



**Stockton-on-Tees**  
BOROUGH COUNCIL

**Stockton on Tees**  
**Borough Council**

**Pay Policy Statement**  
**2022/23**

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## 1. INTRODUCTION

- 1.1 This document sets out the Council's Pay Policy in relation to the remuneration of its employees (excluding local authority school employees) in accordance with section 38 of the Localism Act 2011. The policy is subject to annual review which must be approved by Full Council before 31 March each year. Any amendments during the course of the year must also be considered and approved by Full Council. The policy will be published on the Council's website as soon as reasonably practicable after approval or amendment.
- 1.2 The Localism Act 2011 does not require the Council to consider individual schools therefore the arrangements set out in this document do not extend to members of staff employed by schools.
- 1.3 The Council is committed to ensuring fairness, transparency and equality of pay in the remuneration of its employees and will comply with all relevant employment legislation. The Council aims to deliver high quality services to residents of the Borough and in this regard aims to be an employer of choice recruiting and retaining high quality employees who are valued by their employer.

## 2. DEFINITIONS

- 2.1 The following definitions will apply throughout this policy statement.
- 2.2 All of the posts below are collectively referred to as **Chief Officer** and are defined within the Localism Act.

### **Statutory Chief Officers – which in this authority are:**

Head of Paid Service - Managing Director.

Monitoring Officer – Director of HR, Legal & Communications.

Section 151 Officer – Director of Finance, Development & Business Services.

Statutory Director of Adult Social Service - Director of Adults & Health.

Statutory Director of Children's Services - Director of Children's Services.

Director of Public Health – Director of Public Health

### **Statutory Officers – which in this authority are:**

Council's Senior Information Risk Officer - Director of Finance, Development & Business Services

Data Protection Officer – DPO and Information Governance Lead

### **Non-Statutory Chief Officer and Deputy Chief Officers - which in this authority are:**

All other Directors and Assistant Directors and as defined in section 2(7) of the Local Government Act 1989.

### 3. NATIONAL AND OTHER CONDITIONS OF SERVICE

3.1 The appropriate National Conditions of Service are detailed in the table below and are automatically incorporated into employee’s contracts of employment.

| <b>Negotiating Body</b>   | <b>Employees</b>  |
|---|---|
| Joint Negotiating Committee (JNC) for Local Authority Chief Executives    | Managing Director   |
| Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities | Directors<br>Assistant Directors  |
| The Soulbury Committee  | Educational Improvement Professionals<br>Educational Psychologists<br>Virtual School Head Teacher |
| Conditions of Service for School Teachers in England and Wales            | Centrally Employed Teachers   |
| National joint Council (NJC) for Local Government Services                | All other employees   |

3.2 For legal and other reasons, some employees are employed on other conditions of service, for example as a result of TUPE transfers into the Council and apprentices.

3.3 The Council’s Single Status Agreement which was introduced in 2008 is automatically incorporated into the employment contract of NJC employees, Chief Officers and Soulbury employees as applicable.

3.4 The allowances within the Single Status Agreement are updated by either the national pay award or the retail price index. Details are included in the Agreement.

### 4. PAY STRUCTURE

4.1 The Council has established pay and grading structures, using the national pay spine and National Joint Council Job Evaluation scheme for jobs graded up to O and Local Government Association Senior Management Job Evaluation Scheme for jobs graded P and above, which ensures a fair and transparent approach to pay.

4.2 Nationally negotiated pay awards are automatically applied to employee rates of pay under the applicable national conditions of service. The Pay Awards for 2021/22 and 2022/23 are not yet agreed but will be applied once known.

