's website. In line with the local government transparency code 2015 the Authority also publishes information related to the organisation and its salaries on its website.

2. Definitions of senior posts and lowest paid employees

For the purposes of this statement, the Authority considers its senior posts to be those with the definition of "Chief Officer" as set out in Section 43 of the Localism Act 2011.

A "Chief Officer" is defined as:

- the Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989;
- the Monitoring Officer designated under section 5(1) of that Act;
- a statutory chief officer mentioned in section 2(6) of that Act; or
- a non-statutory chief officer mentioned in section 2(7) of that Act; or
- a deputy chief officer mentioned in section 2(8) of that Act.

The lowest paid employees are defined by the Authority as those employed on Grades 1 and 2 (excluding apprentices) as these are the first two grades on the Authority's pay and grading structure.

3. How pay is determined in North Tyneside Council

As stated in the Authority's Constitution, the power to determine terms and conditions in North Tyneside Council rests with full Council, unless determined nationally as detailed below.

The Authority uses nationally negotiated pay spines as the basis for its local pay structures. The pay scales currently in use in the Authority are set by the following:

- The National Joint Council for Local Government Services via the "Green Book" which includes senior salaries. Green Book pay scales are negotiated nationally and then implemented locally in the Authority following approval by full Council.
- The Soulbury Committee via the "Blue Book" for posts such as Educational Psychologists and School Improvement professionals.
- The Joint Negotiating Committee for Craft Workers via the "Red Book"
- The Secretary of State via the National School Teachers' Pay and Conditions (Burgundy Book) and adopted through the Centrally Employed Teachers' Pay Policy for the small number of teachers employed by the Authority.
- The Authority's Chief Executive is paid in accordance with the terms of the national conditions of service covered by the Joint Negotiating Committee for Chief Executives. (Please note pay arrangements for senior posts/Chief Officers are detailed in Section 5.)
- All other Chief Officers are covered by the Joint Negotiating Committee for Chief Officers of Local Authorities. (Please note pay arrangements for senior posts/Chief Officers are detailed in Section 5.)
- Apprentices are paid according to the North Tyneside Council Apprentice Pay Model.
- Any employee who has transferred into the Authority under the Transfer of Undertakings (Protection of Employment) Regulations 2006 will be paid according to their specific terms and conditions.

Employees on all terms and conditions will receive a pay award where this is negotiated nationally by the relevant negotiating committee.

The majority of North Tyneside Council employees are covered by the Green Book terms and conditions; the current pay scale is contained in Appendix A. There will be a new pay scale effective from 1 April 2022, but this has not yet been agreed. Negotiations at a national level are continuing but agreement has not yet been reached. Any increase will be back dated to 1 April 2022 when agreed.

Within the Green Book pay spine each grade consists of spinal column points (SCP) to allow for incremental progression, with the exception of Grades 1 and 2 which are single point grades.

For Grades 3 to 11 new appointments are made at the bottom of the grade with incremental progression through the grade on an annual basis until the top SCP of the grade is reached. In exceptional circumstances, and only if supported by clear objective evidence, appointment can be made to the mid or top of the grade. This could be appropriate for example where the person has directly applicable experience in a similar post.

4. The North Tyneside Council Living Wage

Tackling low pay continues to be a priority for the Authority and measures have been implemented to support this over recent years. The Authority currently has a North Tyneside Council pay scale which ensures the lowest point on the pay scale is at least the rate of the real Living Wage as set by the Living Wage Foundation. Following approval by a meeting of full Council in November 2020 the North Tyneside Council Living Wage was paid at £9.50 per hour from April 2021 (implemented in December 2021 and backdated).

When the outcome of the national pay negotiations for the pay scale from April 2022 is known the Authority aims to continue to ensure the lowest point on the pay scale is at least the real Living Wage (£9.90 per hour from April 2022).

5. Process for grading posts

In order to determine which grade a new post is established on the Authority uses a job evaluation scheme for employees covered by Green Book terms and conditions which is implemented via a locally agreed Job Evaluation Process.

The Green Book Job Evaluation Scheme (operated via the Gauge System) is used for posts up to and including Grade 11. Posts are evaluated based on the knowledge, skills, demands and responsibilities required.

