



<u>Policy Title</u>	NCG Pay Policy
<u>Policy Category</u>	Compliant
<u>Owner</u>	Director of People and Development
<u>Group Executive Lead</u>	Chief Executive Officer
<u>Date Written</u>	February 2022
<u>Considered By</u>	N/A
<u>Approved By</u>	Executive Board
<u>Date Approved</u>	March 2022
<u>Equality Impact Assessment</u>	The implementation of this policy is not considered to have a negative impact on protected characteristics and an assessment was carried out. This policy is available in alternative formats, if required.
<u>Freedom of Information</u>	This document will be publicly available through the Groups Publication Scheme.
<u>Review Date</u>	March 2024
<u>Policy Summary</u>	The purpose of this policy is to inform colleagues of NCG’s arrangements for pay and to provide a framework which sets out the principles for the management of pay increases and other pay related matters.

<u>Applicability of Policy</u>	<u>Consultation Undertaken</u>	<u>Applicable To</u>
Carlisle College	Yes	Yes
Kidderminster College	Yes	Yes
Lewisham College	Yes	Yes
Newcastle College	Yes	Yes
Newcastle Sixth Form College	Yes	Yes
Southwark College	Yes	Yes
West Lancashire College	Yes	Yes
Professional Services	Yes	Yes

<u>Changes to Earlier Versions</u>	
<u>Previous Approval Date</u>	<u>Summarise Changes Made Here</u>
N/A - 1st Edition of Document	

<u>Linked Documents</u>	
<u>Document Title</u>	<u>Relevance</u>
NCG Disciplinary Policy	Linked Policy
NCG Financial Regulations	Linked policy
NCG Performance Management Policy	Linked Policy
NCG Recruitment & Selection Policy	Linked Policy
NCG Sickness Absence Policy	Linked Policy

1. Scope of Policy

This policy does not form part of a colleague's contract of employment and does not confer any contractual rights. It may be changed, replaced or withdrawn at any time and at the discretion of NCG.

It applies to all NCG colleagues (not agency workers, guest speakers, consultants etc.), who are employed either on a permanent or temporary basis.

2. Introduction

The purpose of this policy is to inform colleagues of NCG's arrangements for pay and to provide a framework which sets out the principles for the management of pay increases and other pay related matters, which aims to:

- Ensure NCG have pay processes which are fair, consistent, transparent and robust.
- Ensure value for money to get the best outcomes for learners.
- Assist in recruiting and retaining talented individuals.
- Support during times of growth and organisational change.
- Become and continue to be an employer of choice.

NCG is committed to ensuring that processes which may affect pay operate as effectively, efficiently and equitably as possible and where appropriate will seek to work constructively with our recognised trade unions in respect of pay matters.

3. Pay Method and Dates

Salaries and other relevant payments for all NCG colleagues are paid monthly by bank transfer into their nominated bank or building society account. Payments are normally made on the last working day of the month. The only variations to this are likely to be during the months of December and January where salaries may be paid earlier and if so, these dates will be communicated to all colleagues in advance.

All colleagues are paid via our payroll system to ensure that appropriate deductions such as income tax, national insurance, pension contributions and student loan repayments are made. An itemised pay statement (pay slip) detailing earnings and deductions will normally be generated three working days before the date on which colleagues are paid. These are accessible electronically via i-Trent self-service, can be e-mailed to colleagues or hard copies will be posted out to those on maternity leave, sickness absence or whom have left the business. Provisional payslips are available for colleagues to view via i-Trent self-service prior to this date.

It is the responsibility of each colleague to check and ensure that the organisation:

- Has details of their bank or building society account number and sort code.
- Is advised of any changes to their bank or building society account.

- Is told about any payment errors or overpayments that the colleague discovers at the earliest opportunity (e.g. overpayment of wages).

Colleagues who have any queries or problems concerning payment of their salary should in the first instance speak to their manager. If their manager is unable to resolve the matter then the colleague should contact the Payroll Department via e-mail payroll@ncgrp.co.uk.

4. Payment Errors and Overpayments

Where a colleague has been underpaid their basic salary (including hourly paid claimed hours) and the underpayment is NCG's fault (including a manager's failure to submit timely paperwork or authorise timesheets), NCG will arrange an interim payment as soon as possible.

Where the underpayment relates to additional monies on top of the basic salary (including expenses), any reimbursement will usually be paid the following month in line with the next available pay period. If doing this would cause the colleague significant financial hardship, they can request an interim payment to be made via payroll although this will only be considered and approved in exceptional circumstances.