### 5. CHIEF OFFICERS

#### Remuneration of Chief Officers

5.1 Under the definitions set out above the Chief Officers are as follows:

**Job Title**

Managing Director  
Deputy Managing Director  
Directors  
Director of Public Health  
Assistant Directors

5.2 The salaries (pay award for 2021/22 pending) relating to the above grades are:

| <b>Job Title</b>   | <b>Salary</b> |
|--|---------------|
| Managing Director  | £159,000      |
| Deputy Managing Director (additional payment in addition to Director Salary) | £137,500      |
| Director   | £127,500      |
| Assistant Director – Level 1<br>(including Director of Public Health)        | £95,419       |
| Assistant Director – Level 2   | £89,966       |

5.3 Chief Officers do not receive bonus payments or performance related pay, as it is assumed that they will perform to the highest level, nor do they receive any benefits in kind paid for by the employer.

5.4 Increases in pay for Chief Officers will occur only as a result of:

- Pay awards agreed by way of national/local collective pay bargaining arrangements; or
- Significant changes to a Chief Officer's role which result in a higher salary being appropriate as confirmed by the outcome of an appropriate job-evaluation process.
- Recruitment and/or retention payments which, in all the given circumstances at the relevant time, are deemed necessary in the best interests of the Council and which are determined under the relevant policy relating to such payments.

5.5 In accordance with the requirements of the Localism Act 2011, in respect of new appointments, an offer of a salary package of £100,000 or higher will not be made in respect of any post without the prior approval of the Council.

**Election Duties undertaken by Chief Officers**

5.6 Fees for election duties undertaken by chief officers are not included in their salaries.

For Parliamentary elections the Council receive a Parliamentary Election Order from central government which has already set the fee for each constituency. In respect of local

elections fees are determined separately in consultation with the other Tees Valley Councils. For contested elections the fees are based on an agreed sum for the first 1000 electors and a further sum for each additional 1000 electors or fraction thereof, and a set agreed sum for uncontested elections

## **6. PAYMENTS TO EMPLOYEES UPON TERMINATION OF THEIR EMPLOYMENT (INCLUDING CHIEF OFFICERS)**

- 6.1 Chief Officers who cease to hold office or be employed by the Council will receive payments calculated using the same principles as any other member of staff, based on entitlement within their contract of employment, their general terms and conditions, and existing policies.
- 6.2 In the case of termination of employment by way of early retirement, redundancy (voluntary or otherwise) or on the grounds of efficiency of the service, the Council's policies set out provisions which apply to all staff regardless of their level of seniority.
- 6.3. The Council's Pensions and Retirement Policy also sets out the applicable provisions in respect of awarding additional pension entitlement by way of augmentation or otherwise.
- 6.4 Under the Localism Act 2011, severance packages taken as a whole, has a cost to the authority of £100,000 or more the Council will be given an opportunity to vote before the package is approved. However, if the employee would be contractually entitled to such a payment and where there is no discretion and a failure to comply would place the Council in breach of contract and leave it exposed to litigation, the payment would be exempt from the requirement of such a vote
- 6.5 In November 2020 the Government introduced a cap on exit payments for local authority employees but withdrew the legislation following a judicial review challenge. It is understood that the Government may be considering further proposals to restrict exit payments and have already consulted Local Authorities on statutory guidance on the making and disclosure of Special Severance Payment by Local Authorities. Further information is unknown at this point however, the Council will amend its policies and procedures to reflect any changes to legislation once they are known.

## **7. EMPLOYMENT OF INDIVIDUALS ALREADY IN RECEIPT OF A LOCAL GOVERNMENT PENSION**

- 7.1 The approach to the employment of individuals already in receipt of a local government pension is set by the Teesside Pension Fund. The Fund has resolved not to abate pensions on re-employment, having regard to the enactment of regulations introducing flexible retirement, unless an enhanced ill-health retirement has been awarded.

## **8. EMPLOYMENT OR ENGAGEMENT OF FORMER EMPLOYEES**

- 8.1 The Council will generally not re-employ or engage any individual under a contract of service or a contract for services whom has previously been employed by the Council and left that employment with the benefit of a severance such as flexible retirement, early retirement or a redundancy payment under voluntary arrangements, unless it is in the best

interests of the Council to do so or there are exceptional circumstances which would justify doing so.

