

# Pay Policy 2023-24



**Date:** March 2023 **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 2023 to 31 March 2024.

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 on 16 March 2023 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 the salaries of senior posts 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

During 2022/23, the lowest paid employees were 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 for roles covered by "Green Book" terms and conditions, see section 3.

From 1st April 2023 Grade 1 will no longer be in use, following changes by the National Joint Council for Local Government Services "Green Book" terms and conditions (see section 4 for further details), and therefore from this date the lowest paid employees will be defined as those on Grades 2 and 3.

### **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 the majority 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". Green Book pay scales are negotiated nationally. Grading structures, which include those for senior posts, are then applied to this and implemented locally in the Authority following approval by full Council. See section 4 for further information.
- The Soubury 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 7.)
- 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 7.)
- In addition, we have local pay spine for Apprentices, the North Tyneside Council Apprentice Pay Model, which is approved by full Council.

Employees on the above terms and conditions will receive a pay award where this is negotiated nationally by the relevant negotiating committee or, in the case of Apprentices, where agreed by full Council.

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.

#### **4. The Green Book Terms and Conditions**

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 2023, 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 2023 when agreed.

The agreement for the pay award for 2022/2023 did however confirm that with effect from 1<sup>st</sup> April 2023 SCP 1 will no longer be in use. SCP 1 is currently in use as the Grade 1 of the council's pay and grading structure. Therefore, from 1<sup>st</sup> April 2023 Grade 1 will no longer be in use.

As above the Authority has a grading structure approved by full Council, that is applies to the Green Book pay spine. Each grade consists of spinal column points (SCP). Grades 3-11 have multiple SCPs to allow for incremental progression. All other grades are spot salaries with no incremental progression.

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.

#### **5. Process for grading posts**

In order to determine which grade a new post should be established on, for posts covered by Green Book terms and conditions and also those covered by the Joint Negotiating Committee for Chief Executives and Joint Negotiating Committee for Chief Officers in Local Authorities, the Authority uses a job evaluation scheme. This scheme is implemented via a locally agreed Job Evaluation Process which was agreed with full council prior to implementation.

Under the Job Evaluation Scheme jobs up to and including Grade 11 are operated via the Gauge System whereby posts are evaluated based on the knowledge, skills, demands and responsibilities required.

Where posts have been established via the Job Evaluation Scheme at Grades 12 and above, these are also evaluated using the HAY Evaluation Methodology to determine the final grade. This further considers the size and responsibility of the job role.

Salaries for the posts are assigned using the North Tyneside Pay Scale which is set out in Appendix A.

## **6. 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 for Green Book posts 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 at the time of implementation. On 1<sup>st</sup> April 2022 this was £9.50 per hour.

When the outcome of the national pay negotiations for the pay scale from 1<sup>st</sup> April 2023 is known the Authority aims to continue to ensure the lowest point on the pay scale is at least the Real Living Wage, which will be £10.90 per hour in April 2023.

## **7. Remuneration of senior posts – Chief Officers (as defined under the Localism Act 2011)**

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

## **8. Appointment of a Chief Officer**

The appointment of individuals to the posts of Chief Executive, Assistant Chief Executive and Director is the responsibility of the Authority's Appointments and Disciplinary Committee. With committee approval, 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.

## **9. 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, which is applicable to all employees, 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 for all employees;
- where a Chief Officer is engaged under a contract for services in accordance with provisions of the contract and the public procurement regime.

## **10. 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.

## **11. Performance related pay and bonuses for Chief Officers**

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

## **12. Termination payments**

The Authority has agreed policies and procedures in place that apply to all employees, including Chief Officers, leaving the Authority's employment including by way of early retirement (including on the grounds of efficiency of service) and redundancy (voluntary or otherwise). 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.

Where special severance payments are made this is done in accordance with the Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England published in May 2022. As such any payments are considered and approved by the Authority's Section 151 Officer and Monitoring Officer.

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.

## **13. Re-engagement of Chief Officers previously employed by the Authority.**

Chief Officers who leave the Authority on the grounds of redundancy will not be re-employed by the Authority in any capacity without the approval of the Appointments and Disciplinary Committee.

## **14. 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.

In the Mini-Budget of September 2022 the government announced plans to repeal the IR35 reforms from April 2023 however this decision was later reversed.

## **15. The relationship between Chief Officers and lowest paid employees**

The grade, and therefore the pay, for the Authority's lowest paid employees (who 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 £27, 852. The pay multiple was 1:6 last year.

## **16. 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.

## **17. Legislative changes**

### **Reform of exit pay for local government workers**

As part of the wider reform of severance payments across the public sector in May 2022 the Government introduced reforms of exit payment terms for local government workers via the statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England. Special Severance Payments



include a range of payments such as discretionary redundancy payments, pension strain payments and settlement agreements. The statutory guidance sets out the government's view that special severance payments should only be considered in exceptional circumstances and the criteria for local authorities to apply when considering making these payments, including the disclosure and reporting requirements.