Where a colleague has been overpaid, any repayment will usually be taken the following month in line with the next available pay period. If recovering all of the monies owed the following month would cause the colleague significant financial hardship, they can request for a repayment plan to be implemented via payroll. Where this is agreed a schedule of payments will be prepared which may involve deductions over the course of a few months, however, this would not usually exceed 3 months.

If a colleague resigns and an overpayment is outstanding or is not yet repaid in full, where possible the remaining monies will be deducted from their final salary. Where this is not possible an invoice will be issued to the individual for payment of the balance within 30 days.

5. Salary Advances and Hardship Allowances

NCG does not provide salary advances or any form of hardship allowance other than those stipulated in section 4 of this policy (Payment Errors and Overpayments). Where a colleague is experiencing financial difficulty, they should refer to the People Portal which provides signposting information to relevant external organisations including our Employee Assistance Programme, Moneywise Credit Union and for colleagues in London, Crown Savers Credit Union.

6. Rates of Pay

NCG has a number of different pay scales which exist across each of the colleges and professional services. These are published documents and are available for all colleagues to view on the People Portal.

Depending on the role being recruited to and the college / service in which it sits, will determine whether an incremental pay scale or a fixed pay point salary is applied. Salaries for the colleges in London reflect the higher costs of living and working in and around the capital.

Where a colleague has transferred into NCG from another organisation under Transfer of Undertakings (Protection of Employment) Regulations (TUPE), their salaries at the time of transfer will still apply.

7. Recruitment Against Incremental Pay Scales

When recruiting against an incremental pay scale, normally, all candidates (whether external appointments or internal moves and promotions) will be offered the first incremental point of the grade attached to the role. Managers do, however, have the discretion to offer a higher incremental point where they have evidence which confirms a candidate satisfies the recruitment criteria detailed below:

- One additional point on a pay scale may be offered where a candidate currently holds a higher- level qualification(s) than what is detailed as an essential requirement of the role, and this is deemed to be of benefit to the recruiting College or NCG.
- One additional point on a pay scale may be offered where a candidate currently has more years' experience in a comparable level / similar position than what is detailed as an essential requirement of the role and this is deemed to be of benefit to the recruiting College or NCG.
- One additional point on a pay scale may be offered where a candidate currently has more years' commercial experience in a relevant trade or specialism than what is detailed as an essential requirement of the role and this is deemed to be of benefit to the recruiting College or NCG.

Based on the achievement of the recruitment criteria and where the relevant pay scale offers sufficient incremental points to allow such progression, the maximum number of additional points a manager has the discretion to offer a candidate above the starting point is 3 points.

The only circumstance in which a manager can offer a higher point on the relevant pay scale (but they must not exceed the maximum point) is in a salary match situation, but only where they have written evidence from the candidate's most recent employer. Earnings prior to the most recent employer will not be matched.

8. Recruitment Against Fixed Pay Point Salaries

When recruiting against fixed pay points, a suitable salary is identified based on the requirements and complexity of the role, the level of responsibility the postholder will have and following any necessary internal and / or external benchmarking.

9. Incremental Pay Scale Progression

Once appointed into a role which attracts an incremental pay scale, colleagues will normally progress through it at a rate of one point per annum until they reach the top of their grade. This should be done via the manager as part of the annual end of year performance review process and in accordance with the incremental progression criteria identified in NCG's Performance Management policy and procedure.

Where an individual is paid within an incremental pay scale range, NCG may on occasions need to consider allowing them to move more quickly through the grade than at the normal rate of progression. Please refer to section 13 for accelerated increments.

10. Fixed Pay Point Salary Progression

Once appointed into a role against a fixed pay point salary, colleagues will not normally progress to a further pay point.

Where a colleague has reached the top of an incremental pay scale or is attached to a fixed pay point NCG may on occasions need to consider carrying out a salary review (regrade). Please refer to section 13/14 for salary reviews (regrades).

11. Acting-up Allowance

An acting-up allowance is a non-contractual payment for a fixed term period of time (not exceeding 12 months), used where a colleague will temporarily pick up a proportion of a role or will take on additional responsibility, which is at a higher pay and / or grading level than they are currently employed against (i.e. to cover delays in recruitment, to cover longer term sickness absence of a manager, until a longer term or permanent solution is sourced etc).

In situations such as this it may not be necessary to carry out a full recruitment exercise, however, where more than one colleague may be eligible for the opportunity, then a fair and consistent selection process must be carried out.