- 8.2 In addition the Government is proposing to introduce legislation to enable the recovery of exit payments for higher paid employees returning to the public sector. The Council will amend its policy and seek to recover the required proportion of any exit payment to reflect any change in legislation once it is known.

## **9. THE COUNCIL'S APPROACH TO THE PAY OF ITS LOWEST PAID EMPLOYEES**

- 9.1 The Nationally negotiated pay award for employees on NJC terms and conditions has yet to be agreed for 1 April 2021 and therefore the salaries used in this report are from 1 April 2020.

- 9.2 The Council's grading structure begins at scp 3 Grade C, which currently is £9.62 per hour (pay award pending from 1 April 2021). If the Employers' pay offer of 1.75% is accepted this would increase to £9.78 per hour. This is still above the current National Living Wage which will be £9.50 per hour from 1 April 2022 but will be under the Foundation ("Real") Living Wage which was increased to £9.90 per hour on 9 November 2021.

Whilst the Council remains committed to its objective of paying the Foundation Living Wage the outcome of the national collective bargaining process for 2021 and 2022 will be need to be known in order to determine whether consideration should be given to further action to achieve our commitment.

- 9.2 The Council has also agreed that apprentices, undertaking level 1, 2 and 3 apprenticeships, will be paid the National Living Wage for age. From 1 April 2022 these will start at £4.81 per hour for 16 and 17 year olds, rising to £9.50 for those who are aged 23 and over. For those apprentices undertaking a level 4 apprenticeship or above they will be paid a minimum of grade C which is currently £9.62 per hour.

## **10. RELATIONSHIP BETWEEN CHIEF OFFICER AND OTHER EMPLOYEES' REMUNERATION**

- 10.1 The 'pay multiple' for the Council is determined by comparing the pay of the highest paid employee (Managing Director) against the median average pay, using hourly rates as at 31 December, for employees within the scope of this statement.

- 10.2 The Council will aim to maintain a pay multiple of less than 10.

- 10.3 As the pay award for both NJC employees and Chief Officer has yet to be agreed from 1 April 2021 we have calculated the median hourly rate and multiplier using the data from 31 December 2021 but the salaries are as at April 2020. The Council's Median Hourly Rate is £12.20 as at 31 December 2021 (£12.45 at 31 December 2020) and the Pay Multiple is 6.53 as at 31 December 2021 (6.40 at 31 December 2020). There is a slight negative change in both the median hourly rate and pay multiple which is likely due to a combination of continuing to recruit to apprentice posts and the pay awards not being agreed as yet. However, the pay multiple is well within the stated aim of less than 10.

**. 11. GENERAL PRINCIPLES REGARDING THE RECRUITMENT OF EMPLOYEES**

11.1 All employees are recruited in accordance with the Council's Recruitment Policy and are appointed on the minimum of the grade unless there are exceptional circumstances which would warrant appointment above the minimum of the grade. However, where an employee is redeployed because of redundancy or ill health into a lower graded job they will generally be appointed to the highest spinal column point of the lower grade, where appropriate, with salary protection to minimise the financial loss for a maximum of two years.

11.2 The Council will consider all applicants on merit during the recruitment process and will not discount any applicant on the basis of previous public sector employment and/or the terms of that employment ending save as detailed in paragraph 8.1 above.

**12. PUBLICATION OF AND ACCESS TO INFORMATION RELATING TO REMUNERATION OF EMPLOYEES**

12.1 The Council will publish their Pay Policy Statement, following approval of Full Council, on the Council's website. In addition, remuneration related data associated with the Pay Policy Statement and Code of Recommended Practice for Local Authorities on Data Transparency will be published on the Council's website no later than 31 March, Gender Pay Gap report by 30 March, and information related to the public sector equality duty no later than 30 June.