

# **Fair Pay**

## **Pay Policy Statement for the Financial Year 2022/23**



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## **Foreword**

If we needed any more proof that our staff are truly the key ingredient that makes the difference to exceptional public service, then the last 18 months has shown us the very best in work commitment, care and resilience shown by all staff but especially those who have continued to deliver critical frontline services and those who have been diverted from their normal jobs to meet the challenges of the pandemic and support our communities. I am extremely proud to lead an organisation that displays such public duty and dedication to service. It is also clear that despite years of austerity and the enormity of the Covid -19 challenge, Newcastle City Council remains focused on future investment opportunities and the creation of sustainable jobs to support the economic growth of the region. We also play a pivotal role in setting the agenda for pay and conditions of service in the city and we are committed to both the Newcastle Living Wage and the transparency of pay arrangements, as outlined in our Fair Pay Policy.

We continue to work cooperatively and constructively with our staff groups and Trade Unions to ensure that at every level of the organisation, people are paid and treated fairly. We review and amend our policies and organisational structures to ensure they are fit for purpose and provide a fair and equitable employment setting for all. We remain committed to increasing diversity across the council – we know that having a culturally diverse workforce is not only the right thing to do but also makes good business sense. Our city benefits from having a council staffed by a wide range of different talents, and a workforce made up of staff from all backgrounds is key to helping the council maintain a good understanding of our customers in a city as richly diverse as Newcastle.

We have established an Equalities Group to identify ways in which we can help increase our diversity as we recognise our need to promote the Council as an ‘employer of choice’ to the communities we serve. Like with many other organisations, it is clear we still have work to do in this area and analysing our pay arrangements for staff from Black, Asian and Minority Ethnic Communities (BAME) is one of our new performance indicators, helping to steer our approach and gauge our progress. Whilst we recognise it will take time for some of the initiatives to deliver change, we are committed to action to become an employer which more closely reflects its communities. We are the first Council in the region to publish this comparative data analysis and we hope other public sector organisations will follow our example.

In terms of gender diversity, I am extremely proud to note that our gender pay gap remains less than the national average and the average pay gap continues to narrow. We see the number of women aspiring to and securing senior roles within the council continue to grow.

In addressing pay levels at the lowest end of the pay scale, we have continued to review our approach so we can support people to do more than just ‘get by’ on the basics. Over the last 10 years the council has increased wages at the bottom through the Newcastle Living Wage and now matches the Foundation Living Wage in November each year, ahead of any statutory or nationally agreed pay increases.

But what we offer as an employer is not simply limited to pay. We are proud to work with our trade unions to support our staff through schemes such as; a Shared Additional Voluntary Contribution Scheme to increase pension options, workplace nursery schemes, low CO2 emission/electrical car schemes, home electronics and Bike to Work schemes, a 24hr Employee Assistance Helpline and a range of workforce wellbeing initiatives, Mental Health Counselling, Physiotherapy, an attractive Apprenticeship & Trainee pay agreement, to name some of the employee benefits available.

Newcastle City Council was one of the first councils in the region to sign up to the TUC's Great Jobs Agenda and is committed to the North of Tyne Good Work Pledge, setting out the steps needed to ensure every worker has a great job with fair pay, regular hours and the opportunity to progress. We also support the 'Dying to Work' campaign, providing dignity at work for those with a terminal diagnosis and will continue to back health and wellbeing campaigns that help our staff live healthy lives.

I want to place on record my thanks to all the staff who helped our great city cope and support its citizens during the pandemic. Their hard work and dedication is a source of great strength and clearly demonstrates what can be achieved when we all work together for the common good. I would also like to thank staff for supporting the city's efforts in respect of food banks, Covid testing sites and vaccination centres.

*Nick Forbes* .

Councillor Nick Forbes

**Leader of the Council**

## **1. Introduction**

This Pay Policy Statement sets out the Council's policies for the financial year relating to: -

1. The remuneration of its Chief Executive;
2. The remuneration of its lowest paid employees; and
3. The relationship between the remuneration of its Chief Officers/Deputy Chief Officers and all other Council employees

The statement also includes the Council's policies relating to:

1. The level and elements of remuneration for each Chief Officer and Deputy Chief Officer
2. How remuneration is dealt with on recruitment of Chief Officers and Deputy Chief Officers
3. Any increases and additions to remuneration for each Chief Officer
4. The approach to the payment of Chief Officers when ceasing to hold office or be employed by the Council, and
5. The publication of and access to information relating to remuneration of Chief Officers.

