

# NORTH YORKSHIRE COUNCIL PAY POLICY STATEMENT ON PAY STRUCTURE, GRADING AND CONDITIONS FOR SENIOR MANAGERS COVERING THE PERIOD 1<sup>ST</sup> APRIL 2023 TO 31<sup>ST</sup> MARCH 2024

- 1.0** This policy statement covers the following management board posts:
- **Head of Paid Service**, which is the post of Chief Executive.
  - **Statutory Chief Officers:**
    - Corporate Director of Children and Young People’s Services
    - Corporate Director of Health and Adult Services
    - Corporate Director of Environment
    - Corporate Director of Resources
    - Corporate Director of Community Development
  - **Senior Managers on the Management Board** who report directly to the Head of Paid Service:
    - Assistant Chief Executive (HR and Business Support)
    - Assistant Chief Executive (Legal and Democratic Services) (Statutory Monitoring Officer)
    - Assistant Chief Executive (Localities)
  - **Assistant Directors (All Directorates)**

## 1.1 Management Board Pay and Grading

The pay and grading structure for all posts across NYC is at Appendix 1. Pay for management board posts is detailed below and Assistant Director detailed at Appendix 2, all are as of 1<sup>st</sup> April 2023. The spinal point pay values are at 2022-23 rates as the national pay awards for 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 have not yet been agreed.

SCP	Pay 22/23	Grade	Grade	SCP	Salary
87	198,935	CE1	CE1	87	198,935
86	193,265				
85	187,595				
84	181,925				
81	150,044	DIR2	DIR2	81	150,044
80	144,481				
79	139,125				
78	133,967				
77	129,000				
74	120,000	DIR1	DIR1	74	30,000
73	117,000				
72	114,000				
71	111,500				

In providing details on the pay and conditions for these senior managers this policy covers the pay structure and terms and conditions for the whole council workforce.

## 1.2 Senior Management Structure

The new senior management structure includes posts listed in section 1.0 above and Assistant Director posts set out in Appendix 2.

In establishing the grades for the new management structure, external benchmarking was carried out and reports submitted to the Chief Executive and Chief Officer's Appointment and Disciplinary Committees to consider the grade and salary of the Chief Executive Officer and Chief Officers. Full Council agreed recommendations from the Committee in July 2022 for the salary range of the Chief Executive Officer of £180k to £197k with 4 incremental progression points. The Committee considered Chief Officer salaries in November 2022 and will recommend to Full Council a 5 point pay scale for Directors (DIR2) to attract and retain senior talent, which is consistent with increments in grades across the wider pay structure. These grades are detailed in Appendix 1 and are a slight change to the previous NYCC management board grades with a small increase of 3-4% at the top of the grades, which the committee considered appropriate in the context of the larger and more complex roles in the new Council and the market data. The Committee noted the savings on CEX and management board pay of some £3.7 million compared to the costs across the previous 8 councils.

## **2.0 Pay Principles**

2.1 The following set of pay principles have been agreed for the new Council:

- Clear and transparent pay structure
- Single Status "one employer" approach, with a single set of terms and conditions and a pay structure, based on job evaluation outcomes, applied consistently to all (non-teaching) Council staff, including Chief Officers and senior managers, and which does not permit varying benefit arrangements for different staff groups
- Affordable
- All pay related decisions are taken in accordance with relevant legislation, and with the aim of securing agreement and support of recognised trade unions
- Pay system based on objective criteria underpinned by job evaluation
- Part of the national pay framework, applying nationally mandated terms and conditions and minimum entitlements, with annual pay awards determined by the various national bodies (NJC, JNC for Chief Officers, and Soulbury) and applied to all NJC staff including those on the locally determined extended pay spine points SCP 44 and above (where not covered by the JNCs for Chief Executives and Chief Officers)
- Fair and equitable for all staff
- Attractive to existing employees across all North Yorkshire councils and the workforce of the future
- With the ability to seek to address staffing difficulties where and when they occur
- Recognises that employees' reward needs vary, and change during employment
- Recognises the link between pay and individual performance
- Relevant for all employees, whether providing services in the community or based in an office
- Underpins and reinforces the Council's behaviours and values, such as a learning culture, performance focused, professional excellence, confidence with new technology and public service values
- Promotes employee health and wellbeing
- Supports inclusion and diversity
- Contributes to the green agenda, supporting measures to address climate change
- Administratively light touch using self-service and fixed payments where possible
- Corporate consistency but retain and build the benefits of local recognition
- Incorporates national and local collective agreements and any authority decisions on pay with locally determined pay and conditions set out in a local collective agreement, applied to all staff and incorporated into employment contracts

