

Pay Policy 2020-21

Date: March 2020 Author: HR Policy and Practice Manager



North Tyneside Council

1. Introduction

This is North Tyneside Council's (the Authority) annual Pay Policy for the period 1 April 2020 to 31 March 2021.

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 senior posts
2. The Authority's definition of lowest paid employees
3. 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 the full Council 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 its salaries 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.

The lowest paid employees are 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.

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 the full Council, unless determined nationally as detailed below.

The Authority uses nationally negotiated pay spines as the basis for 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" which includes senior salaries. Green Book pay scales are negotiated nationally and then implemented locally in the Authority following approval by the full Council.
- The Soulbury 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 5.)
- 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 5.)
- Apprentices are paid the apprentice rate set by the Government.
- 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.

Employees on all terms and conditions will receive a pay award where this is negotiated nationally by the relevant negotiating committee.

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. This was approved by the full Council in March 2019. There will be a new pay scale effective from 1 April 2020, but this has not yet been agreed. Negotiations at a national level are continuing but agreement has not yet been reached. Any increases will be back dated to 1 April 2020 when they have been agreed.

Within the Green Book pay spine each grade consists of spinal column points (SCP) to allow for incremental progression, with the exception of Grades 1 and 2 which are single point grades.

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 there is a difficulty in recruiting because the Authority salary is not competitive locally.

4. Process for grading posts

In order to determine which grade a new post is established on the Authority uses a job evaluation scheme for employees covered by Green Book terms and conditions which is implemented via a locally agreed Job Evaluation Process.

The Green Book Job Evaluation Scheme (operated via the Gauge System) is used for posts up to and including Grade 11. Posts are evaluated based on the knowledge, skills, demands and responsibilities required.

Where posts have been established at Grades 12 and above these have been evaluated using the Hay Evaluation Methodology. This considers the size and responsibility of the job role. The salaries for the posts are assigned using the North Tyneside Senior Pay Scale which is set out in Appendix A. These grades consist of spot salaries with no incremental progression.

5. Remuneration of senior posts – Chief Officers

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 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 or Head of Service is engaged under a contract for services by Cabinet, the Council will be informed of these arrangements.

6. Appointment of a Chief Officer

The appointment of individuals to the posts of Chief Executive, Director of Public Health and Head of Service is the responsibility of the Authority's Appointments and Disciplinary Committee. 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.

7. 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 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;
- where a Chief Officer is engaged under a contact for services in accordance with provisions of the contract and the public procurement regime.

8. 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.

9. Performance related pay and bonuses

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

10. Termination payments

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

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.

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.

11. Re-engagement of Chief Officers previously employed by the Authority.

Chief Officers who leave the Authority under the Restructure and Redundancy procedure will not be re-employed by the Authority in any capacity without the approval of the Appointments and Disciplinary Committee.

12. 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.

13. The relationship between Chief Officers and lowest paid employees

The pay for the Authority's lowest paid employees (which 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 1:7. This is based on median average earnings of £20,643.36. This pay multiple is the same as the previous year.

14. 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.

15. Legislative changes

Exit payments

The Government's proposed framework to limit public-sector exit payments proposes a £95,000 individual cap. The implementation of the cap is subject to further consultation and the entitlement to exit payments and unreduced pensions is to be reviewed by the Government. The outcome of this further consultation has not yet been published.

Repayment of Public Sector Exit Payments Regulations

The Government's proposed regulations for repayment of exit payments are not yet in place and there is currently no date for implementation. These require any employee or office holder earning £80,000 or above per annum to repay any exit payment they received (in full or part as set out in the regulations), if they then return

to a similar role in another local authority or local government body within 12 months. This applies if the new role is either on or off payroll.

This requirement can only be waived in exceptional circumstances and by a decision of the full Council.

The Pay Policy Statement will be amended, following its consideration by the full Council, to reflect any changes in legislation or otherwise introduced by the Government on exit caps and the recovery of exit payments.

16. Review and Publication

This policy statement will be reviewed annually and, following approval by the full Council, published on the Authority's website together with the Gender Pay Gap report.

