

AGENDA FOR

HUMAN RESOURCES AND APPEALS PANEL

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To: All Members of Human Resources and Appeals Panel

Councillors : R Hodgkinson, T Holt (Chair) and A McKay

Dear Member/Colleague

Human Resources and Appeals Panel

You are invited to attend a meeting of the Human Resources and Appeals Panel which will be held as follows:-

Date:	Thursday, 8 March 2018
Place:	Meeting Room B - Town Hall
Time:	10.00 am
Briefing Facilities:	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
Notes:	

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

Members of Human Resources Committee are asked to consider whether they have an interest in any of the matters on the Agenda, and, if so, to formally declare that interest.

3 GREATER MANCHESTER CONTINUITY OF SERVICE PROTOCOL

Report to follow

4 EMPLOYER DISCRETIONS: STATEMENT OF POLICY LOCAL GOVERNMENT PENSION SCHEME (LGPS) - AMENDMENT

Report to follow

5 PAY POLICY STATEMENT

Report from the Leader of the Council will follow
Pay Policy Statement will follow

6 EXCLUSION OF THE PRESS AND PUBLIC

To consider passing the appropriate resolution under Section 100(A)(4) of the Local Government Act 1972 that the press and public be excluded from the meeting during consideration of the following items of business since they involve the likely disclosure of the exempt information stated.

7 TO CONSIDER APPLICATIONS SUBMITTED FOR VOLUNTARY EARLY RETIREMENT, FLEXIBLE RETIREMENT AND VOLUNTARY SEVERANCE (Pages 1 - 8)

Applications attached for information.

**REPORT TO S188, STRATEGIC LEADERSHIP
TEAM, HR PORTFOLIO, HR AND APPEALS
PANEL**



Title:	Greater Manchester Continuity of Service Protocol
Date of Meeting:	S188 - 15th February 2018 SLT – 26th February 2018 HR Portfolio – 1st March 2018 HRA – 8th March 2018
Project Lead Officer:	Caroline Schofield – Head of Corporate HR Services
Project Sponsor:	Tracy Murphy – Assistant Director of Resources and Regulation (HR/OD)

1.0 PROJECT DESCRIPTION

- 1.1 The purpose of this report is to provide an update on the progress made and the governance/implementation plans in relation to the GM wide Continuity of Service Protocol for recognition of service where an individual voluntarily changes employer between Local Authorities and NHS employers within Greater Manchester.

2.0 BACKGROUND

- 2.1 In February 2015 the 37 NHS organisations and local authorities in Greater Manchester signed a landmark agreement with the Government to take charge of health and social care spending and decisions in our city region. This included a commitment to produce a comprehensive plan for health and social care.
- 2.2 The final draft of this plan 'Taking Charge of our Health and Social Care in Greater Manchester' was endorsed by the Health and Social Care Strategic Partnership Board on Friday, 18 December 2015. It details the collective ambition for the region over the next five years, setting out our direction of travel.
- 2.3 In December 2015, the Greater Manchester Combined Authority and Health and Social Care Partnership Board agreed a GM Protocol for Joint Working on Workforce Matters. This Protocol recognises the vital role of our workforce in delivering high quality public services and that high quality employment in public services is crucial in the functioning of the Greater Manchester economy and society.
- 2.4 It was recognised that flexibility of employment across public services is an ambition shared by the organisations and recognised trade unions. Portability of accrued service is a key consideration for employees and must

be addressed to secure such flexibility. It was agreed that a mechanism for the recognition of service would be further explored in circumstances where an individual employed within local government, the Combined Authority, or the NHS in Greater Manchester moves employment between those sectors on a voluntary basis.

- 2.5 Unless there is an enforced move across sectors (e.g. TUPE) currently continuity of service is lost where an employee voluntarily moves from one public sector to another. Given that continuous service determines the qualification for, and value of employment related entitlements (statutory and contractual), including redundancy pay, annual leave, occupational sick pay etc, this is a key factor which may impede the flexibility of employment.
- 2.6 There are no regulations that allow for service to be recognised for voluntary moves across the different areas of the public sector. To this end, the concept and possibility of voluntarily recognising continuous service across the GM NHS, Council and GMCA organisations has been discussed and progressed at the GM Workforce Engagement Board (WEB) and Strategic Partnership Board. A Continuity of Service Protocol was subsequently developed and is attached at Appendix A.
- 2.7 The Localism Act 2011 allows new freedoms and flexibilities for local government to make decisions, giving councils more freedom to work together with others in new ways to drive down costs and do more creative, innovative things to meet local people's needs.