- 2.2 Job evaluation determines the relative worth of posts in comparison with all posts. The Job evaluation score is then set within a pay structure which determines what posts are paid. Local pay and terms and conditions arrangements are reviewed as necessary based on the pay framework of job evaluation and a standard grading structure and terms and conditions.
- 2.3 NYC is part of the national pay framework with annual pay awards determined by the various national bodies (NJC, JNC for Chief Officers, and Soulbury). This pay policy includes the applied 2022-2023 year pay settlements for NJC staff, Chief Executives and Chief Officers which increased pay for all grades by a flat rate of £1,925 and removed Spinal Column Point (SCP) 1 from the pay spine from 1<sup>st</sup> April 2023. This provided a pay increase of some 9% at the bottom of the pay structure to ensure salaries adhered to the increasing national living wage, which is the legal minimum pay, and tapers down through the pay structure to an increase of 1- 2% for senior management posts. No agreement has yet been reached for any staff group for 2023-2024.

NYC in common with many other authorities has a locally determined extended pay spine that extends beyond SCP 43 where the current national pay spine ends. The Green Book national NJC terms and conditions confirms that any national pay award applies to NJC staff on points SCP 44 and above where they are not covered by separate JNCs for Chief Executives and Chief Officers. The national pay frameworks determine certain terms and conditions, notably sick pay, maternity pay and provides minimum entitlements for others including, annual leave and paternity leave. Apart from the JNC for Chief Officers and Soulbury, the bodies also set out the pay spine and points to be used by local authorities in determining their pay arrangements. It is for local authorities to decide how their pay bands fit onto the national pay spine and what jobs and roles are paid based on job evaluation results.

- 2.4 The national agreements allow for some local determination and these elements are contained in a “Collective Agreement” between the County Council and recognised unions (non-teaching). This sets out the local pay framework and all local terms and conditions, applies to all staff equally including Chief Officers and senior managers and is incorporated into all employment contracts. It is reviewed annually as part of the local consultation arrangements with trade unions and is available to all staff via the intranet.

### **3.0 Pay Structure**

- 3.1 Staff are paid at monthly intervals at the end of the month worked. Pay is one twelfth of the annual gross salary less NI, tax and pension.
- 3.2 **Pay Bands** - The pay and grading structures in place set out the number of increments (based on national pay spine) for each pay band as shown in Appendix 1. Pay and Conditions for senior managers (who are not Chief Officers) is determined by the Head of Paid Service. Pay bandings can be reviewed at the request of management or staff in post, as and when required due to role changes and restructuring.

In 2007, as part of job evaluation implementation, the pay bands for senior managers were benchmarked externally and set at between the median and upper quartile. This was considered a reasonable level at the time based on NYCC’s size and complexity, the need for salaries to be competitive, and the fact NYCC was a well performing authority which needs to recognise managers’ efforts in achieving this. This rationale and approach were considered and retained by the Chief Officers Appointment

Committee in 2022 for NYC Chief Officers, and by Management Board and CEX as Head of Paid Service for senior managers.

**3.3 Pay Review** - A pay review, applying the principles set out above, took place in 2022 in preparation for the unitary Council, taking account of the 8 councils' pay and terms and conditions, and the significant national labour and local market pressures which is causing severe recruitment difficulties and increased staff turnover across most roles. Market data revealed significant pay inflation in some sectors, difficult recruitment and retention and higher turnover in all areas and extremely difficult attraction for some roles. Benchmarking of frontline and national and local hard to fill posts was carried out and used to inform the changes to the grading structure which included:

- merging 2 grades at the bottom of the grading structure to form a longer grade to help attract frontline roles including care and support and driving roles.
- merging a grade at the middle of the structure for frontline professional posts to create a longer 6-point grade to assist with attraction and retention of roles such as Social Workers and Planners.
- extending the shorter grades for frontline posts by one point to create longer grades to improve retention and to reflect market rates. Longer pay grades are evidenced to improve retention
- for grades above the national pay spine, an additional senior manager grade (SM3) to sit between the previous the grades for Head of Service and Assistant Director grades to reflect the increased size and complexity of Head of Service roles, and a one point extension to 2 other grades.

