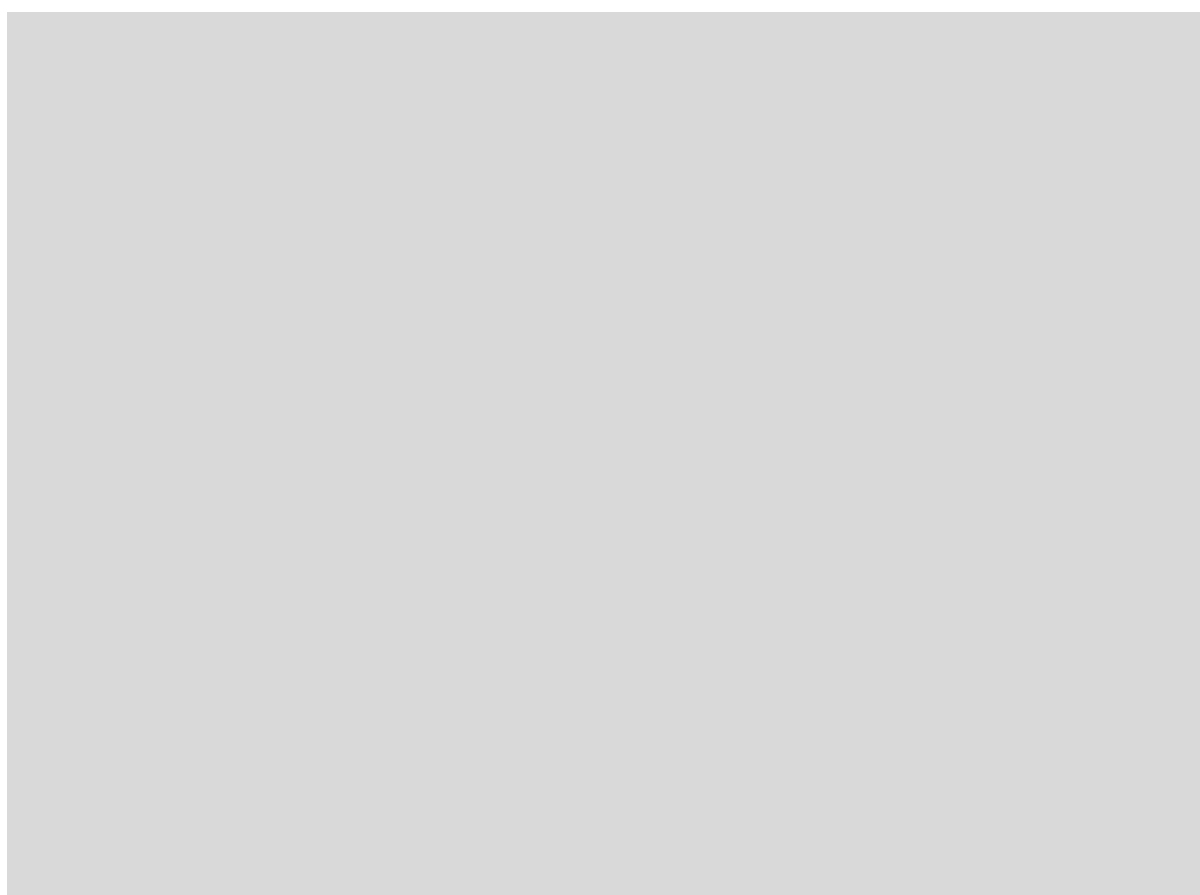


Pay Policy Statement

2018/19



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North Tyneside Council

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 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, a Deputy Chief Executive, 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 2,750 people (excluding school based employees) of which 12 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:

- 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 in jobs paid on the Authority’s lowest two salary grades, Grades 1 and 2 (spinal column points 6 to 9) 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 or 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.

On 1 April 2017 the Council transferred a number of Health Visitors and School Nurses from the NHS into the Council as a TUPE transfer. 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.

