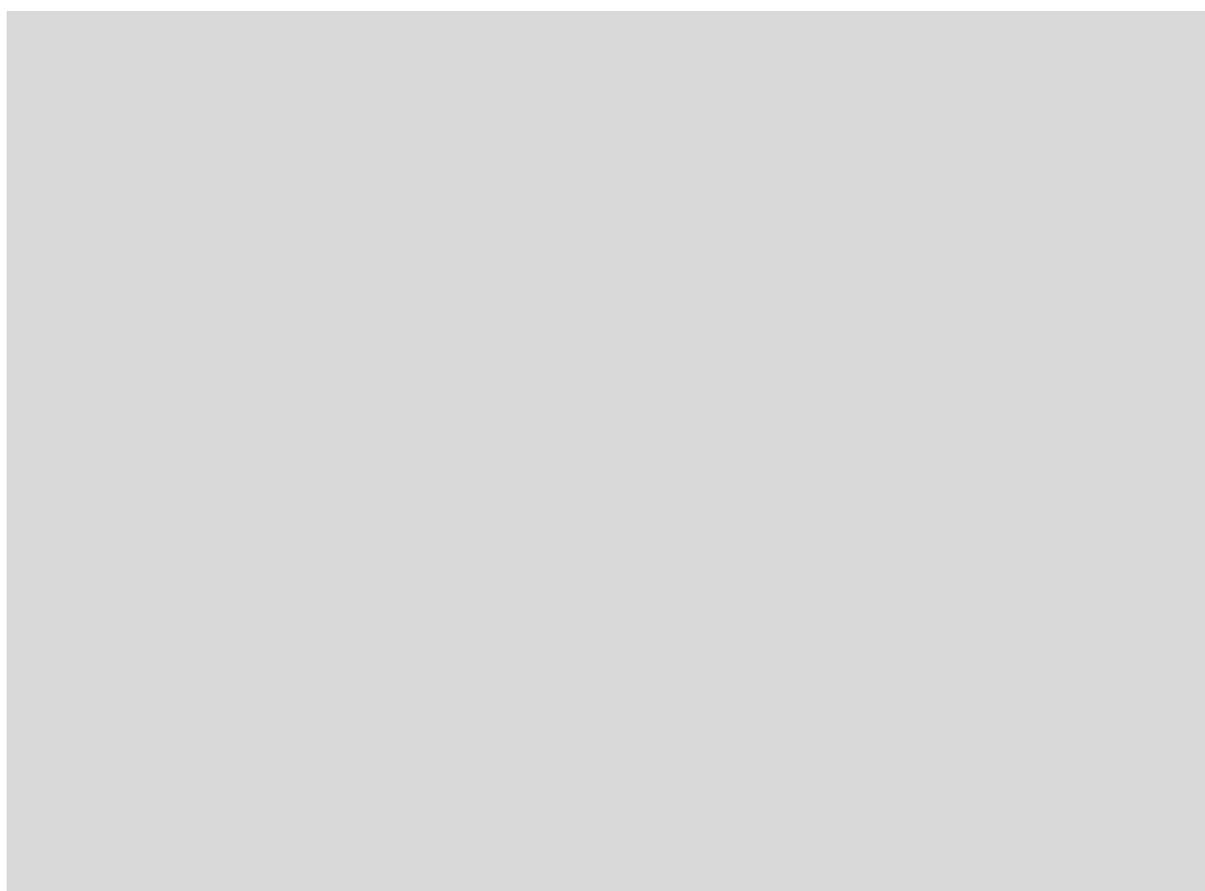


Pay Policy Statement 2019/20



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1. Introduction

The Authority understands the importance of openness and transparency in setting pay and grading for staff. It aims to have clear written policies that ensure decisions on pay are fair, consistent and equitable across the workforce. It will consult with stakeholders on remuneration and pay and grading structures within the Authority to ensure that the views of the workforce are considered. A periodic review will be conducted to ensure that salaries take account of and reflect the work and responsibility of jobs undertaken by the Authority's employees. The Authority recognises its responsibility to its employees that salary levels are seen as fair across the organisation from top to bottom. It is also vital that the Authority can demonstrate value for money particularly for senior roles within the organisation whilst at the same time being able to be in the best position to recruit and retain talented people to work in the organisation.

