

North Tyneside Council Pay Policy 2012/13

Introduction

The Council 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, pay and grading structures within the Council to ensure that the views of the workforce are considered as part of its approach.

A periodic review will be conducted to ensure that salaries take account of and reflect the work and responsibility of jobs.

The Council recognises its responsibility to staff that salary levels are seen as fair across the organisation from top to bottom.

It is vital that the Council 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.

This document sets out the Council's approach to how it sets the remuneration of its senior staff and the rest of the workforce. It also describes how it intends to fulfil its statutory obligations in line with the Localism Act 2011.

The Council also publishes data on senior salaries and the structure of the Council'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.

The Localism Act

Section 38 (1) of the Localism Act 2011 requires the Council to produce and publish a pay policy statement by 1 April 2012/13 and then on an annual basis.

The pay policy statement must set out the Council's approach relating to:

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

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

Definitions

The council uses the definition of “Chief Officer” as set out in Section 43 of the Localism Act for the purposes of this pay policy.

This 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.

Lowest paid employees are defined by the Council as those employed in jobs paid on the Council’s lowest two salary grades, Grades 1 and 2 (spinal column points 4 to 9) excluding apprentices. The Council has adopted this definition based on the fact that these are the first two grades on the pay and grading structure and reflect the lowest paid jobs within the Council that have been job evaluated.

Remuneration for Chief Officers

The remuneration for the Council’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 Council currently uses the Hay Job Evaluation Methodology and the Gauge System ‘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.

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

Chief Officer and senior salaries are currently as follows:

Job Role	Grade (Spinal Column Point)	Salary (per annum)
Chief Executive	Grade 28 (069)	£159,800
Directors	Grade 25 (066) to Grade 27 (068)	£108,950 - £125,600
Head of Service	Grade 20 (061) to 24 (065)	£76,350 - £90,100
Senior Managers	Grade 12 (050) – Grade 19 (060)	£42,350 - £69,000
	Grade 11 (044 – 049)	£37,206 - £41,616
	Grade 10 (039 – 043)	£32,800 - £36,313

The Council is required to designate the roles of Head of Paid Service, Section 151 Officer and the Council's Monitoring Officer to individual officers.

Remuneration of Chief Officers on recruitment

It is the role of Council to approve the Council's Pay and Grading Structures for its employees, which include the grades and remuneration for all levels from the lowest paid to the Chief Executive and Chief Officers.

Council approved the current pay and grading structures for its employees including those payments to be made to the most senior posts within the Council on 1 April 2007 (the Green Book Scheme) and 1 April 2008 (the North Tyneside Senior Pay Scales)

Any appointments of employees including Chief Officers must therefore be in accordance with the pay and grading structures in place which were approved by the Council.

The Chief Executive, Strategic Directors, Heads of Service and senior managers will be appointed on the appropriate grade within the pay scale depending upon the evaluated outcome of the job role.

Other terms and conditions of service for employees are set for Chief Officers under 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).

These national agreements allow for discretion to set pay levels for employees at a local level by Council but within a nationally negotiated framework.

All employees of the Council including Chief Officers, with more than 3 months service, are entitled to join the Local Government Pension Scheme.

In accordance with the Council's Constitution the appointment of employees to the posts of Chief Executive, Strategic Directors and Heads of Service are the responsibility of the Council's Appointments and Disciplinary Committee. This Committee will be specifically responsible for approving salary packages of £100,000 or more. Such salary packages must be in accordance with the Council's pay and grading structure. All other employees are appointed by the Head of Paid Service/the relevant Strategic Directors/Head of Service in accordance the Council's Officer Delegation Scheme and the Council's Constitution.

Chief Officers can also be engaged under a contract for services as a contractor. In accordance with the Council's Constitution the engagement of Chief Officers under a contract for services is the responsibility of the Council's Cabinet.

The procurement of a Chief Officer under a contract for services by Cabinet will:

- a) comply with the Council's Standing Orders in relation to Contracts and any requirements of the public procurement regime; and
- b) not cost more than the annual salary, with the relevant on costs, of employing a Chief Officer in that role.