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 (069)	£147,915
Deputy Chief Executive	Grade 27 (068)	£122,412
Head of Service	Grade 20 (062) to 26 (067)	£79,442 - £102,229
Senior Managers	Grade 12 (050) – Grade 19 (060)	£44,594 - £72,655
	Grade 11 (044 – 049)	£39,177 - £43,821

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

The Authority is required to designate the roles of Head of Paid Service, Chief Finance Officer (Section 151 Officer) and the Authority's Monitoring Officer to individual Officers.

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 4 - 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, Deputy 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, Deputy 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:

- 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, Deputy 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 (eg. 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 £21,962 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 2017 effective for the 2017/2018 Academic Year of 1 September 2017 to 31 August 2018 in conjunction with the Centrally Employed Teachers Appraisal Policy 2016.

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.

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'.

These are sourced through an appropriate procurement process ensuring that the Authority is able to demonstrate the maximum value for money benefit in securing the relevant 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 2018

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 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 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.

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.

Gender Pay Gap Reporting

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 came into force on 31 March 2017. By 30 March 2018 Public Sector employers with over 250 employees have to 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 first report on the above data is included at Appendix C.

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 the Gender Pay Gap Monitoring Report will be published on the Government'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 2017
Hay Grade 12	50	£44,594
	51	£46,015
	52	£47,542
Hay Grade 13	53	£49,068
	54	£50,806
Hay Grade 14	55	£53,544
Hay Grade 15	56	£56,544
Hay Grade 16	57	£59,808
Hay Grade 17	58	£63,599
Hay Grade 18	59	£67,759
Hay Grade 19	60	£72,655
Hay Grade 20	61	£79,442
Hay Grade 21	62	£82,720
Hay Grade 22	63	£86,154
Hay Grade 23	64	£89,847
Hay Grade 24	65	£93,749
Hay Grade 25	66	£97,859
Hay Grade 26	67	£102,229
Hay Grade 27	68	£122,412
Hay Grade 28	69	£147,915

Appendix B

Salary Scale	SCP	Salary
Grade 1	6	£15,014
Grade 2	7	£15,115
	8	£15,246
Grade 3	9	£15,375
	10	£15,613
	11	£15,807
Grade 4	12	£16,123
	13	£16,491
	14	£16,781
	15	£17,072
Grade 5	16	£17,419
	17	£17,772
	18	£18,070
	19	£18,746
	20	£19,430
Grade 6	21	£20,138
	22	£20,661
	23	£21,268
	24	£21,962
Grade 7	25	£22,658
	26	£23,398
	27	£24,174
	28	£24,964
Grade 8	29	£25,951
	30	£26,822
	31	£27,668
	32	£28,485
	33	£29,323
Grade 9	34	£30,153
	35	£30,785
	36	£31,601
	37	£32,486
Grade 10	38	£33,437
	39	£34,538
	40	£35,444
	41	£36,379
	42	£37,306
	43	£38,237
Grade 11	44	£39,177
	45	£40,057
	46	£41,025
	47	£41,967
	48	£42,899
	49	£43,821

Appendix C

Pay and Bonus Gap Monitoring 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 and require a report to be published by 30 March 2018 based on a snapshot of pay on 31 March 2017.

At this date our workforce profile comprised of 68% female and 32% 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.