The Authority's current senior management structure consists of a Chief Executive and a number of Heads of Service and a Director of Public Health delivering a range of services for its communities through a number of delivery models. The Authority continues to deliver services in house but also has arrangements in place to deliver specific services with a range of partners in the public, private and voluntary sectors.

The Authority employs approximately 2,755 people (excluding school based employees) of which 9 posts are chief officer positions. These posts represent less than 1% of the Authority's overall workforce.

This document sets out the Authority's approach to how it sets the remuneration of its employees. It also describes how it intends to fulfil its statutory obligations in line with the Localism Act 2011.

The Authority also publishes data on senior salaries and the structure of the Authority's workforce on its website in line with the Code of Recommended Practice for Local Authorities on Data Transparency and the Accounts and Audit (England) Regulations 2011.

2. The Localism Act

Section 38 (1) of the Localism Act 2011 required the Authority to produce and publish a Pay Policy Statement by 1 April 2012 and then on an annual basis.

The Pay Policy Statement must set out the Authority's approach relating to:

- the remuneration of its Chief Officers;
- the remuneration of its lowest-paid employees; and
- the relationship between the remuneration of its Chief Officers and those who are not Chief Officers.

The Statement must also include what the Authority defines as the "lowest-paid employees and why it has chosen to adopt this definition.

3. Definitions

The Authority has used the definition of “Chief Officer” as set out in Section 43 of the Localism Act 2011 for the purposes of this Statement.

A “Chief Officer” is defined as:

- (a) the Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989;
- (b) the Monitoring Officer designated under section 5(1) of that Act;
- (c) a statutory chief officer mentioned in section 2(6) of that Act; or
- (d) a non-statutory chief officer mentioned in section 2(7) of that Act; or
- (e) a deputy chief officer mentioned in section 2(8) of that Act.

The lowest paid employees are defined by the Authority as those employed in jobs paid on the Authority’s lowest two salary grades, Grades 1 and 2 (new spinal column points 1 to 2) excluding apprentices.

The Authority has adopted this definition based on the fact that these are the first two grades on the Authority’s Pay and Grading Structure and reflect the lowest paid jobs within the Authority that have been job evaluated.

4. Remuneration for Chief Officers

The remuneration for the Authority’s Chief Officers is designed to attract and retain high calibre staff with the vision and ability to deliver key policy objectives. Alongside this is recognition that as a public sector organisation there is a public duty to ensure that financially this delivers value for money on behalf of the electorate, particularly at the highest level of the organisation.

The Authority currently uses the Hay Job Evaluation Methodology and the Gauge ‘Green Book’ Scheme to assess the size and relative responsibility of the job roles of its senior workforce. The salaries for these jobs are assigned using the North Tyneside Senior Pay Scales which are set out in Appendix A and the pay and grading structure for ‘Green Book’ employees as set out in Appendix B. Grades consist of spot salaries with no incremental progression in the North Tyneside Senior Pay Scales and a number of incremental points in the ‘Green Book’ Scheme. These pay scales are locally determined and were implemented from 1 April 2007, following Council approval.

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

Chief Officer and senior salaries:

Job Role	Grade (Spinal Column Point)	Salary (per annum)
Chief Executive	Grade 28 (063)	£153,890
Head of Service	Grade 22 (057) to 26 (061)	£89,634 - £106,359
Senior Managers	Grade 12 (044) – Grade 21 (056)	£46,396 - £86,061
	Grade 11 (038 – 043)	£40,760 - £45,591

The Authority has three posts with a salary above £100,000 per annum which are the Chief Executive, Head of Health, Education, Care and Safeguarding and Head of Environment, Housing and Leisure.

The Authority has designated the roles of Head of Paid Service, Chief Finance Officer (Section 151 Officer) and the Authority’s Monitoring Officer to individual Officers as it is required to do so.