This Pay Policy Statement also describes how the Council defines the term "lowest-paid employees" and why it has adopted that definition. In addition, it contains information about the median salary across the Council's salary range.

The Pay Policy Statement comprises a collation and summary of the Council's existing policies and data relating to the remuneration of its Chief Officers and lowest paid employees. It complements the Council's already published transparency data that is available on the Council's website, which includes information relating to the responsibilities, accountabilities and salaries of our Chief Officers. It also contains information on the Council's Gender Pay Gap Analysis.

## **2. Purpose and Aim of Policy**

This policy articulates the Council's pay arrangements which are designed to motivate and reward its employees to achieve high levels of performance in delivering services for the benefit of its communities. The Policy is also intended to demonstrate the Council's wish to have pay arrangements that provide value for money, are transparent, fair and provide consistency and equality for its employees. It further supports our approach to staff engagement,

with openness and transparency in respect of remuneration and financial reward at all levels of the organisation.

### **3. Delivering Organisational Efficiency**

The Council continues to deliver staffing efficiencies and associated cost reductions, but we also recognise that ensuring the appropriate levels of capacity and capability are equally important in establishing a fit-for-purpose organisation. Targeting resources and reviewing structures to meet our short- and longer-term strategic objectives as well as the needs of our customers remains an essential part of our workforce planning. This Pay Policy complements this activity and supports a fair, transparent and robust approach to pay, service restructuring and organisational design.

### **4. Scope of Policy and Data Protection**

The Pay Policy Statement includes remuneration details about the Council's Chief Officers, wider workforce and its lowest paid employees.

Employees are engaged on terms and conditions that are based on nationally determined terms and conditions for Chief Executives, Chief Officers and local government employees , which attract contractual national pay awards. The Policy Statement also refers to information on Single Status and the Council's local pay and grading structures.

With regards to data protection, the information contained within the Policy does not engage the Data Protection Act as it does not concern data relating to a particular individual, unless the information is already in the public domain or is otherwise required to be published by regulation or recognised practice.

### **5. Employee Structure, Grades and Governance Arrangements**

#### **5.1 Chief Officers**

Definition: –

The term Chief Officer covers:

- a) The Head of Paid Service (known in Newcastle City Council as the Chief Executive)
- b) The Monitoring Officer (known in Newcastle City Council as the Assistant Director for Legal Services)
- c) Any Statutory Chief Officer which means-
  - the Director of Children's Services or Director of Social Services (known in Newcastle City Council as the Director of Children, Education and Skills and Director of Adult Social Care and Integrated Services)
  - the Chief Education Officer (known in Newcastle City Council as the Director of Children, Education and Skills)

- the Section 151 Officer responsible for financial administration (known in Newcastle City Council as the Director of Resources)
  - the Director of Adult Social Care (known in Newcastle City Council as the Director of Adult Social Care & Integrated Services)
  - the Director of Public Health
- d) Any non-statutory Chief Officer, which means –
- any senior person for whom the Head of Paid Service is directly responsible
  - any person who, as respects to all or most of the duties of his or her post is required to report directly or is directly accountable to the Head of Paid Service or to the authority itself or any Committee or sub-Committee of the authority.

Note: The above definitions

- (i) are based upon the definitions in the Local Authorities (Standing Orders) Regulations 1993 and Section 2 Local Government and Housing Act 1989
- (ii) do not include any person whose duties are solely secretarial or clerical or otherwise categorised in the general nature of support services

Therefore, the term “Chief Officer” includes the following employees of Newcastle City Council as defined in the Newcastle Charter:

- The Chief Executive
- 6 Directors
- 1 Monitoring Officer
- 1 Director of Public Health

As part of the Senior Management review in 2013 the Council chose to define the role of Deputy Chief Officer within the Newcastle Charter as that of Assistant Director. The Council currently employs 10 Deputy Chief Officers.

The number of full time equivalent (FTEs) “Chief Officers”, their pay bands and grades are outlined in the tables contained in sections 5.2 and 5.3.

