

**STOCKTON ON TEES BOROUGH COUNCIL
PAY POLICY STATEMENT
(Section 38, Localism Act 2011)**

This Pay Policy Statement applies to the financial year 2018/19.

1.	INTRODUCTION
1.1	This document sets out the Council's Pay Policy in relation to the remuneration of its employees (excluding local authority school employees) in accordance with section 38 of the Localism Act 2011. The policy is subject to annual review which must be approved by Full Council before 31st March each year. Any amendments during the course of the year must also be considered and approved by Full Council. The policy will be published on the Council's website as soon as reasonably practicable after approval or amendment.
1.2	The Council is committed to ensuring fairness, transparency and equality of pay in the remuneration of its employees. The Council aims to deliver high quality services to residents of the Borough and in this regard aims to be an employer of choice recruiting and retaining high quality employees who are valued by their employer.
2.	DEFINITIONS
2.1	The following definitions will apply throughout this policy statement.
2.2	<p>Lowest Paid Employees</p> <p>As part of its commitment to move towards the Living Wage the Council's pay and grading structure starts at Grade C, spinal column point 10 (from 01/04/2017 £8.09 per hour and are our lowest paid employees (other than apprentices).</p> <p>Since 1st April 2016 the Council agreed to pay its apprentices the National Minimum Wage relating to age (starting at £4.05 per hour for 16 to 18 year olds, compared to the national apprentice rate of £3.50 per hour). Given the specific nature of these appointments, apprentices have not been included within the definition of lowest paid employees for the purposes of this policy statement.</p>
2.3	<p>'Chief Officer'</p> <p>The Localism Act defines the following Chief Officer posts: Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989; Monitoring officer designated under section 5(1) of that Act; Any statutory chief officer mentioned in section 2(6) of that Act; Any non-statutory chief officer mentioned in section 2(7) of that Act; Any deputy chief officer mentioned in section 2(8) of that Act.</p>

3.	CHIEF OFFICERS AND SENIOR MANAGEMENT TEAM																																																				
3.1	<p>Remuneration of Chief Officers</p> <p>Under the definitions set out in 2.3 above the Council's Senior Management Team Consists of the following posts:</p> <table border="0"> <thead> <tr> <th data-bbox="295 520 422 548">Job Title</th> <th data-bbox="1052 520 1138 548">Grade</th> </tr> </thead> <tbody> <tr> <td>Chief Executive</td> <td>Chief Executive</td> </tr> <tr> <td>Deputy Chief Executive</td> <td>Deputy Chief Executive</td> </tr> <tr> <td>Director of Children's Services</td> <td>Director Level 1</td> </tr> <tr> <td>Director of Adults & Health</td> <td>Director Level 1</td> </tr> <tr> <td>Director of Finance & Business Services</td> <td>Director Level 1</td> </tr> <tr> <td>Director of HR, Legal & Communications</td> <td>Director Level 1</td> </tr> <tr> <td>Director of Economic Growth & Development</td> <td>Director Level 1</td> </tr> <tr> <td>Director of Community Services</td> <td>Director Level 2</td> </tr> <tr> <td>Director of Culture, Leisure & Events</td> <td>Director Level 3</td> </tr> <tr> <td>Director of Public Health</td> <td>Assistant Director Level 1</td> </tr> <tr> <td>Assistant Director (Adult Social Care)</td> <td>Assistant Director Level 2</td> </tr> <tr> <td>Assistant Director (Xentrall Shared Services)</td> <td>Assistant Director Level 1</td> </tr> <tr> <td>Assistant Director (Safeguarding & LAC)</td> <td>Assistant Director Level 2</td> </tr> <tr> <td>Assistant Director (Schools and SEN)</td> <td>Soulbury</td> </tr> <tr> <td>Assistant Director (Business Support & Information)</td> <td>Assistant Director Level 2</td> </tr> <tr> <td>Assistant Director (Administration, Democratic & Electoral Services)</td> <td>Assistant Director Level 2</td> </tr> </tbody> </table> <p>The salaries relating to the above grades from 01/04/2017 are:</p> <table border="0"> <thead> <tr> <th data-bbox="295 1224 386 1251">Grade</th> <th data-bbox="963 1224 1049 1251">Salary</th> </tr> </thead> <tbody> <tr> <td>Chief Executive</td> <td>£168,511</td> </tr> <tr> <td>Deputy Chief Executive</td> <td>£136,211</td> </tr> <tr> <td>Director – Level 1</td> <td>£114,761</td> </tr> <tr> <td>Director – Level 2</td> <td>£104,050</td> </tr> <tr> <td>Director – Level 3</td> <td>£93,849</td> </tr> <tr> <td>Assistant Director – Level 1</td> <td>£89,259</td> </tr> <tr> <td>Assistant Director – Level 2</td> <td>£84,158</td> </tr> <tr> <td>Soulbury</td> <td>£76,748 to £83,574</td> </tr> </tbody> </table>	Job Title	Grade	Chief Executive	Chief Executive	Deputy Chief Executive	Deputy Chief Executive	Director of Children's Services	Director Level 1	Director of Adults & Health	Director Level 1	Director of Finance & Business Services	Director Level 1	Director of HR, Legal & Communications	Director Level 1	Director of Economic Growth & Development	Director Level 1	Director of Community Services	Director Level 2	Director of Culture, Leisure & Events	Director Level 3	Director of Public Health	Assistant Director Level 1	Assistant Director (Adult Social Care)	Assistant Director Level 2	Assistant Director (Xentrall Shared Services)	Assistant Director Level 1	Assistant Director (Safeguarding & LAC)	Assistant Director Level 2	Assistant Director (Schools and SEN)	Soulbury	Assistant Director (Business Support & Information)	Assistant Director Level 2	Assistant Director (Administration, Democratic & Electoral Services)	Assistant Director Level 2	Grade	Salary	Chief Executive	£168,511	Deputy Chief Executive	£136,211	Director – Level 1	£114,761	Director – Level 2	£104,050	Director – Level 3	£93,849	Assistant Director – Level 1	£89,259	Assistant Director – Level 2	£84,158	Soulbury	£76,748 to £83,574
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3.2	<p>Joint National Conditions of service (JNC) are incorporated into all Chief Officers' contracts of employment, save for the Assistant Director (Schools and SEN) which are Soulbury Terms and Conditions.</p>																																																				