Where a Chief Executive, Strategic Director or Head of Service is engaged under a contract for services by Cabinet, all Members of the Council will be informed of these arrangements.

Increases and additions to remuneration for each Chief Officer

Any increases or additions to the remuneration of a Chief Officer will apply only in the following circumstances:

- A pay award is agreed through national pay bargaining arrangements;
- Where 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 will be applied in order to determine the appropriate payment;
- Where temporary additional duties and responsibilities warrant an honorarium or other temporary payment in line with agreed policy; and
- In relation to a Chief Officer engaged under a contract for services in accordance with provisions of the contract and the public procurement regime.

Payments to Chief Officers upon termination of their employment

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

In the case of termination of employment by way of early retirement, redundancy (voluntary or otherwise) or on the grounds of efficiency of the service, the Council's Restructure and Redundancy Procedure sets out provisions which apply to all staff regardless of their level of seniority.

The Council's Pension Policy Statement and Early Release of Pension Procedure sets out the applicable provisions in respect of awarding additional pension entitlement by way of augmentation or otherwise.

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.

Policy towards the Reward of Chief Officers Previously Employed by the Authority.

The Council's arrangements for payments on severance are outlined in its Restructure and Redundancy Procedure approved in September 2010 as part of an overall Managing Change Policy.

Chief Officers leaving the Council under the Restructure and Redundancy Procedure who have been allowed early access to their pension can be re-engaged in another role with the Council. However, where their pensions have been released they do not have continuity of employment for pension purposes.

The Council is mindful of its obligations under equality legislation and as such is limited in its ability to adopt a policy that it will not employ people of an age that has entitled them to pension access on leaving former employment in the public sector or to propose that such applicants be employed on less favourable terms than other applicants. It expects all applicants for any posts to compete and be appointed on merit.

The approach to the employment of individuals already in receipt of a local government pension is set by the Tyne and Wear Pension Fund. The Fund has resolved not to abate pensions on re-employment unless an enhanced ill-health retirement has been awarded.

There may be circumstances where the re-appointment as an employee or engagement as a contractor of a former Chief Officer is the most effective and efficient way of meeting the Council's needs. If this situation applies formal approval will be sought from the Head of Paid Service, the Appointments and Disciplinary Committee in relation to the re-employment to a Chief Officer post and Cabinet in relation to the engagement to a Chief Officer post as a contractor.

The Council does not provide any further payment to employees leaving the Council's employment other than those negotiated or agreed in line with current employment law practices.

Payments to Chief Officers for Election Duties

Fees for election duties undertaken by Chief Officers are not included in their salaries, as these relate to performance and delivery of specific election duties they are distinct from the process for the determination of pay for Chief Officers.

Fees for the Returning Officer and Deputies and other electoral duties are identified and paid separately for local government elections, elections to Parliament, the European Parliament and other electoral processes such as referenda.

Fees for the Returning Officer and Deputies for elections to Parliament and the European Parliament and national referenda are set by the Government under a Fee Order.

Fees for the Returning Officer and Deputies for local elections, including Mayoral, and local referenda are determined by the Council and have been set as follows:

Local Elections/Referenda

Returning Officer – £2000

Deputy Returning Officer (all duties) - £1,333

Mayoral Election

Returning Officer - £5000

Deputy Returning Officer (all duties) - £3,333

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

The 'pay multiple' for the Council is determined by comparing the remuneration for the highest paid employee against that of the median average earnings for the organisation as a whole (excluding school based employees).

The guidance on pay multiples from the Department of Government and Communities and the Hutton Review of Fair Pay states that this should be the highest paid employee of the Council.

For the Council the current highest paid employee is the Strategic Director of Children, Young People and Learning. The salary of this post has been used to calculate the ratio against the median average salary.

The pay multiple for the Council is 1:6 based on the median average earnings of £22,958 and the current remuneration of the highest earning employee.

The Council determines the salaries for the majority of its jobs through a process of job evaluation. 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).

All Council 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 Council 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 Council against other jobs. This covers the highest paid job role to the lowest. This ensures that a fair and equitable method is used to set pay and grading structures for the Council.

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

The Council will publish its policy statement, following approval of Full Council on the Council'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 published on the Council's website.