3.0 **CURRENT POSITION**

- 3.1 The Protocol has been developed and represents the first step towards implementing greater flexibility and opening up opportunities for employees of a wide number of Greater Manchester public sector organisations. The Protocol currently includes all staff employed by:

- a GM CCG organisation
- a GM NHS body
- a GM Council (but excluding staff employed by schools)
- GM Combined Authority and its constituent bodies
- Greater Manchester Health & Social Care Partnership
- Transport for Greater Manchester (TfGM)

GM Police and the Waste Disposal Authority will be automatically included in scope when they formally join the Combined Authority.

There is a commitment to further extend the Protocol following full adoption by the parties to include schools across GM and it is hoped that this will be extended into other GM public sector organisations in the future.

- 3.2 It is important to clarify that the aim of the Protocol is not to change terms and conditions of service for each individual organisation in scope;

all local agreements, employment benefits and terms and conditions will be retained. However, any local arrangements that refer to continuity of service may need to be reviewed to ensure that these are mindful of the Protocol and ensure that this is applied in all relevant aspects of employment. It is important that the accrued service will be used for the calculation of contractual entitlements and for redundancy purposes in accordance with the policies and terms and conditions of the relevant participating employer.

3.3 There are a vast number of benefits in adopting the Protocol:

- Maintaining employment benefits
- Raising the profile of working within GM public sector
- Greater flexibility and choice for public sector workers
- Supporting our ability to attract, recruit, develop, motivate and retain our workforce
- Increased likelihood of attracting people with specialist knowledge and skills
- More motivated staff and a higher retention of staff resulting in a reduction of recruitment costs, overtime and sickness absence and a higher level of engagement and job satisfaction
- Parties would become an employer of choice
- Wider pool of applicants
- More creative recruitment solutions and career development opportunities
- Greater opportunity to fill specialist roles, eg social workers moving from local authorities into local integrated care organisations under the NHS
- Greater collaborative working and options to reduce redundancy costs by enabling the transfer of staff between organisations
- Having a geographically and organisationally mobile workforce at a GM level will benefit all organisations and individuals, and will expedite the integration of health and social care and workforce transformation across GM.

4.0 **DECISIONS REQUIRED**

4.1 Members of SLT are asked to support the adoption of the Protocol at Appendix 1.

5.0 **PROPOSALS**

- 5.1 That the Protocol detailed in Appendix 1 is adopted within the Council.
- 5.2 The, following adoption, all local agreements and arrangements referring to continuity of service be reviewed to take into account the needs of the Protocol.
- 5.3 That the policy in respect of the application of the 2006 Discretionary Compensation Regulations be amended to incorporate recognition of service with NHS and Public Health England.
- 5.4 That the protocol is reference in the Pay Policy Statement.
- 5.5 That for staff in the NHS Pension Scheme under a Directions Order, the Order is checked to see whether or not the terms of the order means we can pay redundancy benefits under the NHSPS.

6.0 **KEY MILESTONES FOR THIS PERIOD**

- 6.1 S188 – 15th February 2018.
- 6.2 SLT 26th February 2018.
- 6.3 HR Portfolio Meeting 1st March 2018.
- 6.4 HR and Appeals 8th March 2018.
- 6.5 JCC date tbc.

7.0 **PROGRESS TO DATE**

- 7.1 Informal discussions are beginning to take place with the trade unions to enable the Protocol to be subject to formal consultation and adoption.
- 7.2 During January and February 2018, discussions have been held with CCG Leaders (AGG), Provider Federation Board and Wider Leadership Team to encourage support and adoption of the Protocol. All groups have indicated their support for this and have agreed in principle subject to full adoption within their own organisational governance processes.

8.0 **RISKS (Including Health and Safety)**

- 8.1 Council arrangements that are dependent upon continuity of service will have to be reviewed and agreed with the Trade Unions.
- 8.2 In the event that not all GM organisations adopt the Protocol, this is likely to result in an imbalance of approach between the GM public sector

organisations. Whilst this may lead to this organisation becoming an employer of choice over other neighbouring organisations, this inconsistency may result in delaying or impeding the integration of health and social care across the region which is a primary reason for implementing the Protocol.

