

TORBAY COUNCIL ANNUAL PAY POLICY STATEMENT APRIL 2018/19

Human Resources

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1. Purpose and Scope of the Policy Statement

- 1.1 Section 38 (1) of the Localism Act 2011 requires the Council to prepare an Annual Pay Policy Statement.
- 1.2 Supplementary guidance was published in February 2013 – “Openness and Accountability in Local Pay: Supplementary Guidance”. Due regard has been given to that guidance in preparation of this policy.
- 1.3 In dealing with staff pay it is the Council’s strategy to ensure that our Pay Policy facilitates the recruitment and retention of staff with the skills and capabilities the Council needs.
- 1.4 Arrangements for staff pay must comply with Equal Pay legislation.
- 1.5 This Pay Policy Statement applies to the Chief Executive/Head of Paid Service, Directors, Executive Heads and Senior Officers within Torbay Council. It addresses the legal requirement to set out how pay is determined for this group. This includes the following posts within Torbay Council:

Chief Executive/Head of Paid Service

Directors

Assistant Directors

Executive Heads (and those posts with specific responsibility such as Section 151 Officer)

Senior Officers (non-executive heads) – These are posts where the salary is above £50,000.

1.6 This Pay Policy Statement is a supplement to Torbay Council's overarching Pay and associated policies which form part of the terms and conditions of employees. These include but are not limited to:-

Torbay Council Pay Policy

Job Evaluation Scheme Policies (Greater London Provincial Councils Job Evaluation Scheme).

NJC Terms and Conditions of Employment (Green Book)

JNC Terms and Conditions for Chief Executives

JNC Terms and Conditions for Chief Officers (Directors within Torbay Council are appointed to these Terms and Conditions).

NHS Terms and Conditions

Torbay Council Local Government Pension Scheme Policy Discretions

Employment of Apprentices Policy

Re-Evaluation Policy

Temporary Acting Up Policy

Expenses Policy

Market Supplement Policy

Market Forces Policy

Staff Travel Plan

Key Skills Retention policy

Flexible retirement

Retirement and Long Service Award

Re-organisation and Redundancy Policy

- 1.7 Guidance from the Secretary of State makes reference to the Hutton Review of Fair Pay. This indicated that the most appropriate metric for pay dispersion is the multiple of Chief Executive pay to median salary. Tracking this multiple will allow the Council to ensure that public services are accountable for the relationship between top pay and that paid to the wider workforce. This annual pay policy statement will publish this multiple along with the following information:

The level of salary for each of the Officers as defined in (1.4) above,

The salary of the lowest paid employee,

This information can be found in Appendix 1 of this policy.

2. *Arrangements for Officer Pay*

- 2.1 The general terms and conditions of employment are governed by the following national agreements:

Chief Executive/Head of Paid Service - JNC for Chief Executives of Local Authorities,

Directors and Assistant Directors - JNC for Chief Officers of Local Authorities,

Executive Heads - NJC for Local Government Services

Educational Advisors and Inspectors/ Educational Psychologists – Soulbury Pay and Conditions

All other Employee Groups – NJC for Local Government Services

Public Health – NHS Terms and Conditions of Service (for employees who have transferred under TUPE)

- 2.2 The Council uses two forms of Job Evaluation to identify officer pay. This is either through the Council's GLPC Job Evaluation Scheme or the Hay Evaluation Scheme. The Hay Evaluation scheme produces both a Know How Score and a total points score for each post evaluated. Torbay Council pays salary (with a pay band of 4 spinal points) on the basis of the Know How Score only (not the final points score). Know-How is the sum of every kind of knowledge, skill and experience required for standard acceptable job performance.

- 2.3 The Hay Job Evaluation scheme is used to evaluate the following roles within the Council.

Chief Executive/Head of Paid Service

Directors and Assistant Directors

Executive Heads

All Grade N and O roles are evaluated under GLPC and Hay (this is due to the cross over point of the two schemes).

Public Health posts are evaluated on the Council's GLPC Job Evaluation Scheme.

Public Health posts can also be evaluated using the "Agenda for Change" job evaluation scheme in order to provide Market Forces information.

All other posts within the Council are evaluated under the Torbay Council GLPC evaluation scheme in accordance with the agreed policies.