In an acting up situation, as the colleague would still be expected to continue in their substantive position, any hours they work as part of the acting-up arrangement should be offset from their substantive role to ensure excessive hours are not worked.

The amount of payment to be awarded will be agreed as a percentage based upon the proportion of the duties carried out in relation to the higher graded role, for the duration of the arrangement. Whilst such payments are non-contractual they will still be classed as earnings and are therefore subject to usual deductions for tax, NI and pension contributions. Upon completion, the colleague will revert to their original salary.

A manager can request consideration of an acting-up allowance via the relevant Principal / Professional Services Senior Leader, subject to them providing suitable justification and evidence in support of their request.

Upon receipt, the Principal / Professional Services Senior Leader will consider the request and as part of the decision-making process they will ensure that the justification given and any supporting evidence submitted is satisfactory, and that sufficient budget is available to accommodate the request.

The decision of the Principal / Professional Services Senior Leader is final and there is no right of appeal. Please note that honorarium payment decisions will remain at the absolute discretion of NCG and are subject to affordability. There is no obligation for NCG to award any such payments.

12. Additional Salary Enhancements

Every effort should be made to recruit and / or retain colleagues on salaries within the relevant NCG pay scales. From time to time NCG may face a shortage of skills in key disciplines or in specific labour market conditions, and therefore has to identify innovative recruitment and retention methods and strategies to attract and / or retain suitably qualified or skilled candidates and colleagues. Where there is a need to consider an additional salary enhancement, there are a number of options available to managers, as follows;

12.1. Market Rate Supplements

A market rate supplement is a temporary additional, fixed term payment where:

- Market data indicates a premium for a specific role or function; or
- There is a shortage of skill in key disciplines which is potentially detrimental to our learner experience or to NCG; or
- There is demonstrable difficulty attracting, recruiting and / or retaining suitably qualified and experienced colleagues and salary is the principal reason for this; or
- NCG offer a lower than average salary for similar roles when compared to the external market.

A market rate supplement is distinct from salary and is non-contractual. If approved it will normally be paid as a non-consolidated monthly payment in addition to basic pay and will be subject to the normal statutory deductions including income tax, national insurance and pension contributions.

A manager can request a market rate supplement is attached to a role via the relevant Principal / Professional Services Senior Leader, subject to them providing suitable justification and evidence in support of their request.

Upon receipt, the Principal / Professional Services Senior Leader will consider the request and as part of the decision-making process they will ensure that the justification given and any supporting evidence submitted is satisfactory, and that sufficient budget is available to accommodate the request.

The decision of the Principal / Professional Services Senior Leader is final and there is no right of appeal. Please note that market rate supplement decisions will remain at the absolute discretion of NCG and are subject to affordability. There is no obligation for NCG to award any further pay points or salary increase.

If approved, market rate supplements will be payable for a fixed period of time, usually up to a maximum of 2 years but it could be for less time than this. At the end of the fixed term period, a review of the market rate supplement should take place and consideration be given to whether it is still required and will therefore be extended, is no longer applicable and will therefore cease or to whether the current rate is still appropriate or needs to be amended. Where a market rate supplement is to be extended or increased, this should only be done for a further fixed term period and should never be made permanent. If a permanent change to a salary is required this should be requested as a salary review (regrade) in line with section 14 of this policy.

Market rate supplements should only ever be considered for roles up to Head of level. They must not exceed a maximum of 10% of the highest pay point within a pay scale and are subject to the values included in the agreed budget. Any roles (i.e. Director or above) or amounts over the agreed parameters must be submitted by the Principal / Professional Services Senior Leader to the NCG Pay Exception Panel for consideration – please refer to section 15 for NCG Pay Exception Panel.

13. Accelerated Increments and Salary Reviews (Regrades)

Where a colleague is paid within an incremental pay scale range, NCG may on occasions need to consider allowing them to move more quickly through the grade than at the normal rate of progression. Possible reasons for doing this may include where:

- A colleague holds or obtains a specialist qualification, a unique or additional skill set or can fulfil additional cross college responsibilities which will be of benefit to our learners, NCG or that would cost us more to go out and recruit or;
- A colleague progresses within the role at a faster rate than would normally be expected or;
- A colleague demonstrates a consistent and sustained level of outstanding / excellent performance which continuously exceeds our normal expectations of them in the role or;
- The role has significantly evolved and any changes are likely to be permanent. *If changes are temporary then these should be dealt with under “Acting Up Allowance” in line with section 11 of this policy and procedure.