## **5.2 Senior Managers' Salary Scales**

The senior managers pay structure was initially introduced in April 2013 as part of the senior management restructure, and subsequently amended in 2016.

The senior management pay structure consists of 6 grades each of 3 incremental salary points. The grades are applicable to jobs above the NJC local government pay spine (as amended locally) and below that of Director.

The JNC and JNC for Chief Officers pay review date is 1 April each year.

Increments are granted on 1 April each year in accordance with the policy for NJC staff.

The Senior Management Pay structure is:

GRADE	Job	JNC POINT	SCP	ANNUAL SALARY (£) (01/04/2020)
6	<b>Lead Assistant Director</b>	SM6	3	103,427
		SM6	2	100,371
		SM6	1	97,315
5	<b>Assistant Director</b>	SM5	3	94,024
		SM5	2	91,285
		SM5	1	88,626
3	<b>Head of Service</b>	SM3	3	77,864
		SM3	2	75,593
		SM3	1	73,391
2A	<b>Principal Adviser</b>	SM2A	3	70,125
		SM2A	2	68,084
		SM2A	1	66,100
2	<b>Service Manager</b>	SM2	3	62,307
		SM2	2	60,495
		SM2	1	58,731
1	<b>Senior Specialist</b>	SM1	3	55,439
		SM1	2	53,829
		SM1	1	52,256

### 5.3 Chief Officer and Deputy Chief Officer Job Titles, Pay Bands & Grade

**Table 5.3a**

<b>Job Title</b>	<b>Number</b>	<b>Salary Range (£) **</b>	<b>Grade(s)</b>
Chief Executive	1	172,753 – 188,948	N/A
Director of Resources	1	135,092 – 145,760	N/A
Director of Children, Education and Skills	1	120,030 – 135,092	N/A
Director of Adult Social Care and Integrated Services	1	120,030 – 135,092	N/A
Director of Place	1	120,030 – 135,092	N/A
Director of Operations & Regulatory Services	1	120,030 – 135,092	N/A
Director of City Futures	1	120,030 – 135,092	N/A
Director of Public Health	1	108,777 inclusive of market supplement	DR1 plus 'excellence points'
Monitoring Officer	1	88,626– 94,024	SM5
Deputy Chief Officers *	10*	88,626– 94,024	SM5

Notes:

\* this table indicates that Deputy Chief Officers (DCO) for the purposes of the Newcastle Charter are Assistant Directors or Lead Assistant Directors only

\*\* these salary ranges are inclusive of the nationally agreed and contractual Pay Award for 2020/21 but not 2021/22

#### **5.4 Council governance arrangements for the appointment of all Chief Officers**

The Council's Charter outlines roles and responsibilities for decision making at the Council. The Council has a Constitutional Committee currently comprising 12 Councillors including; the Leader, Deputy Leader, Leader of the Opposition. The Constitutional Committee deals with strategic human resource issues and the appointment of senior staff not delegated to Officers. Therefore, Constitutional Committee has responsibility for the establishment, deletion and authorisation of the pay and grading of new Chief Officer Posts. In addition, they are responsible for any Chief Officer or Deputy Chief Officer appointment where the salary threshold is above £100,000 per annum.

A sub-committee of the Constitutional Committee called the "Chief Executive's Appraisal Panel" comprises the Leader, Deputy Leader and Leader of the Opposition. This Panel appraises the Chief Executive's performance. In addition, the Panel sets targets for the forthcoming year and agrees future objectives and any pay progression within the agreed salary range for the Chief Executive.

#### **5.5 Council governance arrangements for the payment of all Chief Officers**

All Chief Officers (with the exception of the Director of Public Health and the Monitoring Officer) are appointed to a spot salary within a three-point grade with no automatic right of progression. The specific incremental range for each post will be determined at the point of advertisement by Constitutional Committee from within the Directors' range. Any progression will be determined in line with the achievement of agreed objectives and a review of individual performance against these targets. Responsibility for progression within the grade is delegated to the Chief Executive in consultation with the Leader of the Council.

