

# North Tyneside Council

## Report to Council

### Date: 19 March 2020

**Title:** North Tyneside Council Pay Policy 2020/21

<b>Portfolio(s):</b> Deputy Mayor	<b>Cabinet Member(s):</b> Councillor Bruce Pickard
<b>Report from Service Area:</b>	<b>Resources</b>
<b>Responsible Officer:</b>	Janice Gillespie, Head of Resources <b>Tel: (0191) 6435701</b>
<b>Wards affected:</b>	All

#### **PART 1**

##### **1.1 Executive Summary:**

The Localism Act 2011 requires all local authorities to prepare and publish a Pay Policy Statement by 31 March each year. The Act requires the statement to be approved by the full Council. The purpose of the Pay Policy Statement is to set out the Authority's policies on a range of pay matters relating to the workforce, including senior employees (known as Chief Officers).

The main part of the Pay Policy has not changed during the last 12 months. This is because negotiations for a new pay scale are continuing at a national level but agreement has not yet been reached. Any increases will be back dated to 1 April 2020 when they have been agreed. The pay multiple and the gender pay gap have been calculated as at 31 March 2019.

The Authority has a statutory duty to publish the Pay Policy Statement following the approval by the full Council.

##### **1.2 Recommendation(s):**

It is recommended that the full Council approves the Pay Policy statement for 2020/21 and authorises publication of the Pay Policy.

##### **1.3 Forward Plan:**

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 31 January 2020.

##### **1.4 Council Plan and Policy Framework**

This report does not directly relate to the priorities in the 2018/20 Our North Tyneside Plan.

## **1.5 Information:**

### **1.5.1 Background**

1.5.2 The Localism Act 2011 requires all local authorities to prepare and publish a Pay Policy Statement. This statement must set out each authority's policies towards a range of issues relating to its workforce, particularly its senior posts (known as Chief Officers) and its lowest paid employees. Pay Policy statements must be prepared for each financial year, approved by the full Council and then published.

### **What must be included in the Pay Policy Statement**

1.5.3 The Localism Act sets out what must be included in the Pay Policy Statement. In particular the statement must include:

- The Authority's definition of senior posts and the reasons for adopting that definition, and
- The Authority's definition of lowest paid employees and the reasons for adopting that definition.

1.5.4 The Statement must also include information related to:

- The policy on remuneration of its Chief Officers including remuneration at recruitment, how pay is increased, the use of performance related pay and bonuses, termination payments and transparency,
- The policy on remuneration of its lowest paid employees, and
- The relationship between the remuneration of senior posts and that of other employees.

1.5.5 The Pay Policy Statement attached at Appendix 1 follows the approach agreed by the full Council in previous years. The statement complies with the requirements of the Localism Act 2011. It also takes account of the policies and processes that the Authority already has in place to manage decisions around recruitment, appointment and termination of Chief Officers and the publication of data on senior salaries to comply with the Transparency Code.

### **Member Involvement**

1.5.6 The Localism Act requires Members to take a greater role in determining pay by ensuring that decisions in relation to pay are taken by those directly accountable to local people. Along with the Transparency Code, the Act's provisions are in place to ensure that communities have access to the information they need to determine whether remuneration, particularly senior employee remuneration is appropriate and commensurate with responsibility. In addition, the Act requires that policies on the pay and reward of the most senior employees are set clearly within the context of the pay of the wider workforce.

### **Accountability**

1.5.7 Pay Policy Statements and any amendments to them must be considered by a meeting of the full Council and cannot be delegated to a committee or sub-committee. All decisions on pay and reward must comply with the current Pay Policy Statement.

## Transparency

- 1.5.8 The Pay Policy must include information on the Authority's approach to the remuneration of Chief Officers. Remuneration includes salary (for Chief Officers who are employed) or payment under a contract for services (for Chief Officers who are self-employed), expenses, bonuses, and performance-related pay as well as severance payments.
- 1.5.9 The Act does not require authorities to use their Pay Policy Statements to publish specific numerical data on pay and reward. However, the Authority does publish data under the Transparency Code as well as the Accounts and Audit (England) Regulations 2018. Authorities are asked in the Statutory Guidance to consider the opportunity this presents to put that data within the context of the Authority's agreed policies and to provide the public with clear justification of how their money is being used appropriately in the pay and reward of senior staff.