- 2.4 The Officers evaluated as having a Know How Score within the Hay evaluation scheme are paid on a salary range based on the low to median salary levels as set in 2016 for all sectors within the South West. Torbay Council publishes this in bands of £5,000. Please refer to Appendix 1 within this policy for further information. This salary information, together with corresponding job descriptions, is also available from the Council's internet page, link as follows:-

<http://www.torbay.gov.uk/council/finance/salary-levels/>

- 2.5 In determining the salary for the Chief Executive/Head of Paid Service within the Council, and in the absence of appropriate data from Hay, the Council will take advice from the Head of Human Resources and the Director of Corporate Services and Operations. In such a scenario independent advice will be sought from South West Councils (HR and Employment Services) and other professional organisations as appropriate, to advise the Council as to the appropriate level of remuneration to be awarded.
- 2.6 The Chief Executive under the general scheme of delegation within the Council will determine the terms and conditions of employment of all officers. Advice will be sought from the Head of Human Resources and Director of Corporate Services and Operations as required.
- 2.7 Following significant changes in duties, any post can be re-evaluated. The evaluation will be based on a Job Evaluation Questionnaire which will be assessed by an independent panel of Job Evaluation trained assessors. External advice and benchmarking will also be undertaken if necessary to ensure that market conditions are taken into account for pay and grading.
- 2.8 Salary increases in relation to cost of living will be applied to all posts according to the awards made by the appropriate National Joint Council as described in paragraph 2.1.

2.9 No additional payments are made to in respect of:

Bonus payments or Performance payments to the Senior Officers defined in 1.4, unless where given as a result of protections under TUPE e.g. Director of Public Health whose protected medical terms and conditions include access to additional NHS allowances in regard to Clinical Excellence and on-call duties, details can be found on the NHS Employers webpage as follows: -

<http://www.nhsemployers.org/Aboutus/Publications/PayCirculars/Pages/PayCircular-MD1-2013.aspx>

Additional enhancements are paid to NJC Employees who are employed on SCP 29 or below of the Torbay Council Salary Scale. From 1st June 2017, these enhancements were varied in accordance with a Collective Agreement with our Trades Unions, dated 13th December 2016.

2.10 Additional payments are made to any Council Officers who act as Returning Officers and carry out duties at elections. These payments are calculated according to the approved scale or set by a government department depending on the nature of the election. This is treated as a separate employment as and when required.

2.11 In comparing the Chief Executive/Head of Paid Service pay with the wider workforce the Council will use the following definitions:

The lowest-paid employee: the employee or group of employees with the lowest salary (full-time equivalent) employed by the Council at the date of assessment.

The median: the mid -point salary when full-time equivalent salaries are arranged in order of size (highest to lowest). Based on salary levels of staff on the date of assessment.

This excludes those employed on casual contracts of employment, but includes part time employees where their salaries are normalised to the full-time equivalent. It also excludes Apprentices who are employed on the Torbay Council apprentice pay grade.

3. Pension contributions and other terms and conditions

3.1 All staff who are members of the Local Government Pension Scheme make employee contributions to the scheme in accordance with the following table. These figures represent the 2017/2018 contribution rates as the rates for 2018/19 have not yet been confirmed.

Band	Salary Range	Contribution Rate
1	£0 To £13,700	5.50 %
2	£13,701 To £21,400	5.80 %
3	£21,401 To £34,700	6.50 %
4	£34,701 To £43,900	6 %
5	£43,901 To £61,300	8.50 %
6	£61,301 To £86,800	9.90 %
7	£86,801 To £102,200	10.50 %
8	£102,201 To £153,300	11.40 %
9	More than £153,301	12.50 %

- 3.2 The employer pension contribution rate is: 22.80% from 1st April 2017.
- 3.3 All employees are currently able to apply for a Car Parking permit, which enables the employee to park on council property for a reduced daily rate.

4. *Payments on Termination – Chief Officers*

The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, at retirement age or prior to this, is set out within its Redundancy policy and is in accordance with Regulation 5 of the Local Government (Early termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 8 and 10 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. Final payment details are submitted to Full Council for approval.

5. *Salary Packages upon Appointment*

- 5.1 Any salary package offered in respect of a new appointment for a Chief Executive /Head of Paid Service will be approved by Full Council. This will include **any new salary package** equating to £100,000 or more.