#### **5.6 Senior Managers' Salary Scales – JNC Officers**

The Senior Management pay structure consists of six grades each of three incremental salary points ranging from SM1 to SM6 (albeit SM4 is now considered redundant). The grades are applicable to jobs above the NJC local government pay spine (referred to in Newcastle as grades N1 to N11) and below Director level. Each grade has its own incremental steps, each equating to approximately 3%.

The JNC and JNC for Chief Officers pay review date is 1 April each year. Increments are granted on 1 April each year for staff on grades SM1 to SM6 in accordance with the policy for NJC staff.

The Council uses the nationally recognised Hay job evaluation system to evaluate the pay and grading of JNC Senior Management posts in the organisation. Senior HR personnel are trained in the application of this evaluation system and utilise 'benchmark' profiles and supporting evidence to establish the correct generic grade. The underpinning rationale for the establishment of JNC Senior Management posts below Director are published

on the Council's HR Intranet.

### **5.7 Pay Structure for Council Officers below JNC Senior Manager Level (Green Book NJC Employees)**

All directly employed NJC Council Officers below JNC Senior Manager level have been evaluated under Single Status and have been assimilated to one single pay and grading structure and occupy grades N1 to N11 as outlined in Appendix 1.

In 1997 each local authority was charged with reviewing its pay and grading practices to ensure they were “transparent” and free from gender bias. This was known as the “single status” process. Newcastle implemented phase one of single status on 2 February 2004 and phase 2 in September 2010. An addendum to Phase 2 of Single Status was the implementation of a Part Year Working Agreement which was implemented in April 2012 and addressed several outstanding issues, mainly impacting on schools-based staff, not covered in the original Phase 2 Agreement. A further addendum was added to the Single Status Agreement in March 2020 when the Local Craft Agreements were subsumed into the Council's Single Status Agreement. A further Single Status Implementation Agreement was introduced on 1 September 2021 to standardise apprentice and trainee pay across the Council, linked to the entry level positions being worked towards. This completes the Single Status Agreement for all Council employees.

Accordingly Phase 2 of Single Status modernised the pay and grading structure, therefore making our reward package more attractive and sustainable in the labour market. More importantly, the council's workforce and approach to pay and remuneration is underpinned by a transparent and gender-neutral job evaluation process.

The Authority has adopted a local spinal column of salary points. This is normally up-rated each year on 1 April following national collective agreement by the National Joint Council on the annual pay claim. The Council's current pay structure comprises 11 grades N1 to N11.

### **5.8 Pay for Soulbury Officers**

In addition to NJC employees, a very small number of employees are covered by Soulbury terms and conditions of employment. Soulbury paid employees are the strategic, non-administrative core of local authorities' education function. They work with schools, local communities and other local authority employees to deliver core Government objectives for school improvement and to co-ordinate education and other children's services.

Soulbury Staff work in three distinct areas; Educational Psychology, Education Advisory Services and Adult Education; and to be appointed must fulfil criteria set down for Soulbury terms and conditions of employment.

The pay of staff employees under Soulbury Terms and Conditions is set and amended by the national Soulbury Committee in September of each year. The Council has developed a locally agreed set of terms and conditions, which

supplement the national agreement.

## **6. Median Salary**

The median salary across the Council's salary range is £24,491 this represents the middle point across all salaries paid at the Council. The median gross annual salary in the North East is £27,856 (Annual Survey of Hours and Earnings, Office for National Statistics 2020).

## **7. Mandatory Gender Pay Gap Reporting**

All organisations who employ more than 250 employees are required to report gender pay gap information on an annual basis. The Council has published data on the [government website](#) which indicates the following:-

- The percentage difference in male and female pay on a mean and median basis
- The percentage difference in mean and median bonus pay between male and female employees
- The proportion of male and female employees who receive bonus pay
- The proportion of male and female employees in each pay quartile of the Council's pay distribution (where each quartile contains an equal number of employees)

Attached as Appendix 2 is an explanation of the Council's gender pay gap data analysis and a contextual brief on the findings of this data at the required 'snapshot' date of 31 March 2021.

## **8. Ethnicity Pay Gap Reporting**

Whilst ethnicity pay gap reporting is not mandatory or statutory, as part of our commitment to equality and diversity we are presenting a similar analysis to provide an appropriate challenge within the organisation. Attached as Appendix 3 is an explanation of the Council's ethnicity pay gap data analysis and a contextual brief on the findings of this data at the 'snapshot' date of 31 March 2021. Newcastle is the first Council in the region to publish this data analysis but we hope other public sector bodies will follow our example.