## **18. 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 Pay Scale April 2022

SCP	Salary	Salary Scale
1	20258.00	Grade 1
2	20441.00	Grade 2
3	20812.00	Grade 3
4	21189.00	
5	21575.00	Grade 4
6	21968.00	
7	22369.00	Grade 5
8	22777.00	
9	23194.00	
10	23247.00	Not Used
11	23673.00	
12	24496.00	Grade 6
13	24948.00	
14	25409.00	
15	25878.00	
16	26357.00	Not Used
17	26845.00	
18	27344.00	
19	27852.00	Grade 7
20	28371.00	
21	28900.00	
22	29439.00	
23	30151.00	Grade 8
24	31099.00	
25	32020.00	
26	32909.00	
27	33820.00	
28	34723.00	Grade 9
29	35411.00	
30	36298.00	
31	37261.00	
32	38296.00	
33	39493.00	Grade 10
34	40478.00	

35	<b>41496.00</b>	
36	<b>42503.00</b>	
37	<b>43516.00</b>	
38	<b>44539.00</b>	Grade 11
39	<b>45495.00</b>	
40	<b>46549.00</b>	
41	<b>47573.00</b>	
42	<b>48587.00</b>	
43	<b>49590.00</b>	
44	<b>50431.00</b>	Grade 12
45	<b>51977.00</b>	
46	<b>53637.00</b>	
47	<b>55297.00</b>	Grade 13
48	<b>57187.00</b>	
49	<b>60166.00</b>	Grade 14
50	<b>63430.00</b>	Grade 15
51	<b>66979.00</b>	Grade 16
52	<b>71103.00</b>	Grade 17
53	<b>75628.00</b>	Grade 18
54	<b>80953.00</b>	Grade 19
55	<b>88336.00</b>	Grade 20
56	<b>91900.00</b>	Grade 21
57	<b>95637.00</b>	Grade 22
58	<b>99414.00</b>	Grade 23
59	<b>103646.00</b>	Grade 24
60	<b>108106.00</b>	Grade 25
61	<b>112848.00</b>	Grade 26
62	<b>134747.00</b>	Not Used
63	<b>162419.00</b>	Grade 28

## Appendix B

### North Tyneside Council Senior Pay Scale

<b>Job Role</b>	<b>Grade (Spinal Column Point)</b>	<b>Salary (per annum)</b>
Chief Executive	Grade 28 (63)	£162,419
Assistant Chief Executive and Directors	Grade 23 (58) to 26 (61)	£99,414 - £112,848
Heads of Service and Senior Managers	Grade 12 (44) to Grade 22(57)	£50,431 - £95,637

## Appendix C

### Gender Pay Report

#### Introduction

All public sector employers are 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.

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.

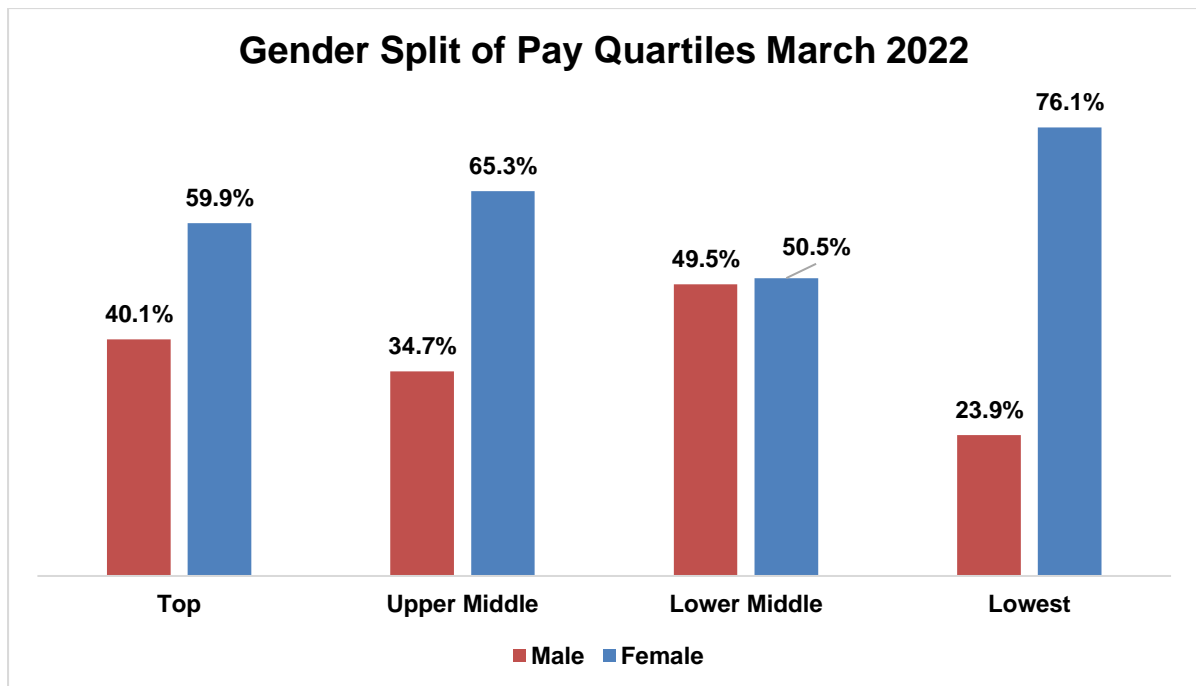
The median is the middle hourly pay rate when the pay rates are arranged in order from lowest to highest.

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 2022

	<b>Mean</b>	<b>Median</b>
Hourly fixed pay	4.94%	0.00%
Bonus paid	N/A	N/A

## 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](https://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.