This review maintained pay differentials across grades, so pay continues to reflect the job evaluated value of the different size, scope, and responsibility of roles.

**3.4 Pay Progression** - Staff are usually appointed at the bottom of the pay band and progress through the grade annually from 1 April (for employees on NJC terms and conditions) or 1 September (for employees on Soulbury and/or teachers' terms and conditions) following the annual appraisal. Progression is conditional on demonstrating the requisite knowledge and skills/competencies for the role and meeting the required level of performance and contribution during the review period. This is assessed through the appraisal process and in summary is as follows:

1. Satisfactory performance appraisal by 31<sup>st</sup> March (for employees on NJC terms and conditions) or 31<sup>st</sup> August (for employees on Soulbury and teachers' terms and conditions).
2. Completion of all mandatory training by 31<sup>st</sup> March (for employees on NJC terms and conditions) or 31<sup>st</sup> August (for employees on Soulbury and teachers' terms and conditions).
3. Satisfactory conduct – no live disciplinary warning in place at the pay progression review.
4. Satisfactory performance – no live capability process at the pay progression review.
5. Satisfactory contribution – demonstrating personal effort and commitment, performing in accordance with the Council's values and behaviours.
6. For line managers, completion of employee appraisals by 31<sup>st</sup> March (for employees on NJC terms and conditions) or 31<sup>st</sup> August (for employees on Soulbury and teachers' terms and conditions).

The Chief Executive's appraisal and assessment against the above criteria in order to receive an increment or retain the last increment if at the top of the grade, is undertaken by the Leader in consultation with members of the Executive and other group leaders.

Pay progression is paused (or stepped back for those at the top of the grade if on NJC or Soulbury terms and conditions) when performance or contribution falls below an acceptable standard, to encourage improved performance and contribution. It can also progress more quickly than annually if an employee is consistently working at an exceptionally high level of performance during the year of the review period.

Employees can be appointed to a higher pay point, for example to match current salary.

3.5 **Additional Payments** - There is provision for additional payments to be made to staff as detailed below. These provisions apply in the same way to all staff with no separate or additional pay supplements or arrangements for senior managers or chief officers.

- **Recruitment and retention payments** – these additional payments can be made to staff in hard to fill posts. A business case is required and must be approved by the Corporate Director. These payments are not permanent, are subject to regular review and are used on a limited basis as needed.
- **Market supplements** – these can be made when the job grade, as determined by the job evaluation outcome, is less than the median market rate. This is payable as a monthly allowance, rounded to the nearest £100. It is not subject to any uplift resulting from the national pay award and is usually reviewed at least every 2 years. The need for these payments must be clearly evidenced by market data and approved by Management Board. Use is limited.
- **Incentive payments** – made to staff at the discretion of their manager if merited by excellent performance. Payments are in the form of an accelerated incremental or an honorarium payment (limited to equivalent of 1 or 2 increments) or a thank you payment to a maximum £300.
- **Acting up payments** – made where staff take on additional duties or responsibilities beyond the remit of their substantive role. Such payments are used regularly to cover staff gaps due to vacancies, maternity leave etc.

3.6 All other pay entitlements are the same as for all NYC staff as detailed in the national and local agreements. These include:

- Mileage and limited subsistence expenses
- Annual leave (minimum increased from April 2023 by 4 days from 24 days per annum to 28 days rising to 34 days after five years continuous local government service)
- Sick pay (up to 6 months full and half pay)
- Maternity, adoption, paternity and shared parental leave.
- Other paid and unpaid leave (compassionate, time off for dependants, extended and special leave)
- Pay protection for staff moved to a lower graded role on redeployment/restructuring for 1 year at a maximum of £8k.

There are no additional payments or discretions for Chief Officers or Senior Managers.

3.7 The Council continues to provide a range of voluntary benefits for all staff, including discounts on goods and services, health cash plans and financial wellbeing support. Salary sacrifice schemes provide staff with national insurance savings and depending on the scheme, tax and pension savings. The schemes available include green lease cars, cycle to work, childcare vouchers, home technology, professional subscriptions, qualifications, and pension AVCs.