In the case of salary packages for Directors and Assistant Directors, this will need to be approved by the Council's Employment Committee, acting on behalf of Full Council. This will include **any salary package** equating to £100,000 or more.

6. *Settlement Agreements*

- 6.1 Torbay Council will only enter into Settlement Agreements in exceptional circumstances where it is in the Council's overall commercial and financial interests to do so. Any Settlement Agreement for the Chief Executive/Head of Paid Service will be approved by the Full Council. This will include **any severance package** including associated pension costs equating to £100,000 or more.

In the case of Settlement Agreements for Directors and Assistant Directors, this will need to be approved by the Council's Employment Committee acting on behalf of full Council. This will include **any severance package** including associated pension costs equating to £100,000 or more.

Settlement Agreements for any other member of staff will need to be authorised by the Director of the service following consultation with the Chief Executive/Head of Paid Service.

7. Gender Pay Gap Reporting

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires Torbay Council to calculate and publish the pay gap between male and female employees every year. The first set of data must be based on the pay situation as at 31st March 2017 and be published by 31st March 2018 on the Council's and Government's website (add link). The Pay Gap Report is included as part of this policy, see Appendix 2 – Gender Pay Gap Report 2017/18.

8. Publication

- 8.1 Once approved by Full Council, this Policy and any subsequent amendment will be published on the Council's website. Human Resources Policy will be responsible for the annual review to ensure an accurate pay policy is published ahead of each financial year.
- 8.2 In accordance with the Code of Practice on Local Authority Accounting, the annual Statement of Accounts includes pay details of Senior Officers reporting directly to the Chief Executive/Head of Paid Service and statutory posts where the salary is above £50,000 per annum.
- 8.3 Full Council decisions in relation to staff pay matters are available from the Council's internet page, link as follows:-

<http://www.torbay.gov.uk/DemocraticServices/ieDocHome.aspx>

Current Salary Levels for Chief Executive/Head of Paid Service, Directors and other Senior Officers

Torbay Council publishes a Salary Levels list with post details, salary spot rates or bands and full-time equivalent salaries, available from Torbay Council's web-site:-

<http://www.torbay.gov.uk/council/finance/salary-levels/>

Equality Statement

This policy applies equally to all Council employees regardless of their age, disability, sex, race, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership. Care will be taken to ensure that no traditionally excluded groups are adversely impacted in implementing this policy. Monitoring will take place to ensure compliance and fairness.

Appendix 1 Multipliers

The idea of publishing the ratio of the pay of an organisation's top salary to that of its median salary has been recommended in order to support the principles of Fair Pay and transparency. These multipliers will be monitored each year within the Pay Policy Statement.

The Council's current ratio in this respect is 6.01:1, i.e. 6.01:1. the highest salary earns 6.01:1 times more than the Council's median salary. When measured against the lowest salary the ratio is 9.08:1.

In comparing the highest paid salary with the wider workforce the Council will use the following definitions:

The lowest-paid employee: the employee or group of employees with the lowest rate of pay (full-time equivalent) employed by the Council at the date of assessment. This includes all types of employment within the Council.

The median: the mid-point salary when full-time equivalent salaries of all core council staff are arranged in order of size (highest to lowest). Based on the salary levels of staff on the date of assessment. This includes all types of employment within the Council.

The lowest full time equivalent salary is £15,014 which is Point 6, Grade A. Date of assessment:
5th January 2018.

	Annual Salary	Ratio to Highest
Highest Salary	£136,287	
Median (Mid-point) value	£22, 658	6
Lowest full time salary	£15,01	9

Appendix 2 – Gender Pay Gap Report

This report is provided in compliance with the 'The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017' which came into force on 31 March 2017.

Scope

This report covers all employees of Torbay Council including those based in community and voluntary schools (under the regulations the governing body of a maintained school is treated as the employer). Included are all staff permanently and temporarily employed on the reporting 'snapshot date' (31 March 2017). This includes those on casual contracts that worked during the pay period ending 31 March 2017. For comparison purposes 'full-time' employees are considered as those who worked 30 or more hours per week on average within the pay period.

Definition of Pay

Under the regulations, and therefore in this report, 'pay' includes: basic pay, paid leave (including annual leave, sick leave, maternity, paternity, adoption and parental leave (except where an employee is paid less than usual because of being on leave)), allowances, shift premium pay and bonus pay. 'Pay' does not include: overtime pay, expenses, the value of salary sacrifice schemes (however the reduction to salary is included), benefits in kind, redundancy pay and tax credits.