Where posts have been established at Grades 12 and above these have been evaluated using the Hay Evaluation Methodology. This considers the size and responsibility of the job role. The salaries for the posts are assigned using the North Tyneside Senior Pay Scale which is set out in Appendix A. These grades consist of spot salaries with no incremental progression. The senior pay scale has been adjusted slightly to start at Grade 23 to reflect the current structure as agreed in August 2021.

6. Remuneration of senior posts – Chief Officers

As above the Authority's Chief Executive is paid in accordance with the terms of the national conditions of service covered by the Joint Negotiating Committee for Chief Executives. All other Chief Officers are covered by the Joint Negotiating Committee for Chief Officers of Local Authorities.

As set out above, all salary packages will accord with the requirements of the Authority's pay and grading structures and will depend on the outcome of an evaluation of a post's job role and responsibilities. The senior pay scale is set out in Appendix B.

Chief Officers can also be engaged under a contract for services as a contractor. The engagement of Chief Officers under a contract for services is the responsibility of the Authority's Cabinet.

In the procurement of a Chief Officer under a contract for services Cabinet will:

- comply with the Authority's Standing Orders in relation to contracts and any other requirements of the public procurement regime; and
- ensure that any engagement will not cost more than the annual salary, with the relevant on-costs, of employing a Chief Officer in that role.

Where a Chief Executive or Director is engaged under a contract for services by Cabinet, the Council will be informed of these arrangements.

7. Appointment of a Chief Officer

The appointment of individuals to the posts of Chief Executive and Directors is the responsibility of the Authority's Appointments and Disciplinary Committee. At appointment, Chief Officers are appointed to the evaluated grade which consists of a spot salary. There is no incremental progression for a Chief Officer.

8. Increases and additions to a Chief Officers' remuneration

Increases to a Chief Officers remuneration will only apply in the following circumstances:

- a pay award agreed through national pay bargaining arrangements;
- a change to the role and its responsibilities warrants a change in grade through the agreed job evaluation process;
- there is evidence of a recruitment and/or retention problem, at which point the Market Supplement Policy will be applied in order to determine the appropriate payment;

- temporary additional duties and responsibilities warrant an honorarium or ex-gratia payment in line with agreed policy;
- where a Chief Officer is engaged under a contract for services in accordance with provisions of the contract and the public procurement regime.

9. Payments to Chief Officers for election duties

Fees for local election duties undertaken by Chief Officers on behalf of the Authority are included in their salaries.

Fees for the Returning Officer and Deputies and other electoral duties are identified and paid separately for elections to Parliament and other electoral processes such as referenda.

10. Performance related pay and bonuses

The Authority does not apply any performance related pay scheme or bonuses for its Chief Officers.

11. Termination payments

The Authority has agreed policies and procedures in place that apply to all employees, including Chief Officers, leaving the Authority's employment by way of early retirement, redundancy (voluntary or otherwise) or on the grounds of efficiency of service. These policies are reviewed on a regular basis and consulted upon with trades unions. The North Tyneside Council redundancy scheme is not contractual and is varied from time to time.

Chief Officers who cease to hold office or be employed by the Authority will receive payments calculated using the same principles as any other employee. This is based on their contract of employment, nationally agreed terms and conditions and existing Authority policies.

Chief Officers who cease to be engaged under a contract for services will receive any monies due to them in accordance with the provisions of the contract for services.

12. Re-engagement of Chief Officers previously employed by the Authority.

Chief Officers who leave the Authority under the Restructure and Redundancy procedure will not be re-employed by the Authority in any capacity without the approval of the Appointments and Disciplinary Committee.

13. Contracts for Services and IR 35

In some circumstances, for example where there is a need for interim support to provide cover for a substantive post, the Authority will consider if it is necessary to engage individuals under a 'contract for service'.

These are sourced through an appropriate procurement process, ensuring that the Authority is able to demonstrate the maximum value for money in securing the relevant service.

In accordance with the IR35 rules which determine off-payroll working rules for clients, workers and their intermediaries, where a worker is engaged via an intermediary personal service company, the responsibility for assessing their income tax and national insurance liability lies with the Authority, along with responsibility for deducting and paying the correct income tax.

14. The relationship between Chief Officers and lowest paid employees

The pay for the Authority's lowest paid employees (which are all covered by Green Book terms and conditions) and that of the Authority's Chief Officers is determined by the job evaluation process.