9.0 FINANCIAL IMPLICATIONS

- 9.1 The calculation of an employee's continuous service and/or reckonable service is extremely important in determining the qualification for and value of 'time served' entitlements as this commonly determines access and value of contractual entitlements such as occupational sick pay, maternity pay, and annual leave schemes. Therefore, longer service normally allows for elevated and extended entitlements where previously this may not have been the case. This may therefore have an impact on direct costs (sick pay costs, maternity pay etc).
- 9.2 Any dismissal with notice payments will be based on the increased paid notice period, or increased pay in lieu of notice entitlement, as a result of recognising continuous service.
- 9.3 The recognition of previous continuous service also increases the potential for employees to meet the minimum statutory requirement of 2 years continuous service earlier. Where this is the case, it is possible that a higher number of employees will be entitled to statutory redundancy payments and access to other locally agreed enhanced schemes.
- 9.4 The entitlement to, and the application of redundancy and any voluntary severance scheme, is perhaps the area that may realise the most substantial impact on direct costs. It should be noted that those organisations that have already applied the Continuity of Service Protocol on a voluntary basis so far have not experienced significant increases in direct costs as a result of this approach.
- 9.5 There may be occasions where an employee, previously employed by a GM organisation in scope of the Protocol, has left voluntarily through a settlement agreement involving a financial compensation award, and is then subsequently re-engaged by another GM organisation in scope. The Continuity of Service Protocol would not apply in these circumstances, however, any statutory entitlement to continuity of service will continue to apply.
- 9.6 Tighter methods of identifying these circumstances must be implemented during the recruitment process to allow the GM organisations to explore this further. There is a financial obligation upon all public sector organisations to protect the public purse and organisations will also want to re-assure themselves that no settlement agreement that may have been entered into is inadvertently breached, or continuity of service has been inappropriately applied.

10.0 EQUALITY AND DIVERSITY

- 10.1 No implications.

11.0 FUTURE ACTIONS

- 11.1 It is proposed that the relevant governance processes are put in place within all organisations outlined as within the scope of the Protocol to enable full adoption from 1 February 2018 and no later than 31 March 2018. This approach will ensure that all relevant organisations within GM will have the Protocol in place and continuity of service recognised from 1 April 2018. The GMCA Heads of HR and Joint GMCA/NHS HRD leads will ensure that the detailed implementation and communication plan is put in place once all organisations have adopted.
- 11.2 Feedback and progress from each partner organisation will be sought during February/March 2018 to establish the level of Protocol adoption and understand any issues or difficulties that may have arisen which will need to be overcome.
- 11.3 An update report will be provided to the GM Workforce Engagement Board in March 2018 providing an update on adoption of the protocol across GM. This will be followed by a more detailed review after 12 months to consider how the Protocol has enabled greater flexibility of the workforce and impacted on our ability to attract, recruit and retain our public sector workforce, along with any on-going difficulties/challenges that may be faced.
- 11.4 It is envisaged that the evaluation and review will be shared with other public sector organisations, and associated organisations, including Schools to aid future discussions about extending the employers in scope.
- 11.5 It will be necessary to have a proactive and coordinated approach to the communication and engagement process across GM. It has been agreed that this will be led by the GMHSCP HR team and a detailed communication plan is currently being developed. Individual organisations will also need to consider appropriate communication and engagement with their current workforce and ensure that websites and communication materials reference adoption of the Protocol.
- 11.6 The Protocol is proposed to the organisations outlined in scope above. In the future there may be the opportunity to include/invite more employers in scope and extend this to include schools, further education establishments and GPs. This will provide greater opportunities to redeploy or deploy skills to a wider pool of individuals, across different public sector areas.

GREATER MANCHESTER CONTINUITY OF SERVICE PROTOCOL

INTRODUCTION

The Greater Manchester Combined Authority and health and Social Care Partnership Board agreed a GM Protocol for Joint Working on Workforce Matters in December 2015.

This Protocol recognises that staff play a vital role in the delivery of high quality public services and that high quality employment in public services plays a vital role in the functioning of the Greater Manchester economy and society.

Flexibility of employment across public services is an ambition shared by the organisations and recognised trade unions. Portability of accrued service is a key consideration for employees which must be addressed to secure such flexibility.