A manager can request consideration of an accelerated increment via the relevant Principal / Professional Services Senior Leader, subject to them providing suitable justification and evidence in support of their request.

Upon receipt, the Principal / Professional Services Senior Leader will consider the request and as part of the decision-making process they will ensure that the justification given and any supporting evidence submitted is satisfactory, and that sufficient budget is available to accommodate the request.

The decision of the Principal / Professional Services Senior Leader is final and there is no right of appeal. Please note that accelerated increment decisions will remain at the absolute discretion of NCG and are subject to affordability. There is no obligation for NCG to award any further pay points or salary increase.

Accelerated pay progression must not take a colleague above the maximum point of their associated pay scale, subject to the values included in the agreed budget. Any amounts over the agreed parameters must be submitted by the Principal / Professional Services Senior Leader to the NCG Pay Exception Panel for consideration – please refer to section 15 for NCG Pay Exception Panel.

14. Salary Review (regrade)

Where a colleague has reached the top of an incremental pay scale or is attached to a fixed pay point NCG may on occasions need to consider carrying out a salary review (regrade). Possible reasons for doing this may include where:

- A colleague holds or obtains a specialist qualification, a unique or additional skill set or can fulfil additional cross college responsibilities which will be of benefit to our learners, NCG or that would cost us more to go out and recruit or;
- A colleague progresses within the role at a faster rate than would normally be expected or;
- A colleague demonstrates a consistent and sustained level of outstanding / excellent performance which continuously exceeds our normal expectations of them in the role or;
- The role has significantly evolved and any changes are likely to be permanent. *If changes are temporary then these should be dealt with under “Acting Up Allowance” in line with section 11 of this policy and procedure.

Any salary review (regrade) of a colleague on a fixed pay point must be submitted by the Principal / Professional Services Senior Leader to the NCG Pay Exception Panel for consideration – please refer to section 15 for NCG Pay Exception Panel.

15. NCG Pay Exception Panel

The NCG Pay Exception Panel is made up of the Executive Principals, a People and Development representative and a Finance representative. The purpose of this panel is to consider any exceptions and pay decisions which fall outside of the agreed parameters outlined in the sections above

The NCG Pay Exception Panel will consider any request and as part of the decision-making process they will ensure that the justification given and any supporting evidence submitted is satisfactory, and that sufficient budget is available to accommodate the request.

The decision of the NCG Pay Exception Panel is final and there is no right of appeal. Please note that Market rate supplements, accelerated increment and salary review (regrade) decisions will remain at the absolute discretion of NCG and are subject to affordability. There is no obligation for NCG to award any MRS or further pay points or salary increase.

16. Cost of Living Rises

NCG does not operate an automatic cost of living increase although basic rates of pay will normally be reviewed annually subject to affordability. Salary increases and changes to the pay scales will be negotiated with our recognised trade unions, and where possible NCG will endeavour to reach agreement on pay reviews, however, final decisions will be at the absolute discretion of NCG.

Any changes to pay which are proposed by the Chief Executive Officer and subsequently approved by the Governors will then be notified to colleagues in writing, usually via an NCG communication.

Where possible, these changes will normally be included in August salaries for the new academic year, however, where the pay review is not completed in sufficient time, any increase will normally be applied in a later month. Where this occurs, the payment may be backdated to August although this will be subject to affordability and will remain at the absolute discretion of NCG.

17. Real Living Wage

NCG are committed to paying salaries which are equal to or better than the published real living wage rates of pay. The published values are reviewed each year and subject to sustained affordability these may be increased in line with national recommendations, however, final decisions will be at the absolute discretion of NCG.

18. Additional Hours

There is no automatic entitlement to additional hours and any hours worked in excess must be approved in advance. Additional hours will generally be given back as time off in lieu, however, on occasions and only in exceptional circumstances they may be processed as paid overtime at a single time rate. The relevant Principal / Professional Services Senior Leader has absolute discretion for paying overtime, subject to consideration being given to the values included in the agreed budget. This includes additional hours worked on a Saturday, Sunday or a bank holiday.

For the avoidance of doubt, any colleagues in a management position will be expected to work as many hours as is reasonably necessary to fulfil the requirements of their role, without extra remuneration.

19. Pay Protection Arrangements

Pay protection is a mechanism for assisting colleague's, who as a result of a business decision or an employment change may be subject to a reduction in pay.

Pay protection will only be considered in exceptional circumstances, must be agreed in advance by the Chief Finance Officer and is subject to affordability. Pay protection decisions will remain at the absolute discretion of NCG.