## **9. Lowest Paid Salary and Newcastle Living Wage**

The Council defines the lowest paid full-time equivalent salary in the organisation as the lowest Spinal Column Point within the local pay and grading structure of directly employed staff e.g. Grade N1.

However, Newcastle City Council implemented the Newcastle Living Wage for employees on 1st November 2012, significantly in advance of the National Statutory Living Wage which was introduced in April 2016. This stemmed from a commitment by the Council's leadership for Newcastle to be a City where all

employers are committed to the principle of a decent living wage.

Where required, the Newcastle Living Wage is paid as a supplement to the hourly rate of employees. The Newcastle Living Wage rate is reviewed annually in line with the Foundation ‘Real’ Living Wage rate and if necessary, applied to any hourly rates below the ‘Real’ Living Wage rate. The ‘Real’ Living Wage rate is normally reviewed in November of each year.

## **10. Paying Market Supplements**

Market supplements will only be considered when all other means of satisfying recruitment and retention have been exhausted. A market supplement is an additional payment to the basic salary of a post where the prevailing labour market pressures indicate a need for a supplementary increase in pay. Market supplements will only be considered in exceptional circumstances where a clear business rationale has been identified and the recruitment or retention issues are due to relative labour market pay and are adversely impacting on the Council’s ability to retain or attract appropriate candidates.

Market supplements will be issued for a 12-month fixed term period and the temporary, annually renewable nature of the payment will be made clear to the employee as part of their statement of terms and conditions.

A Director must submit a business case outlining the need for a market supplement and the supporting evidence for this decision. This must be authorised by the Assistant Director of HR and the Assistant Director of Legal Services.

The business case must contain the following:

- The number of posts affected
- All posts who are assigned to that job code
- The projected costs
- Risk analysis of the recruitment/retention scenario.

The decision to award or extend a market supplement will only be agreed where robust evidence is provided to substantiate the business case.

In order to defend any potential equal pay claims we must be able to justify any difference between work which is rated equivalent or of equal value. This difference needs to be genuinely evidenced through labour market forces and regular review.

A review of all market supplements will take place in time for a decision to be made before the end of the 12-month period. To ensure timescales are met, the review should start 9 months after the start date of the market supplement.

Should a decision be made to not award, extend a market supplement or extend at a reduced rate then the employee will be informed of this by their manager. There will be no right of appeal.

## **11. The Council's approach towards payment of Chief Officers ceasing to hold office or ending employment with the Council**

The Council has an agreed policy in relation to all Council officers whose employment is terminated and ways that employment could come to an end including the following:

- Death in Service
- Dismissal
- Expiry of Fixed Term Contracts
- Managing a Workforce Reorganisation
- Redundancy
- Resignation
- Retirement

Our policies provide a clear, fair and consistent approach towards ending employment.

Payments to Chief Officers ceasing to hold office or ending their employment with the Council will normally be in line with the terms of their contract of employment and laid down by the NJC National Agreement for the employment of Chief Officers.

Redundancy payments are paid in accordance with the Council's Redundancy Scheme as agreed on an annual basis by Constitutional Committee. Any qualifying long service awards are paid in accordance with published Council policy.

In relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales Regulations) 2006, the Council does not routinely utilise these Regulations to offer discretionary compensation for relevant staff in the event of redundancy but utilises the established policy on Early Retirement/Voluntary Redundancy as the key determinant of severance levels.

## **12. Public Sector Exit Payments**

On 12 February 2021 HM Treasury published a Treasury Direction disapplying the parts of the Restriction of Public Sector Exit Payments Regulations 2020 (the Exit Cap Regulations) which implemented the £95,000 cap on public sector exit payments, with immediate effect. The MHCLG have subsequently introduced mandatory guidance on the reporting of Special Severance Payments rather than a fixed ceiling on 'exit payments'.