Gender pay gap and equal pay

The gender pay gap is defined as the difference between the pay of men and women. While there are many ways of presenting this data, under the regulations and in this report there are only two measures: median hourly pay and mean hourly pay. Each is represented as the percentage of the difference with men's pay being the divisor. Therefore, where men are paid more than women, the pay gap will be 'positive' (i.e. with a 3% pay gap women earn 97p for every £1 a man earns). Negative pay gaps are represented as minus percentages (i.e. with a negative pay gap of minus 3% women earn £1.03 for every £1 a man earns). Gender pay gap is not about men and women being paid differently for the same job which has been prohibited by equal pay legislation since 1975. Even with this legislation, historically certain occupations have attracted greater pay due to the value placed on typical masculine and feminine skills.

To comply with equal pay legislation, we operate a recognised job evaluation (JE) scheme which covers all posts within the Council. This is supported by periodic pay data reviews to ensure that our pay structure remains transparent and free from gender bias. The Council seeks external advice on JE where required and regularly benchmarks against market data.

Defining pay gaps

A gender pay gap of less than +/- five percent is considered to be acceptable as defined by the Equality and Human Rights Commission's Equal Pay Toolkit. All gender pay gaps of three percent

or more are subject to further analysis to identify the main causes and contributory factors of any pay differences.

A positive pay gap indicates that men are paid more, a negative pay gap indicates that women are paid more.

Analysing pay gaps

In regard to Gender Pay Gap Reporting, both the mean and median figures have to be reported, however, the median is referred to, to highlight the overall gender pay gap, as it is more representative of the average earnings of a typical person (Annual Survey of Hours and Earnings, 2017:5). Significant pay gaps can often be explained by length of service, market factors, pay protection and/or progression.

Findings

The following summary has been prepared in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 which requires public sector employers to publish specific details of their gender pay, as follows:-

- Median gender pay gap in hourly pay.
- Mean bonus gender pay gap.
- Median bonus gender pay gap.
- Proportion of males and females receiving a bonus payment.
- Proportion of males and females in each pay quartile.

The difference between the average (mean and median) hourly rate of pay for male and female employees

1. The mean pay for women is £13.60 per hour, and mean pay for men is £13.37 per hour. Therefore the mean gender pay gap is minus 1.72%
2. The median pay for women is £10.55 per hour, and the median pay for men is £11.21 per hour. Therefore median gender pay gap is positive 2.3%

The difference between the average (mean and median) bonuses paid to male and female employees over the period of 12 months ending with the snapshot date of 31 March

3. No bonuses were paid to employees during this period.

The proportion of male employees, and of female employees, who were paid bonuses during the period of 12 months ending with the snapshot date of 31 March

4. No bonuses were paid to employees during this period.

The proportions of male and female employees in each quartile of the pay distribution

5.

Quartile	Posts	Men (Count)	Men (%)	Women (Count)	Women (%)
A - Lower (0-25%)	460	57	12.39	403	87.61
B - Lower Middle (25-50%)	460	120	26.09	340	73.91
C - Upper Middle (50-75%)	457	133	29.10	324	70.90
D - Upper (75-100%)	460	156	33.91	304	66.09
Total Posts	1,837	466	25.37	1,371	74.63

Findings

Torbay Council employs 1837 employees, as a headcount figure. Of this figure, 1148 are core council employees and casual workers. The remaining 689 employees are Torbay Council Schools staff.

Overall, men in Torbay Council earn on average 2.3% more than women, however the Council's median gender pay gap is significantly lower than the current national gender pay gap of 15.9% per and public sector gender pay gap of 13.1% (Annual Survey of Hours and Earnings, 2017:5) and is well within the acceptable range as determined by the Equality and Human Rights Commission's Equal Pay Toolkit.

Further analysis of the pay data shows that the highest proportion of women are employed in the lower quartile of the workforce and these are typically lower paid occupations, such as care and learning support staff, catering, administration and work provided on casual contracts which tend to provide greater opportunities to work part-time hours. The Schools' workforce accounts for a large proportion of this section of the workforce and where the gap is most prominent. The high proportion of women working in these types of part-time jobs is also a strong influence on the overall figure and is reflective of the national public sector workforce, where the highest number of women work in part-time roles.