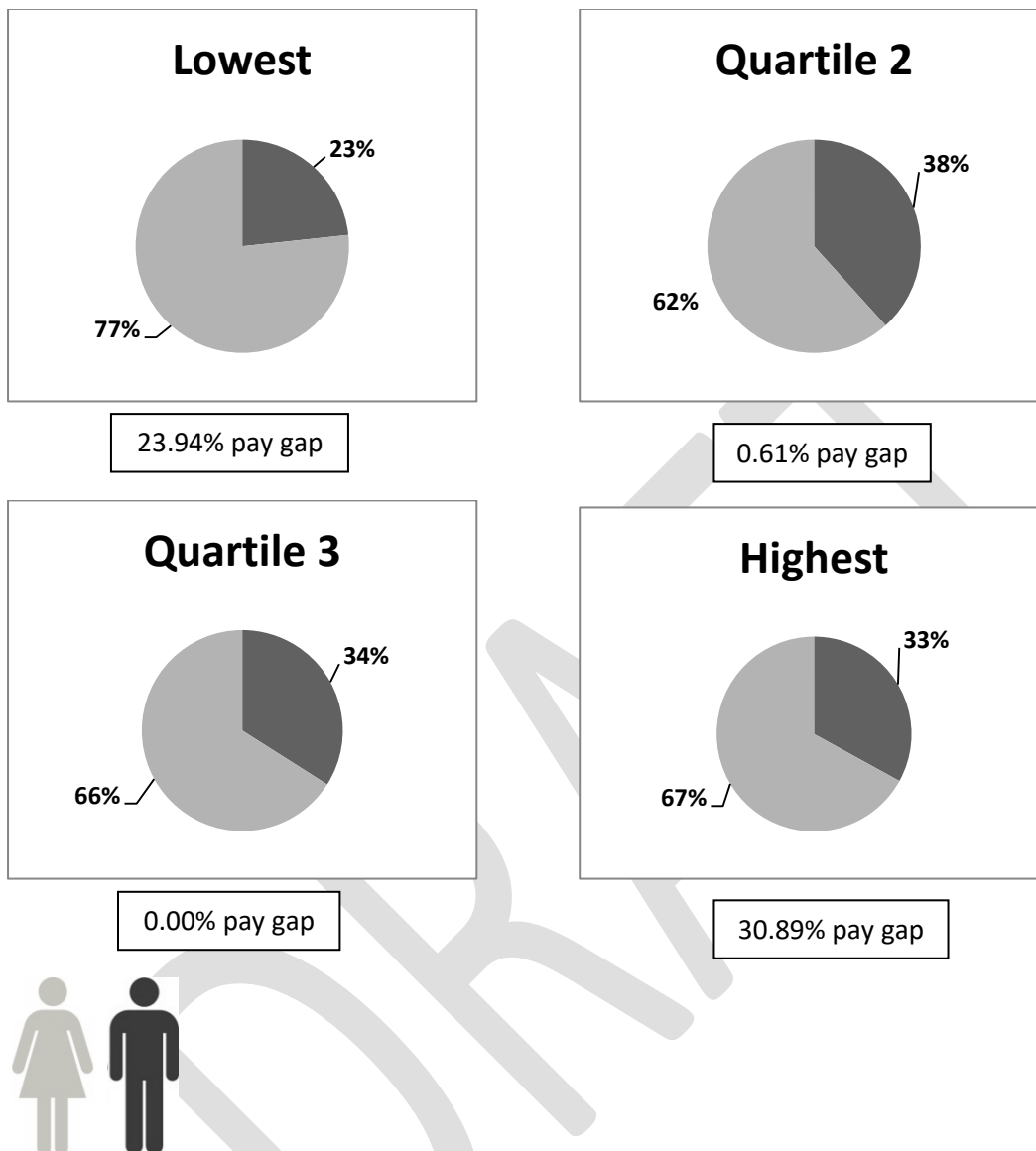
There are no bonus earners within the workforce.

Difference between men and women

	Mean	Median
Hourly fixed pay	2.6%	0.6%
Bonus paid	N/A	N/A

The table above shows overall mean and median gender pay gap based on hourly rates of pay as at 31st December 2017.

Pay Quartiles



The above illustrates the gender distribution at North Tyneside Council across four equally sized quartiles, each containing just under 800 colleagues.

Comparison with the national average

In relation to the national mean average in 2016 the gender pay gap stood at 18.1% so in comparison to this the Authority is below the national average at 2.6%.

Throughout the year we will continue to monitor our workforce to ensure that even though the gap is small we understand the reason for the gap and we can take appropriate steps to reduce this gap by taking the appropriate action.