

# Annual Pay Policy Statement 2021-22

January 2021

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## **1. Purpose and Scope**

- 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 Senior Officers – these are posts with specific responsibility such as Section 151 Officer and/or 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
- Temporary Additional Duties Policy
- Expenses Policy
- Market Supplement Policy
- Market Forces Policy
- Staff Travel Plan
- Key Skills Retention policy
- Key Skills Golden Hello Scheme
- Key Skills Student Loans Allowance Scheme
- 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 1.5 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

- Senior Officers - 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
- Senior Officers

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 A review of Hay salary data was purchased in 2018 and salaries were reviewed in line with this and with South-West public and private sector data. This salary information, together with corresponding job descriptions, is 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, Corporate Services.. In such a scenario independent advice will be sought from South West Councils (HR and Employment Services) and other professional organisations 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, Corporate Services 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.

The Council's pay and grading structure is available from the Council's website :-  
<https://www.torbay.gov.uk/council/jobs/what-we-offer/salary-and-grades/>

- 2.9 No additional payments are made in respect of:
- Bonus payments or Performance payments to the Senior Officers defined in 1.5, 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: - <https://www.nhsemployers.org/-/media/Employers/Documents/Pay-and-reward/Junior-Doctors/FINAL-Pay-and-Conditions-Circular-MD-12017-MARCH-2018.pdf>
  - Additional enhancements are paid to NJC Employees who are employed on SCP 23 or below of the Torbay Council Salary Scale. 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, Deputy Returning Officers and those who carry out specific 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. Pensions 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 LGPS contributions table. However, these figures represent the 2020/21 contribution rates and bandings which could be subject to change and have not yet been confirmed for 2021/22.

Band	Salary Range	Contribution Rate	Contribution Rate
1	£0 To £14,600	5.50%	2.75%
2	£14,601 To £22,800	5.80%	2.90%
3	£22,801 To £37,100	6.50%	3.25%
4	£37,101 To £46,900	6.80%	3.40%
5	£46,901 To £65,600	8.50%	4.25%
6	£65,601 To £93,000	9.90%	4.95%
7	£93,001 To £109,500	10.5%	5.25%
8	£109,501 To £164,200	11.4%	5.70%
9	£164,201 or more	12.5%	6.25%

- 3.2 The employer pension contribution rate is: 16.70% for Core Council and 18.50% for Schools based staff which has been set from 1<sup>st</sup> April 2020.
- 3.3 All employees are currently able to apply for a Car Parking permit, which enables employees to park on Council property for a reduced daily rate.

#### **4. Termination payments - Chief Officers**

- 4.1 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.

The Restriction of Public Sector Exit Payment Regulations came into force on 4<sup>th</sup> November 2020 and will therefore apply to any exit payments made by the Council of £95K and above.

#### **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.
- 5.2 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.
- 6.2 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.
- 6.3 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. Pay data must be based on a 'snap-shot' of the pay situation as at 31st March the preceding year and must be published by 30th March 2021 to the Government and also on Torbay Council's website:- <https://www.torbay.gov.uk/council/finance/salary-levels/>

The Government publishes the results on their Gender Pay Gap Viewing Service:- <https://gender-pay-gap.service.gov.uk/>

The Pay Gap Report is included as part of this policy, see Appendix 2 – Gender Pay Gap Report.

## **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 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.

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 Council’s current ratio in this respect is 5.29:1, i.e. the highest salary earns 5.29:1 times more than the Council’s median salary. The lowest full time equivalent salary is £17,842 which is Point 6, Grade A. When measured against the lowest salary the ratio is 7.87:1.

Date of assessment: December 2020.

	<b>Annual Salary</b>	<b>Ratio to Highest</b>
Highest Salary	Within the banding £139,999 - £145,000	
Median (Mid-point) value	£26,511	5.29:1
Lowest full time salary	£17,842	7.87:1

There has been a positive change in the figures since the 2020/21 Annual Pay Policy Statement was published which reflects a more balanced pay difference between the highest salary and the median and lowest salaries. This is due to a reduction in headcount, involving staff across various different pay grades coupled with pay rises nationally that have increased the value of the lower pay grades in particular.

## 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 31st March 2017.

### Scope

This report covers all employees of Torbay Council including all staff permanently and temporarily employed on the reporting 'snapshot date' (31st March 2020). This includes those on casual contracts that worked during the pay period ending 31st March 2020.

In accordance with the Regulations, employees of Torbay Council's maintained schools\* are treated as being employed by the governing body of the school and not as Council employees. Consequently, employees in maintained schools have been excluded from the Council's gender pay calculations. The duty to report GPG information applies to organisations with 250 or more employees. None of Torbay Council's maintained schools individually exceed this figure and so will not need to make a submission. In the case of schools who are part of a multi-academy trust and which may collectively exceed 250 employees, they will be required to report their gender pay information as the employer and take advice as appropriate.

\* Maintained schools are regarded as foundation, community, voluntary, nursery or special schools. (<https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>)

### 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 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 £15.47 per hour and mean pay for men is £15.26 per hour. Therefore the mean gender pay gap -1.3%.
2. The median pay for women is £14.95 and the median pay for men is £14.53 per hour. Therefore the median gender pay gap is -2.8%.