Overall, the findings of the 2017-18 Gender Pay Gap report are positive, bearing in mind the significant transformation changes that have taken place over the past couple of years, and suggest that the Council's pay policies and procedures are effective in ensuring that men and women receive equal pay for equal work.

Even though it is small, it is recognised that a gap does exist between the pay of men and women at Torbay Council, the following proposals are therefore put forward to help reduce the overall gender pay gap:

- ☐ Review gender pay gap to explore the root causes contributing to any pay gaps and actions required to reduce the gap.
- ☐ Periodic equal pay audits to ensure that our pay structure remains transparent and free from gender bias.
- ☐ Review Market Forces process and criteria.
- ☐ Review of Recruitment policy and processes.
- ☐ Ongoing external moderation and benchmarking of our job evaluation scheme to check for consistency.
- ☐ Implement consistent monitoring of internal promotions and progressions by gender.
- ☐ Better utilise the existing / new staff development and talent management opportunities (e.g. through the management development programme, appraisals and apprenticeships).
- ☐ Continue monitoring the impact of restructures on staff with protected characteristics such as gender.

The above listed proposals may also be applied to other protected characteristics such as age, disability and ethnicity.

Sources of Information:-

Equality and Human Rights Commission:-

<https://www.equalityhumanrights.com/sites/default/files/research-report-109-the-gender-pay-gap.pdf>

Office for National Statistics:-

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults>

<https://www.ons.gov.uk/releases/understandingthegenderpaygap>

Policy Feedback

Should you have any comments regarding this policy, please address them to the HR Policy Feedback mailbox – HRpolicy@torbay.gov.uk

History of Policy Changes

This policy was first agreed by members of the Torbay Joint Consultative Committee in March 2012

Date	Page	Details of Change	Agreed by:
November 2012	Various	Amendment from Chief Executive to Chief Operating Officer	SSG 8.11.12 Approved by Full Council
6 th December 2012	4-5	Update to pension ranges re: LGPS contribution rates Addition of Payments upon Termination Section	Approved by Full Council
6 th December 2012	7	Update to Ratio + Multiplier information (Appendix 2)	Approved by Full Council
6 th December 2012	6	Update to current salary levels + addition of newly appointed posts (Appendix 1)	Approved by Full Council
5 th December 2013	Various	Update to current salary levels and reference to Chief Executive Officer throughout. Inclusion of Public Health information.	To be approved by Full Council – 5.12.13

5th December 2014	Various	Update to current salary levels and pension rates, reference to Executive Head of Commercial Services.	To be approved by Full Council – 4.12.14
November 2015	Various	<p>-Update to reflect structure changes, e.g. Chief Officer/Head of Paid Service and Assistant Director roles. Reference to National Living Wage from 1.4.16.</p> <p>New section (5) relating to approval process for Chief Officer/Head of Paid Service appointments and changes to Section 6 (Settlement Agreements) to reflect approval process, i.e. delegation to Employment Committee for decisions relating to Directors and Assistant Directors.</p> <p>Reference to “Openness and Accountability in Local Pay: Supplementary Guidance”</p>	Approved by Full Council – 10.12.15
February 2017	Various	<p>Update to reflect change in job title – Chief Officer to Chief Executive.</p> <p>Changes to Appendix 1 – Multipliers, due to salary pay award in 2016 and introduction of National living Wage. Changes to terms and conditions relating to enhancements and other terms and conditions that have been varied through Collective Consultation.</p> <p>Updated to reflect Hay 2016 rates low to medium and spinal scales.</p> <p>General re-wording to take into account constitution, general delegations.</p>	Approved by Full Council February 2017

June 2017	Wording to 2.5 updated.	To reflect how Chief Executive salary will be reviewed following recommendation from Employment Committee.	Approved by Full Council 10 th May 2017.
January 2018	Various	<p>Changes to job titles to reflect Senior Leadership Team restructure.</p> <p>Replace external link to Salary Disclosure information.</p> <p>Update to pensions contributions information.</p> <p>Update to Appendix 1 – multiplier information.</p> <p>Inclusion of Appendix 2 – Gender Pay Gap Report</p>	Pending Full Council Approval 22 nd February 2018.

Policy to be reviewed December 2018.