3.8 **Termination payments** for Chief Officers and senior managers follow the same arrangements and policies for redundancy, redeployment, and pension payments as



applicable for all other NYC staff. Staff pension contributions are in accordance with the LGPS and employer contributions as determined through each Triennial Valuation of the North Yorkshire Pension Fund. The Local Government Pension Scheme provides employers with discretion to make monetary awards including additional benefits, payments, and shared cost ATC arrangements that can add significant value to members' accrued pension benefits. However, the NYC Discretion Policies state that no such award will be made to any member of staff. NYC redundancy payments are calculated for all staff as per the Redundancy Modification Order based on one week pay for every year's service (1.5 weeks for years worked over the age of 40) up to a maximum of 30 weeks. In line with recent case law redundancy calculations now include employer's pension contributions up to the statutory maximum of a week's pay for redundancy purposes (£571 as of 2022).

3.9 New government requirements have been introduced for **Special Severance Payments**. These are sums paid additional to any statutory or contractual entitlements and may be paid in situations where an employee resigns, is dismissed, or agrees a termination of employment. Additional checks and processes have been implemented in accordance with new government regulations for the rare circumstances where a special severance payment is agreed to be the most effective mechanism for ending employment.

4.0 **TUPE** - As a result of local government reorganisation, staff in North Yorkshire District and Borough Councils are subject to TUPE protection and therefore transfer over to NYC on their current terms and conditions, including current pay and grading structure. They are protected under TUPE legislation and therefore their pay and terms and conditions will remain those protected at the point of transfer rather than those set out in this policy.

The new Council has worked with the recognised trade union Unison to develop terms and conditions, which will allow staff from Districts and Boroughs to consider whether to choose to adopt the NYC pay and grading and terms and conditions. Where staff choose to move onto NYC terms and conditions then they will fall within this pay policy, and the equal pay risk which arises from different pay structures, terms and conditions is reduced.

There are a small number of senior officers from Districts who will TUPE over, currently without a permanent designated post within the NYC senior management structure. These TUPE protected roles are listed in Appendix 3, and postholders will be allocated senior duties and responsibilities appropriate to their grade and skills.

5.0 **Remuneration Committee** - The Chief Officers Appointments and Disciplinary Committee is responsible for determining and amending as necessary the terms and conditions of Chief Officers. Remuneration, terms, and conditions will comply with the Pay Policy Statement and any proposed amendments will be submitted to Full Council for approval. It has historically been the Council's policy, as yet not utilised, that severance payments for Chief Officers and senior managers over a cost of £100k will be considered and if deemed necessary recommended by the Chief Officers Appointments and Disciplinary Committee to Full Council for approval.

#### 6.0 **Pay Multiples and Wider Pay Structure**

The complete pay structure is detailed at Appendix 1. The lowest paid staff are at SCP2 on a salary of £20,441 as of 1<sup>st</sup> April 2023 (2022 pay rates). The highest paid salary is £198,935 paid to the Chief Executive. The median average (excluding schools) remains at SCP13, £24,948 per annum (equivalent to bottom of Grade G).

The ratio between the median and the highest i.e. the 'pay multiple' has reduced slightly to 8:1, which compares well with the recommendation in the Hutton Report that the multiple should not exceed 20. NYC does not have a policy on maintaining or reaching a specific pay multiple but is conscious of the need to ensure that the salaries of the highest paid employees are not excessive and are consistent with the needs of the authority as expressed in this policy statement and its wider pay policy and approach.

#### **7.0 Senior Teaching Staff**

The pay and grading of all teachers including Head teachers is determined nationally. There are currently 4 Head teachers paid above £100k plus 32 Heads and Deputies in posts with salaries equivalent to Assistant Director pay bands. This does not include Academies that set their own pay for Head teachers and all other staff.

Grade structure 1<sup>st</sup> April 2023

scp	Apr-22	Grade
2	£20,441	AB
3	£20,812	CD
4	£21,189	
5	£21,575	
6	£21,968	E
7	£22,369	
8	£22,777	
9	£23,194	F
10	£23,620	
11	£24,054	
12	£24,496	
13	£24,948	G
14	£25,409	
15	£25,878	
16	£26,357	
17	£26,845	
18	£27,344	H
19	£27,852	
20	£28,371	
21	£28,900	
22	£29,439	
23	£30,151	I
24	£31,099	
25	£32,020	
26	£32,909	
27	£33,820	JK
28	£34,723	
29	£35,411	
30	£36,298	
31	£37,261	
32	£38,296	L
33	£39,493	
34	£40,478	
35	£41,496	
36	£42,503	M
37	£43,516	
38	£44,539	
39	£45,495	
40	£46,549	N
41	£47,573	
42	£48,587	
43	£49,590	
44	£50,543	