The Council has published data for 2014-15 to 2020-21 on the [government website](#) which indicates the following:-

- Total value of strain cost paid to LGPS
- Total value of redundancy payments

- Total value of ex gratia and other payments.
- Total value of all exit packages
- Total number of all exit packages awarded
- Mean cost of all exit packages
- Number of exit packages with ex gratia and/or other payments
- Mean cost of ex gratia and other payments

### **13. Election Duties**

The Chief Executive receives no additional payment as Returning Officer for Local Elections. All Returning Officers are paid a fee from the Government for national polls and a small fee for Police & Crime Commissioner elections. The Chief Executive is also the Council's Electoral Registration Officer which does not attract any fees or additional payments.

### **14. Elected Member Allowances**

Unlike employees, Councillors do not receive pay but receive agreed allowances which are set through a separate, independent, process. Alongside Officers they are a key feature of the structure and governance of the Council. At Council in February 2021, it was agreed that Members should receive a basic allowance of £9,200 for 2021/22 and those undertaking special responsibilities receive a further allowance. This allowance is based on a formula, which consists of multiples or fractions of the basic allowance. The full list of special responsibility allowances can be found here;- [Members Allowances for 2021-22 | Newcastle City Council](#)

The other allowances that Members can claim are dependent's carer's allowance and travelling and subsistence allowances. All of this is agreed in accordance with the Local Authorities (Member's Allowances) (England) Regulations 2003 (as amended).

### **15. Future Potential Recommendations**

Future pay policy recommendations will continue to be underpinned by the principles of public sector delivery and a commitment to fairness; and this Pay Policy Statement is an evolving document that will continue to be developed and be responsive to the emerging position regarding remuneration. A strategic approach to pay and rewards is adopted by the Council to ensure we can recruit and retain appropriate staff and drive service improvement. Therefore, we aim to implement effective approaches to rewarding the workforce while controlling employment costs to reflect budget and efficiency requirements.

We continue to develop new ways of working and innovative working patterns captured in our family friendly/work life balance policies and salary sacrifice schemes, which enhance the non-salary elements of our benefits offer as we seek to maintain the Council as an employer of choice. We also continue to engage staff and trade unions when considering their suggestions and ideas in shaping our employment practises. A significant development in working

practices is our new approach to ‘agile working’ for a significant number of traditionally office based staff. Born out of the challenge of the pandemic, our proactive approach will see nearly 2000 staff work flexibly between office environments and homeworking. Our engagement with managers, staff and trade unions has helped craft an innovative and supportive guide and range of policies that will help increase flexible work arrangements, free office space for rental considerations and hopefully reduce the carbon footprint of our workforce.

## **16. Trade Union Consultation**

The Council acknowledges and welcomes the role that the Trade Unions play in working with us to build a strong industrial relations climate and we are committed to working in partnership with the Trade Unions as exemplified by our Single Status Agreement. The most recent example of good practice in this area, is the collective agreement reached with our recognised Trade Unions on an improved pay structure and arrangements for Apprentices and Trainees. Therefore, if the Council aims to change its existing local or national pay and grading arrangements, we will consult with the recognised Trade Unions and fully involve them through communication, consultation and negotiation around remuneration policies.

## **17. Evaluation and Review**

This Pay Policy will be subject to evaluation and further review by the Council’s Constitutional Committee ahead of each new financial year.

## Appendices

### N1 to N11 Pay Structure from 1 April 2020

### Appendix 1

Grade	Points	SCP	Salary
N11	671 - 720	47	50938
		46	49884
		45	48854
		44	47841
N10	626-670	43	46845
		42	45859
		41	44863
		40	43857
		39	42821
N9	576-625	38	41881
		37	40876
		36	39880
		35	38890
N8	546-575	34	37890
		33	36922
		32	35745
		31	34728
		30	33782
N7	506-545	29	32910
		28	32234
		27	31346
		26	30451
		25	29577
N6	470-505	24	28672
		23	27741
		22	27041
		21	26511
		20	25991
N5	430-469	17	24491
		16	24012
		15	23541
		14	23080
		13	22627
N4	380-429	8	20493
		7	20092
		6	19698
		5	19312
N3	330-379	4	18933
		3	18562
N2	280-329	2	18198
N1	Up to 279	1	17842

## **GENDER PAY GAP OVERVIEW**

**Appendix 2**

### **Background**

All public sector employers are required to publish specific information about their gender pay gaps. In general terms, the gender pay gap is a measure of disparity in pay between the average or ‘mean’ earnings of males and females in the same organisation. This is entirely separate to the issue of equal pay which refers to differences in pay for work which is rated equal.