3.3	<p>The salaries for Chief Officers have been determined through independent analysis and benchmarking and reflect rates which are reasonably sufficient to recruit and retain senior officers taking into account market conditions.</p> <p>The grades attributable to Senior Officer posts are subject to job evaluation and based on clear salary differentials which reflect the level of responsibility attached to any particular role</p>
3.4	<p>Chief officers do not receive bonus payments or performance related pay nor do they receive any benefits in kind paid for by the employer. Where a chief officer meets the criteria for entitlement to expenses these are paid in accordance with the Council's Single Status Agreement.</p> <p>Increases in pay for Chief Officers will occur only as a result of:</p> <ul style="list-style-type: none"> ○ Pay awards agreed by way of national/local collective pay bargaining arrangements; or ○ Significant changes to a Chief Officer's role which result in a higher salary being appropriate as confirmed by the outcome of an appropriate job-evaluation process. ○ Recruitment and/or retention payments which, in all the given circumstances at the relevant time, are deemed necessary in the best interests of the Council and which are determined under the relevant policy relating to such payments.
3.5	<p>It is expected that senior officers will perform to the highest level. Performance related pay therefore does not form part of current remuneration arrangements. This position will be reviewed if legislation and/or guidance relating to senior officer posts changes.</p>
3.6	<p>In accordance with the requirements of the Localism Act 2011, in respect of new appointments, an offer of a salary package of £100,000 or higher will not be made in respect of any post without the prior approval of the Council.</p>
3.7	<p>Election Duties undertaken by Chief Officers</p> <p>Fees for election duties undertaken by chief officers are not included in their salaries.</p> <p>For Parliamentary elections the Council receive a Parliamentary Election Order form central government which has already set the fee for each constituency.</p> <p>In respect of local elections fees are determined separately in consultation with the other Tees Valley Councils. For contested elections the fees are based on an agreed sum for the first 1000 electors and a further sum for each additional 1000 electors or fraction thereof, and a set agreed sum for uncontested elections</p>
3.8	<p>Remuneration on appointment</p> <p>Chief Officers are recruited in accordance with the Council's Constitution and associated Scheme of Delegation to the appropriate salary of the grade.</p>