The pay multiple for the Authority is determined by comparing the remuneration for the highest paid employee against that of the median average earnings for the organisation as a whole. The pay multiple for the Authority is 1:6. This is based on median earnings of £25,770. This pay multiple was 1:7 last year.

15. Gender pay gap

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into force on 31 March 2017. Public Sector employers with over 250 employees must report the following gender pay gap information:

- The overall 'mean' and 'median' gender pay gaps and the 'mean' and 'median' bonus pay gaps;
- The number of male and female employees in each pay quartile; and

- The proportion of male and female employees in receipt of a bonus.

The report on the above data is included at Appendix C.

16. Legislative changes

The £95,000 cap on public sector exit payments

Following revocation of the £95, 000 cap on public sector exit payments in February 2021, further detail has not yet been provided on the reintroduction of different legislation to cap or place additional limits on certain public sector exit payments.

Reforming exit pay for local government workers

As part of the wider reform of severance payments across the public sector the Government proposes to reform exit payment terms for local government workers. This is separate to the broader £95 000 cap on exit payments and includes capping severance payments, imposing a maximum salary level upon which calculations for severance payments can be based, preventing an employer making discretionary redundancy payments and limiting any amounts an employer can contribute to pension strain costs where an employee receives a statutory redundancy payment. Consultation for these proposals closed in December 2020 and the response has not yet been published. Following the revocation of the exit pay cap there have been no further updates.

Repayment of Public Sector Exit Payments Regulations

The Government's proposed regulations for repayment of exit payments are not yet in place and there is currently no date for implementation. These require any employee or office holder earning £80,000 or above per annum to repay any exit payment they received (in full or part as set out in the regulations), if they then return to a similar role in another local authority or local government body within 12 months. This applies if the new role is either on or off payroll. This requirement can only be waived in exceptional circumstances and by a decision of full Council.

17. Review and Publication

This policy statement will be reviewed annually and, following approval by full Council, published on the Authority's website together with the Gender Pay Gap report.

Appendix A

North Tyneside Council Salary Scales April 2021

SCP	Salary	Salary Scale
1	18333.00	Grade 1
2	18516.00	Grade 2
3 4	18887.00 19264.00	Grade 3
5 6	19650.00 20043.00	Grade 4
7 8 9	20444.00 20852.00 21269.00	Grade 5
10 11	21695.00 22129.00	Not Used
12 13 14 15	22571.00 23023.00 23484.00 23953.00	Grade 6
16 17 18	24432.00 24920.00 25419.00	Not Used
19 20 21 22	25927.00 26446.00 26975.00 27514.00	Grade 7
23 24 25 26 27	28226.00 29174.00 30095.00 30984.00 31895.00	Grade 8
28 29	32798.00 33486.00	Grade 9

30	34373.00	
31	35336.00	
32	36371.00	
33	37568.00	Grade 10
34	38553.00	
35	39571.00	
36	40578.00	
37	41591.00	
38	42614.00	Grade 11
39	43570.00	
40	44624.00	
41	45648.00	
42	46662.00	
43	47665.00	
44	48506.00	Grade 12
45	50052.00	
46	51712.00	
47	53372.00	Grade 13
48	55262.00	
49	58241.00	Grade 14
50	61505.00	Grade 15
51	65054.00	Grade 16
52	69178.00	Grade 17
53	73703.00	Grade 18
54	79028.00	Grade 19
55	86411.00	Grade 20
56	89975.00	Grade 21
57	93712.00	Grade 22
58	97489.00	Grade 23
59	101721.00	Grade 24
60	106181.00	Grade 25
61	110923.00	Grade 26
62	132822.00	Not used
63	160494.00	Grade 28

Appendix B

North Tyneside Council Senior Salary Pay Scale

Job Role	Grade (Spinal Column Point)	Salary (per annum)
Chief Executive	Grade 28 (63)	£158 122
Directors	Grade 23 (57) to 26 (61)	£92 100 - £109 284
Heads of Service and Senior Managers	Grade 12 (44) to Grade 22(56)	£47 672 - £88 428
	Grade 11 (38 – 43)	£41 881 - £46 845

Appendix C

Gender Pay Report

Introduction

All public sector employers are now required by law to publish information every year about gender pay gaps within their workforce. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into force on 31 March 2017.