45	£53,000	SM1	
46	£55,000		
47	£57,000		
48	£59,000		
49	£61,000		
50	£63,000	SM2	
51	£65,000		
52	£67,000		
53	£69,000		
54	£71,000		SM3
55	£73,000		
56	£75,000		
57	£77,000		
58	£79,000	AD1	
59	£81,500		
60	£84,000		
61	£86,500		
62	£89,000	AD2	
63	£91,500		
64	£94,000		
65	£96,500		
66	£99,000	AD3	
67	£101,500		
68	£104,000		
69	£106,500		
70	£109,000	DIR1	
71	£111,500		
72	£114,000		
73	£117,000		
74	£120,000	DIR2	
75	£123,000		
76	£126,000		
77	£129,000		
78	£133,967	Chief Executive	
79	£139,125		
80	£144,481		
81	£150,044		
82	£155,821		
83	£161,820		
84	£181,925		
85	£187,595		
86	£193,265		
87	£198,935		

## Appendix 2

### Assistant Director roles, grades and pay

Directorate	Grade	AD Job Title	FTE	23/24 scp	Salary	Notes
Health & Adult Service	AD3	Director of Public Health	1.0	69	106,500	
Health & Adult Service	AD2	AD Prevention and Service Development	1.0	63	91,500	
Health & Adult Service	AD2	AD Adult Social Care	1.0	67	101,500	
Health & Adult Service	AD2	AD Adult Social Care	1.0	67	101,500	
Health & Adult Service	AD1	Alliance Director	1.0	61	86,500	NHS joint funded
Children & Young People	AD3	AD Children and Families	1.0	67	101,500	
Children & Young People	AD2	AD Education and Skills	1.0	67	101,500	
Children & Young People	AD2	AD Inclusion	1.0	67	101,500	
Environment	AD3	AD Highways, Transportation, Parking Services Parks & Grounds	1.0	69	106,500	
Environment	AD3	AD Environmental Services Climate & Waste	1.0	67	101,500	
Environment	AD2	AD Regulatory Services, Registration, Bereavement, Coroners	1.0	63	91,500	
Environment	AD2	AD Transport	1.0	63	91,500	Vacant
Community Development	AD3	AD Planning	1.0	67	101,500	
Community Development	AD3	AD Housing	1.0	67	101,500	Vacant
Community Development	AD2	AD Economic Development, Regeneration, Tourism and Skills	1.0	63	91,500	
Community Development	AD2	AD Economic Partnership Unit	1.0	66	99,000	Funded by LEP
Community Development	AD2	AD Culture and Leisure	1.0	63	91,500	Vacant
Community Development	TUPE	Director Harrogate Convention Centre	1.0	Spot	107,995	
Resources	AD3	Director of Transformation	1.0	69	106,500	
Resources	AD2	AD Resourcing	1.0	63	91,500	
Resources	AD2	AD Resourcing	1.0	64	94,000	
Resources	AD2	AD Resourcing	1.0	67	101,500	
Resources	AD2	AD Resourcing	1.0	67	101,500	
Resources	AD2	AD Resourcing	1.0	66	99,000	
Resources	AD2	AD Customer, Revenue and Benefits	1.0	63	91,500	
Resources	AD2	AD Property, Procurement and Commercial	1.0	63	91,500	Vacant
Resources	AD2	AD Technology	1.0	63	91,500	
Legal and Democratic	AD1	AD Legal Operations	1.0	58	79,000	
Legal and Democratic	AD1	AD Legal Projects	1.0	61	86,500	
Local Engagement	AD1	AD Communications	1.0	61	86,500	

\*Market supplements and other temporary payments such as merit and incentive payments eg thank you payments are excluded.

**Appendix 3**

**TUPE protected Senior Manager roles from District and Borough Councils: legally protected on grades and pay arrangements that are separate from the NYC pay policy**

<b>Job Title</b>	<b>Fte</b>	<b>Salary</b>
Director of Corporate Services and Commissioning	0.4	35,290
Corporate Director - Operations	1.0	78,969
Director/Section 151 Officer	1.0	109,488
Commercial Director	1.0	84,025
Director of Services	1.0	86,600