Appendix A

North Tyneside Council Salary Scales

SCP	Salary	Salary Scale
1	17,364	Grade 1
2	17,711	Grade 2
3	18,065	Grade 3
4	18,426	
5	18,795	Grade 4
6	19,171	
7	19,554	Grade 5
8	19,945	
9	20,344	
10	20,751	Not Used
11	21,166	
12	21,589	Grade 6
13	22,021	
14	22,462	
15	22,911	
16	23,369	Not Used
17	23,836	
18	24,313	
19	24,799	Grade 7
20	25,295	
21	25,801	
22	26,317	
23	26,999	Grade 8
24	27,905	
25	28,785	
26	29,636	
27	30,507	
28	31,371	Grade 9
29	32,029	
30	32,878	
31	33,799	
32	34,788	
33	35,934	Grade 10
34	36,876	
35	37,849	
36	38,813	
37	39,782	
38	40,760	Grade 11

39	41,675	
40	42,683	
41	43,662	
42	44,632	
43	45,591	
44	46,396	Grade 12
45	47,874	
46	49,463	
47	51,050	Grade 13
48	52,858	
49	55,707	Grade 14
50	58,829	Grade 15
51	62,224	Grade 16
52	66,168	Grade 17
53	70,496	Grade 18
54	75,590	Grade 19
55	82,652	Grade 20
56	86,061	Grade 21
57	89,635	Grade 22
58	93,477	Grade 23
59	97,536	Grade 24
60	101,812	Grade 25
61	106,359	Grade 26
62	127,357	Not used
63	153,890	Grade 28

Appendix B

North Tyneside Council Senior Salary Pay Scale

Job Role	Grade (Spinal Column Point)	Salary (per annum)
Chief Executive	Grade 28 (63)	£153 890
Head of Service	Grade 22 (57) to 26 (61)	£89 635 to £106 359
Senior Managers	Grade 12 (44) to Grade 21 (56)	£46 396 to £86 061
	Grade 11 (38 – 43)	£40 760 to £45 591

Gender Pay Report

Introduction

All public sector employers are now 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.

As at 31 March 2019 the Authority workforce profile comprised of 65% female and 35% male.

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.

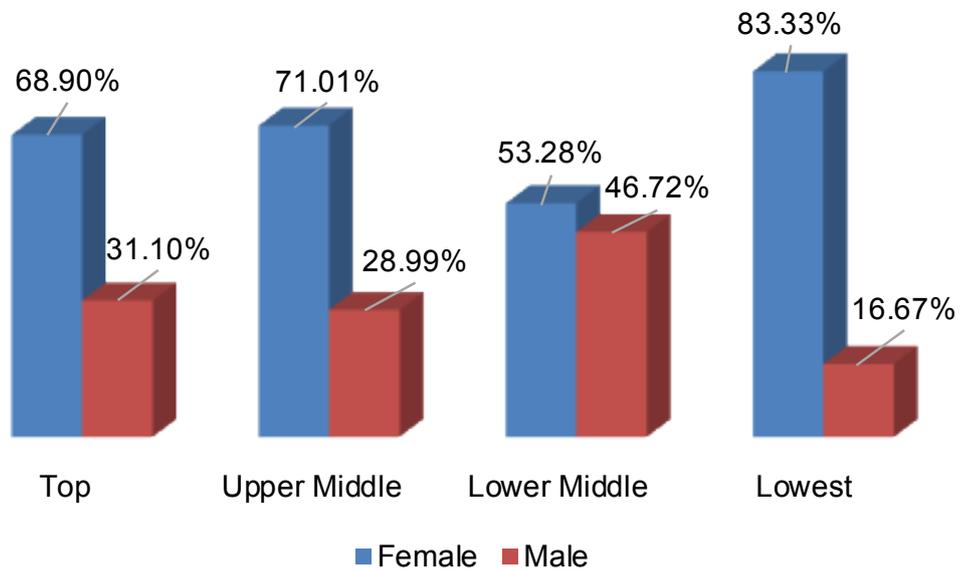
The Authority does not pay any bonuses.

The gender pay gap as at 31 March 2019

	Mean	Median
Hourly fixed pay	5.32%	-0.02%
Bonus paid	N/A	N/A

The proportion of males and females in each quartile

Quartiles Mar-19



The Authority's gender pay gap information is published on the Government website (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.