### **What are we required to report on?**

**Mean Gender Pay Gap** – The difference between the mean hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees.

**Median Gender Pay Gap** – The difference between the median hourly rate of pay of male full pay relevant employees and that of female full pay relevant employees.

**Mean Bonus Gap** – The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.

**Median Bonus Gap** – The difference between the median bonus paid to male relevant employees and that paid to female relevant employees.

**Bonus Proportions** – The proportions of male and female relevant employees who were paid bonus pay during the relevant period.

**Quartile Pay Bands** – The proportions of male and female full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

### **Definitions**

**Mean** – Average (sum of hourly rates/number of employees)

**Median** – Middle value of an ordered set of data

### **Newcastle City Council Gender Pay Gap Figures**

On average, female employees at Newcastle City Council are paid slightly less than males.

Below are the mean and median pay gaps for Newcastle City Council:

**Mean** - Woman’s hourly rate is 1.7% lower

**Median** – Woman’s hourly rate is 6.8% lower

The national average gender pay gap was 7.4% for FTE’s in 2020 according to the Office of National Statistics Annual Survey of Hours and Earnings 2020. We are therefore extremely proud that our gender pay gap continues to be less than the national average and we have made significant progress in appointing a number of women to senior roles within the Council. It is clear that we have made

significant progress in the four pay reference quartiles however we recognize that addressing the gender pay gap in the lower quartile remains a challenge for an organization that has retained a significant number of facility services type jobs in-house which nationally have a predominantly female workforce.

#### **Proportion of Men and Women in Each Quartile of the Pay Structure**

<b>Top Quartile</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Men	42.9%	45%	44.5%	43.1%	41.4%
Women	57.1%	55%	55.5%	56.9%	58.6%
<b>Upper Middle Quartile</b>					
Men	56.9%	52.3%	51%	49.9%	49.9%
Women	43.1%	47.7%	49%	50.1%	50.1%
<b>Lower Middle Quartile</b>					
Men	49.4%	47.1%	48.2%	48.9%	50.6%
Women	50.6%	52.9%	51.8%	51.1%	49.4%
<b>Lower Quartile</b>					
Men	28.9%	29%	30.6%	30.2%	30.8%
Women	71.1%	71%	69.4%	69.8%	69.2%

The greatest disparity between men and women is in the lowest 25 percent of jobs where a considerable number of jobs, whilst attracting less pay, have traditionally offered more flexible working arrangements (e.g. term time hours) or part time hours. Historically, these jobs have largely been occupied by women where caring responsibilities often dictated the need for more flexible working arrangements. Whilst the position is slowly changing with changes in traditional care giving roles and socio-economic demands on households, the number of catering, cleaning and administrative roles occupied by women in the lower quartile still impacts on the overall gender pay gap figure for the authority.

It should also be noted that Newcastle City Council offers several salary sacrifice arrangements including; Castle Nurseries Workplace Nursery Scheme, Car Scheme, Home Electronics, Shared Additional Voluntary Contribution Scheme and a Bike to Work Scheme. These deductions are included in calculations and will therefore marginally deflate the hourly rate of individuals who have joined these schemes.

#### **Proportion of Men and Women Receiving Bonuses**

Newcastle City Council does not operate any performance related pay or bonus schemes and therefore has no bonus gender pay gap.

#### **Summary**

We are totally committed to equal pay and a single status pay agreement is in place for the council to ensure we evaluate, rate and pay jobs objectively and fairly, according to relative value. Our job evaluation process means we have a fair and transparent means of paying staff regardless of gender and our approach to reviewing and maintaining a Newcastle Living Wage has ensured we have made great progress in narrowing the gap between our highest and lowest paid employees.

We remain proud of our overall gender pay gap, particularly as it is significantly smaller than the national average, less than many comparative organisations and has improved year on year. However, we remain mindful of opportunities to improve pay at the lower end of our organisational structures e.g. Newcastle Living Wage, where this is possible.