The regulations require employers to publish a report based on a snapshot date of 31 March. Employers have 1 year in which to publish the report.

As at 31 March 2021 the Authority workforce profile comprised of 63% female and 37% male.

The report below sets out North Tyneside Council's calculations in relation to:

- The mean gender pay gap in hourly pay
- The median gender pay gap in hourly pay
- The proportion of males and females in each pay quartile

The mean is the average hourly rate of pay, calculated by adding the hourly pay rate for employees then dividing by the number of employees.

The median is the middle hourly pay rate, when the pay rates are arranged in order from lowest to highest.

The table below shows overall mean and median gender pay gap based on hourly rates of pay.

The Authority does not pay any bonuses.

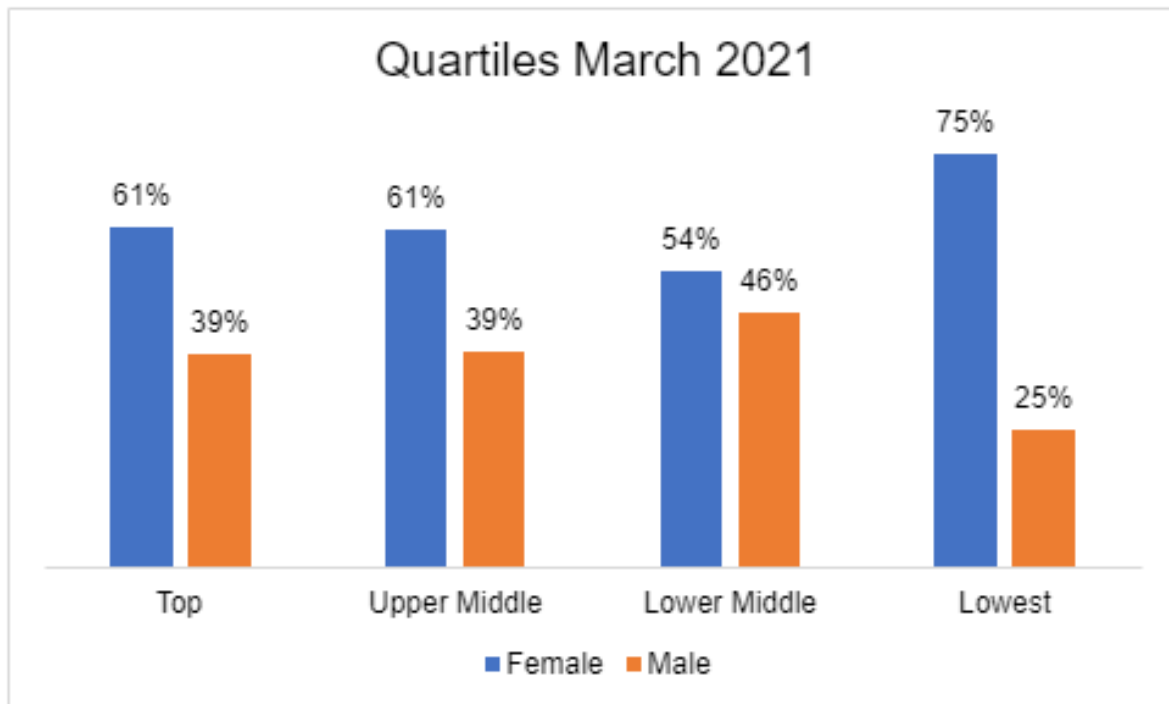
The gender pay gap as at 31 March 2021

	Mean	Median
Hourly fixed pay	8.44%	0.04%
Bonus paid	N/A	N/A

The Office for National Statistics says that the median measure is “considered a better indicator of ‘typical’ average earnings than the mean which is “highly influenced by those values at the upper end of the distribution and this may not be truly

representative of the average earnings of a typical person”. Therefore the median pay gap of 0.04% is extremely positive (particularly compared to the UK median pay gap, of 15.4% in March 2021 (Source: [ONS 2021](#))).

The proportion of males and females in each quartile



The Authority’s gender pay gap information is published on the Government website (gender-pay-gap.service.gov.uk) and will be supported by a narrative explaining the position in the Authority and an action plan to address the gender pay gap.