3.9	<p>Payments to Chief Officers upon termination of their employment</p> <p>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.</p>
3.10	<p>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 Pensions and Retirement Policy sets out provisions which apply to all staff regardless of their level of seniority.</p>
3.11	<p>The Council's Pensions and Retirement Policy also sets out the applicable provisions in respect of awarding additional pension entitlement by way of augmentation or otherwise.</p>
3.12	<p>Where a severance package is to be paid, where taken as a whole, has a cost to the authority of £100,000 or more (subject to section 3.14 below), the Council will be given an opportunity to vote before the package is approved.</p>
3.13	<p>Employees who would be contractually entitled to payments in excess of £100,000 where there is no discretion and a failure to comply would place the Council in breach of contract and leave it exposed to litigation would be exempt from the requirement of such a vote.</p>
3.14	<p>The Government is proposing to introduce a cap on Public Sector Exit Payments. The Council will amend its policy and payments made on termination to reflect any changes in legislation.</p>
4.	<p>EMPLOYMENT OF INDIVIDUALS ALREADY IN RECEIPT OF A LOCAL GOVERNMENT PENSION</p>
4.1	<p>The approach to the employment of individuals already in receipt of a local government pension is set by the Teesside Pension Fund. The Fund has resolved not to abate pensions on re-employment, having regard to the enactment of regulations introducing flexible retirement, unless an enhanced ill-health retirement has been awarded.</p>
5.	<p>EMPLOYMENT OR ENGAGEMENT OF FORMER EMPLOYEES</p>
5.1	<p>The Council will generally not re-employ or engage any individual under a contract of/for services whom has previously been employed by the Council and left that employment with the benefit of a severance, early retirement or redundancy payment under voluntary arrangements, unless there it is in the best interests of the Council to do so or there are individual circumstances which would justify doing so.</p>
5.2	<p>With the exception in 5.1 above, the Council will consider all applicants on merit during the recruitment process and will not discount any applicant on the basis of previous public sector employment and/or the terms of that employment ending.</p>
5.3	<p>In addition the Government is has introduced legislation to enable the recovery of exit payments for higher paid employees returning to the public sector. The Council will therefore seek to recover the required proportion of any exit payment made to any former public sector employee in accordance with the proposed legislation.</p>

6.	REMUNERATION OF LOWEST PAID EMPLOYEES
6.1	<p>The Council introduced its Single Status Agreement on 1st April 2008. The lowest paid employees within the Council are appointed to jobs which have been evaluated using the NJC Job Evaluation Scheme and are remunerated accordingly.</p> <p>The Council is committed to ensuring that pay and reward policies are fair and that the needs of the lowest paid staff and continues to work towards paying the living wage.</p>
7.	RELATIONSHIP BETWEEN CHIEF OFFICER AND NON-CHIEF OFFICER REMUNERATION
7.1	The 'pay multiple' for the Council is determined by comparing the pay of the highest paid employee (Chief Executive) against the median average pay, using hourly rates as at 31st December, for employees within the scope of this statement.
7.2	The Council will aim to maintain a pay multiple of less than 10.
7.3	The Council's current Median Hourly Rate is £11.02 (£10.91 in 2017/18) and the Pay Multiple is 7.93 (7.93 in 2017/18). There has been slight increase in the Median hourly rate which is reflective of a reduction in headcount (but it has not had an effect on the pay multiple).

8.	GENERAL PRINCIPLES REGARDING THE REMUNERATION OF STAFF
8.1	<p>The Council have established pay and grading structures, founded on evaluation of job roles using job evaluation, which ensures a fair and transparent approach to pay and the same grading of jobs which are rated as equivalent. The Single Status Agreement was subject to an equality impact assessment by the Council as well as being approved by the respective trade unions equal pay units.</p> <p>All employees are recruited in accordance with the Council's Recruitment Policy and are appointed on the minimum of the grade unless there are exceptional circumstances which would warrant appointment above the minimum of the grade.</p> <p>However, where an employee is redeployed because of redundancy or ill health into a lower graded job they will generally be appointed to the highest spinal column point of the lower grade, where appropriate, with salary protection to minimise the financial loss.</p> <p>Where an employee has secured promotion into a higher-graded job and there is an overlap of spinal column points between their current and new job, and the employee is already on the maximum of their current grade they will generally commence on the second spinal column point of the new grade.</p>
9.	PUBLICATION OF AND ACCESS TO INFORMATION RELATING TO REMUNERATION OF CHIEF OFFICERS
9.1	The Council will publish their Pay 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 Local Authorities on Data Transparency will be published on the Council's website no later than 31 st March and information related to the public sector equality duty no later than 30 th June.