**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 31st March 2020.**

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 31st March 2020.**

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

**5. The proportions of male and female employees in each quartile of the pay distribution – to be supplied**

Quartile	Posts	Men (Count)	Men ( % )	Women (Count)	Women ( % )
A - Lower (0-25%)	243	57	23.46%	186	76.54%
B - Lower Middle (25-50%)	243	76	31.28%	167	68.72%
C - Upper Middle (50-75%)	243	87	35.80%	156	64.20%
D - Upper (75-100%)	243	99	40.74%	144	59.26%
<b>Total Posts</b>	<b>972</b>	<b>319</b>	<b>32.82%</b>	<b>653</b>	<b>67.18%</b>

## Findings

Torbay Council employed 972 employees on 31st March 2020, as a headcount figure. This figure does not include our School employees.

The previous Gender Pay Gap Report highlighted a -1.06% mean gap in favour of women and a -0.9% median gap in favour of women, however this years' figure shows the gap to be -1.3% mean gap and a -2.8% median gap in favour of women, therefore highlights a slightly larger gap between men and women's pay than last year. Although there is still a minimal pay gap in favour of women, this can be attributed to the slight increase in the number of women in the Council's workforce who occupy managerial and senior managerial roles and who predominantly occupy job roles in the upper quartile.

The Council's gender pay gap position remains well below the public and private sector averages.

The mean gender pay gap for the whole economy (according to the 2020 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 14.6% and 14.5% for the public sector.

The median gender pay gap for the whole economy (according to the 2020 ONS ASHE figures) is 15.5% and 15.8% for the public sector:-

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables>

The Council introduced a new pay and grading structure in April 2019 and a full equality impact assessment was undertaken to assess any adverse impact upon certain groups, including a gender analysis. This has since been reviewed and changes to the Council's job evaluation conventions have further been consulted on with Trades Unions to ensure that evaluation of any new and existing jobs continues to be fair and equitable. .

In addition to this, the following proposals are put forward to review and minimise any pay gaps going forward:-

- Review gender pay gap to explore the root causes contributing to any pay gaps and actions required to reduce the gap.
- Introduce strategic workforce planning that will support the fairness and equity of pay and development of all employees.
- Further work to review our pay and grading structure to ensure that it remains transparent and free from gender bias.
- Market Forces and Market Supplement process has been reviewed (January 2021), however, we will continue to review the criteria and the appropriateness of these processes to ensure they reflect market conditions.
- Review of Recruitment Strategy and associated policy and processes to ensure that the Council continues to attract and retain a diverse workforce.
- Regular Audits of Job Evaluations Grading outcomes to ensure consistency, fairness and equality of approach and compliance to scheme.
- Implement consistent monitoring of internal promotions and progressions by gender.
- Continue to utilise 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.

Signed by:-

Print Name and Job Title:-

Date:-

## Sources of Information:-

### Equality and Human Rights Commission:-

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

### ACAS:-

[https://archive.acas.org.uk/media/4764/Managing-gender-pay-reporting/pdf/Managing\\_gender\\_pay\\_reporting\\_07.02.19.pdf](https://archive.acas.org.uk/media/4764/Managing-gender-pay-reporting/pdf/Managing_gender_pay_reporting_07.02.19.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 and History

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Should you have any comments regarding this policy, please address them to the HR Policy

Feedback mailbox –

[HRpolicy@torbay.gov.uk](mailto: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
6th December 2012	4-5	Update to pension ranges re: LGPS contribution rates Addition of Payments upon Termination Section	Approved by Full Council
6th December 2012	7	Update to Ratio + Multiplier information (Appendix 2)	Approved by Full Council

6th December 2012	6	Update to current salary levels + addition of newly appointed posts (Appendix 1)	Approved by Full Council
5th 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	-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.  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.	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 –</p> <p>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>Approved by Full Council February 2017</p>
June 2017	Wording to 2.5 updated.	<p>To reflect how Chief Executive salary will be reviewed following recommendation from Employment Committee.</p>	<p>Approved by Full Council 10<sup>th</sup> May 2017.</p>
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>Full Council Approval 22<sup>nd</sup> February 2018.</p>

<p>January 2019</p>	<p>Various</p>	<p>Insertion of new section 2.9 re:- pay and grading structure changes.</p> <p>Update to Pensions information – Section 3</p> <p>Update to Appendix 1 – multiplier information.</p> <p>Update of Appendix 2 – Gender Pay Gap Report</p> <p>Amendment to Scope of Gender Pay Gap Report – pay calculations no longer include Schools data.</p>	<p>Full Council Approval 21st February 2019.</p>
<p>January 2020</p>	<p>Various</p>	<p>Update to Appendix 1 – multiplier information.</p> <p>Update of Appendix 2 – Gender Pay Gap Report.</p> <p>ONS Annual Earnings Survey Results included for private and public sectors.</p>	<p>Full Council Approval 27th February 2020.</p>

January 2021	Various	<p>Update to Appendix 1 – multiplier information.</p> <p>Update of Appendix 2 – Gender Pay Gap Report</p> <p>ONS Annual Earnings Survey Results figures updated for private and public sectors.</p> <p>Inclusion of Restriction of Public Sector Exit Payment Regulations 2020.</p>	<p>Pending - Full Council Approval 24th February 2021.</p>
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Policy to be reviewed December 2021.

