



North Tyneside Council

creating a
brighter future
together

Aspire to be better . Enable others . Deliver on promises

North Tyneside Council Pay Policy Statement 2016/17

April 2016



Aspire to be better . **Enable** others . **Deliver** on promises

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 senior management structure currently consists of a Chief Executive, a Deputy Chief Executive, a Director of Public Health and a number of Heads of Service 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 3,138 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:

- (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 (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.

The Authority has agreed the introduction of a North Tyneside Living Wage from 1 April 2016. All employees on SCP 6 to 9 will receive a supplementary payment to the equivalent of SCP 10 on the pay and grading structure. This will become the Authority’s lowest salary point for basic pay.

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.

The NHS Agenda for Change pay bands and pay points from 1 April 2013 are set

out in the NHS Terms and Conditions of Service Handbook and the Pay Circular (A/C) 1/2013 effective from 1 April 2013. Posts transferred across from the NHS to the Authority on 1 April 2013 which have not been affected by a restructure continue to have these terms and conditions of service applied to them.

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)	£145,000
Deputy Chief Executive	Grade 27 (0681)	£120,000
Head of Service	Grade 20 (062) to 26 (067)	£77,877 - £100,215
Senior Managers	Grade 12 (050) – Grade 19 (060)	£43,715 - £71,223
	Grade 11 (044 – 049)	£38,405 - £42,957
	Grade 10 (039 – 043)	£33,857 - £37,483

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)
- 1 October 2013 review of Senior Management Team amended pay lines of Chief Officer Grades from Grade 21 to Grade 28.

- 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:

- 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, 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, 566.27 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 2015 effective for the 2015/2016 Academic Year of 1 September to 31 August 2016 in conjunction with the Centrally Employed Teachers Appraisal Policy 2013.

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. Changes to Pay Structure as of 1st April 2016

As of the 1st April 2016 the National Living Wage will be introduced at £7.20 per hour, and as such the current spinal column points 6 to 8 will no longer be viable. North Tyneside Council have taken the decision not to implement an additional spinal column point between points 8 and 9 to pay exactly £7.20, and will pay this as a supplement, equivalent to spinal column point 9 at £7.30 per hour.

In addition from the 1st April 2016 North Tyneside will implement the North Tyneside Living Wage. This will be a supplementary payment to increase employee's base salaries to a minimum of £7.43 per hour. Any enhanced rates of pay, other than additional hours will be paid equivalent to spinal column point 9 as a minimum. (see appendix B).

The proposed regulations for Repayment of Public Sector Exit Payments Regulations are anticipated to come into force in April 2016. This will 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.

12. 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

	January	
Scales	2015	
Grade 12	050	£43,715
	051	£45,108
	052	£46,605
Grade 13	053	£48,101
	054	£49,805
Grade 14	055	£52,489
Grade 15	056	£55,430
Grade 16	057	£58,630
Grade 17	058	£62,346
Grade 18	059	£66,424
Grade 19	060	£71,223
Grade 20	061	£77,877
Grade 21	062	£81,090
Grade 22	063	£84,456
Grade 23	064	£88,077
Grade 24	065	£91,902
Grade 25	066	£95,931
Grade 26	067	£100,215
Grade 27	068	£120,000
Grade 28	069	£145,000

Appendix B

NORTH TYNESIDE COUNCIL

<u>Green Book Salary Table - Contracted In (1 January 2015)</u>		
<u>Scales</u>	<u>SCP</u>	<u>Salary</u>
Grade 1	1	0
	2	0
	3	0
	4	0
	5	0
	6	£13,614
Grade 2	7	£13,715
	8	£13,871
	9	£14,075
Grade 3	10	£14,338
	11	£15,207
	12	£15,523
Grade 4	13	£15,941
	14	£16,231
	15	£16,572
	16	£16,969
Grade 5	17	£17,372
	18	£17,714
	19	£18,376
	20	£19,048
Grade 6	21	£19,742
	22	£20,253
	23	£20,849
	24	£21,530
Grade 7	25	£22,212
	26	£22,937
	27	£23,698
	28	£24,472
Grade 8	29	£25,440
	30	£26,293
	31	£27,123
	32	£27,924
	33	£28,746
Grade 9	34	£29,558
	35	£30,178
	36	£30,978

	37	£31,846
	38	£32,778
Grade 10	39	£33,857
	40	£34,746
	41	£35,662
	42	£36,571
	43	£37,483
Grade 11	44	£38,405
	45	£39,267
	46	£40,217
	47	£41,140
	48	£42,053
	49	£42,957

*