## Areas of change to the Pay Policy Statement for 2020/21

1.5.10 The following areas of the Pay Policy Statement for 2020/21 have been amended:

- The median average salary has moved from £22,401 per annum to £20,643. The pay multiple when rounded remains the same at 1:7

## **1.6 Decision options:**

The following decision options are available for consideration by Council:

### Option 1

Approve the Pay Policy Statement for 2020/21

### Option 2

Not approve the Pay Policy Statement for 2020/21.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

Option 1 is recommended for the following reasons:

The proposed Pay Policy Statement is a representation of how the Authority manages its current pay decisions and complies with the requirements of the Localism Act 2011.

## **1.8 Appendices:**

Appendix: North Tyneside Council Pay Policy Statement 2020/21.

## **1.9 Contact officers:**

Janice Gillespie, Head of Resources, tel 643 5701

Lisa Rankin, HR Manager Policy and Practice tel 07967 463036

Stephen Ballantyne, Legal Manager - Governance and Employment tel 643 5329

## **1.10 Background information:**

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) Localism Act 2011
- (2) Openness and accountability in local pay: Guidance under section 40 of the Localism Act – Department for Communities and Local Government February 2012.
- (3) Transparency Code – Department for Communities and Local Government February 2015.
- (4) Hutton Review of Fair Pay in the public sector March 2011.
- (5) Localism Act: Pay Policy Statements for Local Authority Chief Executives – Local Government Association and Association of Local Authorities Chief Executives (ALACE) November 2011.
- (6) Local Government and Housing Act 1989

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

2.1.1 The Authority must ensure that what is agreed in its Pay Policy Statement is applied in practice and where there are financial thresholds these must be adhered to.

### **2.2 Legal**

2.2.1 The Localism Act 2011 requires a Pay Policy Statement to be prepared for each financial year and approved by the end of March each year by the Authority and published. The full Council meeting has responsibility for approving the Pay Policy Statement.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

The relevant Cabinet Member and Elected Mayor and Senior Leadership Team have been briefed on the proposed Pay Policy Statement. The trades unions have also been consulted.

#### **2.3.2 External Consultation/Engagement**

The Pay Policy Statement is a description of what the Authority applies currently as part of its Constitution, and through HR policy and process. All have been through agreed consultation channels with managers and recognised trades unions.

As part of the requirements of the Localism Act any decisions on the pay and terms and conditions of employment of the workforce must be reflected in the annual pay policy statement. National agreements cover the pay and terms and conditions of employment of the workforce and any proposed changes to these agreements would be shared and

consulted on with the trades unions as part of an ongoing dialogue to comply with appropriate legal obligations on consultation.

## **2.4 Human rights**

The proposals in this report support the Authority's adherence to the principles set out in the Human Rights Act.

## **2.5 Equalities and diversity**

2.5.1 The proposals in this report support the Authority's approach to equality and diversity. The Authority's pay and grading structures are underpinned by job evaluation schemes, the outcomes of which have been subject to an equality impact assessment.

2.5.2 The use of a job evaluation scheme provides a systematic way of comparing and assessing individual jobs in an objective way to make sure that there is a fair and equal pay system in place which does not discriminate between male and female employees.

## **2.6 Risk management**

2.6.1 The Proposals in Pay Policy Statement reflect the application of the Authority's job evaluation schemes and pay and grading structures. Any deviation from this could destabilise the pay and grading structure leading to inconsistencies and a risk of further equal pay claims against the Authority. In the last staff survey most employees stated that they perceived their pay to be fair.

2.6.2 Risks around pay and grading are managed through corporate risk management responsibilities.

## **2.7 Crime and disorder**

The proposals in this report do not relate to crime and disorder.

## **2.8 Environment and sustainability**

There are no environmental and sustainability implications arising directly from this report.

### **PART 3 - SIGN OFF**

- Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer

- Head of Corporate Strategy and Customer Service