There is no reason in law why an employer cannot introduce express terms into its contracts of employment, or do so by means of a change of policy, which are more advantageous than the statutory rights already afforded to its employees, provided it ensures those terms are applied fairly and in accordance with its equalities duty. What it cannot do is seek to limit or take away those rights except in the most exceptional of justified circumstances or where permitted by law.

A public body must also ensure its rationale for such action makes economic, social and environmental sense for them and their communities, and is of benefit to the public purse.

Any change in terms and conditions of employment to employees of a public body would be subject to consultation.

PURPOSE

As a first step this protocol provides a mechanism for recognition of service where an individual employed within local government or the NHS in GM moves employment between those sectors on a voluntary basis.

Adoption of the protocol by the GM local authorities, GMCA and NHS organisations would be voluntary and would be a decision for each individual organisation within their respective governance arrangements.

This protocol applies to the employers listed below and does not seek to extend such an agreement to the wider employer group comprising commissioned providers e.g. third sector parties, at this point in time.

Local Authorities:

GM Local Authorities	GM Combined Authority (GMCA)
<ul style="list-style-type: none"> • Bolton • Bury • Manchester • Oldham • Rochdale • Salford • Stockport • Tameside • Trafford • Wigan 	<ul style="list-style-type: none"> • GM Fire & Rescue Service • New Economy • Police & Crime Commissioner.

NHS Bodies:

Association of GM CCGs	GM NHS Provider Trusts
<ul style="list-style-type: none"> • NHS Bolton CCG • NHS Bury CCG • NHS Central Manchester CCG • NHS Heywood, Middleton and Rochdale CCG • NHS North Manchester CCG • NHS Oldham CCG • NHS Salford CCG • NHS South Manchester CCG • NHS Stockport CCG • NHS Tameside and Glossop CCG • NHS Trafford CCG • NHS Wigan Borough CCG 	<ul style="list-style-type: none"> • Bolton NHS FT • Central Manchester University Hospitals NHS FT • Greater Manchester Mental Health NHS FT • Pennine Acute Hospitals NHS Trust • Pennine Care NHS FT • Salford Royal NHS FT • Stockport NHS FT • Tameside Hospital NHS FT • The Christie NHS FT University Hospital of South Manchester NHS FT • Wrightington, Wigan and Leigh NHS FT

Other Public Sector Partner Organisations:

<ul style="list-style-type: none"> • GM Health & Social Care Partnership • Transport for Greater Manchester (TfGM)

The accrued service will be used for the calculation of contractual entitlements and for redundancy purposes in accordance with the policies and terms and conditions of the relevant participating employer, except where statute does not permit.

This protocol does not apply to pension arrangements.

DEFINING CONTINUITY OF SERVICE

The calculation of an employee's "continuous service" and/or "reckonable service" is extremely important in determining the qualification for and value of 'time served' entitlements.

It determines access to statutory entitlements such as making a claim for unfair dismissal at an Employment Tribunal and the application of the statutory redundancy scheme. It will also commonly determine access and value of contractual entitlements such as annual leave, occupational sick pay, occupational maternity pay and contractual redundancy or severance schemes.

Individual employers can decide how their contractual entitlements will be applied and there is some discretion to the calculation of redundancy beyond the statutory scheme.

BENEFITS OF RECOGNISING CONTINUITY OF SERVICE

The benefits of a flexible workforce, facilitated by the adoption of this protocol, are summarised below: -

- Having a geographically and organisationally mobile workforce at a GM level will benefit both organisations and individuals. Employee movement within and between these organisations flexibly can help movement of staff into priority areas ensuring delivery at local level.
- A flexible GM workforce will strengthen cross organisational cultural understanding, enhance professional links and increase partnership working. Learning best practice from each other can only improve the totality of approaches adopted individually by each organisation.
- Employees, in turn, gain opportunities for personal and professional growth which can enhance their career opportunities. This increases staff morale and a motivated workforce, within a potentially shrinking public services sector, which is critical in delivering the challenges of devolution.
- A flexible workforce could support the deployment of staff across sectors during periods of organisational downsizing and service redesigns, increase GM ability to attract and retain staff with specialist skills and improve workforce and succession planning on a wider scale.
- Organisations can cut staff turnover costs and fill specialist roles more easily e.g. social workers moving from local authorities into local integrated care organisations under the NHS.
- Organisations can save on redundancy costs as there would be a wider pool of reasonable, suitable redeployment opportunities.
- Staff with cross-sectoral experience and understanding are essential for delivering new transformed services and redesigned roles in integrated services. The easy movement of staff between the NHS and local authorities will increasingly be needed going forward. A flexible workforce will aid the development of a shared language to describe capabilities required in all roles, with accompanying tools and resources.