5. Remuneration of Chief Officers on recruitment

It is the role of the Council to approve the Authority’s pay and grading structures for its employees. The Council approved the current pay and grading structures for its employees on the following dates:

- 1 April 2007 (the Green Book Scheme Pay and Grading Structure (Spinal Column Points 6 - 49)
- 1 April 2008 (the North Tyneside Senior Pay Scales (Spinal Column Points 50 - 69)
- 14 July 2014 restructure of Senior Leadership Team amended pay lines of Chief Officer Grades from Grade 20 to Grade 28.

The Chief Executive, Director of Public Health, Heads of Service and senior manager’s job roles (as with all job roles within the Authority) are allocated the appropriate grade within the Authority’s pay and grading structures depending upon the evaluated outcome of their job role.

Other terms and conditions of service for Chief Officers (as appropriate) are set out in the national agreements produced by:

- the Joint Negotiating Committee for Chief Executives;
- the Joint Negotiating Committee for Chief Officers of Local Authorities; and
- the Joint Negotiating Committee for Local Government Services (the Green Book).

Chief Officers are entitled, as are all employees with 3 months or more employed service, to be enrolled in the Local Government Pension Scheme. The Authority's Cabinet is responsible for determining the organisational staffing structures of the Authority. All salary packages will accord, as set out above, with the requirements of the Authority's pay and grading structures and will depend on the evaluated outcome of a post, job role and responsibilities. The appointment of individuals to the posts of Chief Executive, Director of Public Health and Heads of Service is the responsibility of the Authority's Appointments and Disciplinary Committee.

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:

- a) comply with the Authority's Standing Orders in relation to Contracts and any other requirements of the public procurement regime; and
- b) 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. Changes to remuneration for each Chief Officer

Any changes to the remuneration of a Chief Officer will apply only 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 relevant policy (e.g. a market supplement) will be applied in order to determine the appropriate payment;
- temporary additional duties and responsibilities warrant an honorarium or other temporary payment in line with agreed policy;
- in relation to a Chief Officer engaged under a contract for services in accordance with provisions of the contract and the public procurement regime.

7. Payments to Chief Officers upon termination of their employment

Chief Officers who cease to hold office or be employed by the Authority 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.

The Authority has agreed policies and procedures in place that will 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 the service.

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.

8. Re-engagement of Chief Officers Previously Employed by the Authority

Chief Officers leaving 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.

9. 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, the European Parliament and other electoral processes such as referenda.

10. The Policy Relationship between Chief Officers Pay, the Lowest Paid Workers, and the Wider Workforce

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 based on the median average earnings of £22,401 and the current remuneration of the highest earning employee.

The Authority determines the salaries for the majority of its jobs through a process of job evaluation and allocation to the pay and grading structures set out above. There are, however, a small minority of job roles that continue to have their salary set by nationally negotiated agreements such as the Soulbury Committee; Joint Negotiating Committee for Youth Workers and Joint Negotiating Committee for Craft Workers (Red Book Employees). For a small number of centrally employed Teachers their pay and conditions are set out under The National School Teachers Pay and Conditions Document and adopted through the Centrally Employed Teachers Pay Policy 2018 effective for the 2018/2019 Academic Year of 1 September 2018 to 31 August 2019 in conjunction with the Centrally Employed Teachers Appraisal Policy March 2019 to March 2022.

All Authority employees have their terms and conditions of employment set by national or local collective bargaining arrangements. The national agreement that covers the terms and conditions of employment for the majority of staff is the National Joint Council for Local

Government Services National Agreement on Pay and Conditions of Service known as the Green Book.

Where the Authority has agreed local pay and grading structures through local collective bargaining it uses job evaluation to assess the relative worth of each job role within the Authority against other jobs. This covers the highest paid job role to the lowest. The use of job evaluation ensures that a fair and equitable method is used to set pay and grading structures within the Authority.