#### **Statutory Reportable Information**

Woman's hourly rate is	
1.7% Lower (mean)	6.8% Lower (median)

#### **Pay Quartiles**

Pay Quartile	Men	Women
Top Quartile	41.4%	58.6%
Upper Middle Quartile	49.9%	50.1%
Lower Middle Quartile	50.6%	49.4%
Lower Quartile	30.8%	69.2%

#### **Bonus Pay**

Woman's bonus pay is	
0% Lower (mean)	0% Lower (median)

Who received bonus pay	
0% of men	0% of women

The information above is available on the Gov.uk website - <https://gender-pay-gap.service.gov.uk/>

## **ETHNICITY PAY GAP OVERVIEW**

**Appendix 3**

### **Background**

Whilst ethnicity pay gap reporting is neither mandatory or a statutory requirement, as part of our commitment to equality and diversity we are presenting an analysis similar to gender pay gap reporting in order to provide an appropriate challenge within the organisation. In general terms, the ethnic pay gap is a measure of disparity in pay between the average or ‘mean’ earnings of ‘BAME’ employees and ‘White’ employees in the same organisation.

This is entirely separate to the issue of equal pay which refers to differences in pay based on gender for work which is rated equal.

### **What we report on**

**Mean Ethnic Pay Gap** – The difference between the mean/average hourly rate of pay of white full pay relevant employees and that of BAME full pay relevant employees.

**Median Ethnic Pay Gap** – The difference between the median hourly rate of pay of white full pay relevant employees and that of BAME full pay relevant employees.

**Quartile Pay Bands** – The proportions of white and BAME full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands of the council.

### **Definitions**

**Mean** – Average (sum of hourly rates/number of employees)

**Median** – Middle value of an ordered set of data

**BAME** – Black, Asian and minority ethnic

**White** – includes all ethnic categories with a description that includes ‘white’. This includes White – British, White – Irish, White – Any other background.

### **Newcastle City Council Ethnicity Pay Gap Figures**

On average, BAME employees at Newcastle City Council are paid less than White employees.

Below are the mean and median pay gaps for Newcastle City Council:

**Mean** – BAME hourly rate is 7.2% lower

**Median** – BAME hourly rate is 4.4% lower

The North East’s median ethnic pay gap was 9.5% for FTE’s in 2019 according to the Office of National Statistics Ethnicity Pay Gaps article 2019 (data from Annual Population Survey). Therefore, our ethnicity pay gap is significantly less than the regional average. However we also recognise that our data more accurately represents a recruitment issue than a pay issue. It is clear, there is more

work needed to promote opportunities to people from ethnic minorities within the organisation and to attract more external candidates. The total ethnicity split of the Council is 4.2% BAME to 95.8% White, therefore statistical comparisons in terms of median or mean pay rates may well be impacted due to comparative low numbers of BAME employees.

#### **Proportion of White and BAME in Each Quartile of the Pay Structure**

<b>Top Quartile</b>	<b>2021</b>
White	97.0%
BAME	3.0%
<b>Upper Middle Quartile</b>	
White	95.1%
BAME	4.9%
<b>Lower Middle Quartile</b>	
White	96.5%
BAME	3.5%
<b>Lower Quartile</b>	
White	94.4%
BAME	5.6%

The greatest disparity between BAME and White employees is in the highest 25 percent of paid jobs where representation of BAME employees is statistically lower than that of White colleagues when compared against the council's overall ethnicity percentage split. We also see a higher percentage of BAME employees occupying the lowest quartile of the pay structure than their White comparators. The Upper and Lower middle quartiles see a more favourable comparison when set against the overall ethnicity percentage split.

It should also be noted that this data is made up only of employees where their ethnicity is known. Staff who have chosen not to declare their ethnicity were excluded from the data and this may have a marginal impact on the data.

#### **Summary**

We are totally committed to equal pay and a single status pay agreement is in place for the council to ensure we evaluate, rate and pay jobs objectively and fairly, according to relative value. Our job evaluation process means we have a fair and transparent means of paying staff regardless of ethnicity and our approach to reviewing and maintaining a Newcastle Living Wage has ensured we have made great progress in narrowing the gap between our highest and lowest paid employees.

Our ethnicity pay gap is smaller than the regional average, however, we remain mindful that we need to seek to improve promotional opportunities in the higher paid jobs of our organization and improve our overall ethnicity percentage comparisons. This data will better inform our ongoing equalities work.