On 1 April 2017 the Council transferred in a number of Health Visitors and School Nurses from the NHS into the Council who had rights under the Transfer of Undertakings (Protection of Employment) Regulations (2006) (TUPE). Pay bands and pay points for these posts are as set out in the NHS Terms and Conditions of Service Handbook and the Pay Circular (A/C) 1/2016 effective from 1 April 2016. Since transfer the NJC Pay Awards have been applied to this group of staff.

On 1 April 2019 the Authority will transfer in 350 staff from Kier North Tyneside (Housing Repairs and Maintenance) who also have rights under TUPE regulations. A local Craft Agreement which was in place when the workforce transferred out in 2009 contains the pay and grading arrangements for the majority of staff that are transferring in. Other pay and grading arrangements include the NJC for Local Government Services 'Green Book' and North Tyneside Senior Pay Scales.

11. IR35 – Off Payroll Working

Where, for example, there is a need for interim support to provide cover for a substantive post, the Authority will, where necessary, consider engaging individuals under a 'contract for service'.

From April 2017 if a worker is engaged via an intermediary personal service company the responsibility for assessing their income tax and national insurance liability under the IR35 rules lies with the Authority, along with responsibility for deducting and paying the correct income tax.

12. Potential Changes to Pay Policy in 2019

Exit Cap

Limits to exit payments across the public sector were expected to be introduced by the Government in late 2017/early 2018. The intended framework to limit public-sector exit payments proposes a £95,000 individual cap. The implementation of the cap has been subject to further consultation and the expectation is that the Regulations will be in place in October 2019.

Repayment of Public Sector Exit Payments Regulations

The proposed regulations for repayment of exit payments were anticipated to come into force in 2017. These require any employee or office holder earning £80,000 per annum or above to repay in full or part (as set out in the Regulations), to the employer who made the

payment, any exit payment they receive should they return to a similar role in another local authority or other local government body, either on or off payroll, within 12 months. This requirement can only be waived in exceptional circumstances and by a decision of Full Council. There is no date as yet to when these Regulations will be in place.

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

13. Publication of and Access to Information relating to Remuneration of Chief Officers

The Authority will publish this Policy statement, following approval of Council on the Authority's website.

In addition remuneration related data associated with the Pay Policy Statement and Code of Recommended Practice for Authorities on Data Transparency will be also published on the Authority's website.

Appendix A

Salary Scale	SCP	April 2019
Hay Grade 12	44	£46,396
	45	£47,874
	46	£49,463
Hay Grade 13	47	£51,050
	48	£52,858
Hay Grade 14	49	£55,707
Hay Grade 15	50	£58,829
Hay Grade 16	51	£62,224
Hay Grade 17	52	£66,168
Hay Grade 18	53	£70,496
Hay Grade 19	54	£75,590
Hay Grade 20	55	£82,652
Hay Grade 21	56	£86,061
Hay Grade 22	57	£89,635
Hay Grade 23	58	£93,477
Hay Grade 24	59	£97,536
Hay Grade 25	60	£101,812
Hay Grade 26	61	£106,359
Hay Grade 27	62	£127,357
Hay Grade 28	63	£153,890

Appendix B

Salary Scale	SCP	Salary
Grade 1	1	£17,364
Grade 2	2	£17,711
Grade 3	3	£18,065
	4	£18,426
Grade 4	5	£18,795
	6	£19,171
Grade 5	7	£19,554
	8	£19,945
	9	£20,344
Not in use	10	£20,751
Not in use	11	£21,166
Grade 6	12	£21,589
	13	£22,021
	14	£22,462
	15	£22,911
Not in use	16	£23,369
Not in use	17	£23,866
Not in use	18	£24,313
Grade 7	19	£24,799
	20	£25,295
	21	£25,801
	22	£26,317
Grade 8	23	£26,999
	24	£27,905
	25	£28,785
	26	£29,636
	27	£30,507
Grade 9	28	£31,371
	29	£32,029
	30	£32,878
	31	£33,799
	32	£34,788
Grade 10	33	£35,934
	34	£36,876
	35	£37,849
	36	£38,813
	37	£39,782
Grade 11	38	£40,760
	39	£41,675
	40	£42,683
	41	£43,662
	42	£44,632
	43	£45,591