CHANGES TO EMPLOYER POLICIES

Organisations who wish to be party to this protocol will need to make amendments to local policy and terms and conditions in respect of entitlement for contractual purposes. In respect of recognition of service for the purpose of redundancy the steps to be taken within each sector are set out below.

Local Government

- Local Authorities who wish to be party to this protocol will need to amend their policies in respect of application of the 2006 Discretionary Compensation Regulations to incorporate recognition of continuous service with NHS bodies and PHE. Reference may also be included in the annual Pay Policy Statement.
- It is recognised that policy amendments can be made with one months' notice and therefore authorities cannot make advance guarantees that certain redundancy compensation payments will be paid.
- If the employees are in the NHS Pension Scheme under a Directions Order, the local authority will need to check whether the terms of the Direction Order means they can pay redundancy benefits under the NHSPS.

NHS

- Section 16 of the Agenda for Change Handbook (NHS Terms and conditions of service) outlines entitlement to redundancy pay. Employees dismissed by reason of redundancy must have at least 2 years of continuous full-time or part-time service. To qualify for a redundancy payment the employee must be working under a contract of employment for an NHS employer as defined in Annex 1 of the AfC Handbook (national agreement) and any predecessor or successor body.
- NHS organisations who wish to be party to this protocol have some flexibilities in national agreements and to act outside the national agreements if they opt to do so. The test must always be one of 'acting reasonably' in relation to resources/use of public money i.e.: redundancy payment should not be more than is necessary unless justified and agreed.

CONCLUSION

This protocol marks a significant step for Greater Manchester in achieving reform of public services. A competent, engaged workforce is a key enabler to successful reform and it is important to facilitate not only retention of skills and knowledge but to ensure that the sector is seen as attractive and rewarding to future generations.

The protocol applies in the first instance to the voluntary movement of employees between local government/identified public sector bodies and NHS employers as a proof of concept. The Greater Manchester Workforce Engagement Board will monitor the application and success of this protocol and will make recommendations for any further revisions as appropriate.

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REPORT FOR DECISION

Human Resources and Appeals Panel

DATE:	8 March 2018
SUBJECT:	Employer Discretions: Statement of Policy Local Government Pension Scheme (LGPS) – Amendment
REPORT FROM:	Interim Executive Director of Resources & Regulation
CONTACT OFFICER:	Tracy Murphy, Assistant Director, Resources & Regulation (HR/OD)
TYPE OF DECISION:	Committee Decision
FREEDOM OF INFORMATION/STATUS:	Within the public domain
SUMMARY:	The Local Government Pension Scheme (LGPS) contains various regulations where employer discretion has to be exercised. A report was presented to the Human Resources and Appeals Panel on 22.7.14 regarding the exercising of discretions by Bury Council. A further report was presented on 24 June 2015 with an amendment.
OPTIONS & RECOMMENDED OPTION	That subject to consideration of this report the Human Resources and Appeals Panel agrees the proposed addition to the Pension Scheme Policy Statement in Section 4.2 of the report. The alternative option would be to adopt alternative discretion decisions, which would lead to increased costs to the Council. To do nothing would not be lawful.
IMPLICATIONS:	
Corporate Aims/Policy	Do the proposals accord with the Policy

Framework:	Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	<p>The early payment of fund benefits places a "strain" on the pension fund.</p> <p>Because there is almost always strain on the pension fund, when an employee retires early Members must consider the likely financial implications of any policy decision where the Council exercises discretion; this has been considered and incorporated into the proposals and the proposed additional wording</p>
Statement on impact on Resources:	The proposed additional wording within the discretions will contribute to minimising financial implications
Equality/Diversity implications:	<p>Yes</p> <p>The proposed discretions have been drafted to ensure compliance with the Equalities Act</p>
Considered by Monitoring Officer:	<p>Yes JH</p> <p>The Council is responsible under the Local Government Pension Regulations to ensure robust and fair processes are in place to manage employer responsibilities in respect of individuals accessing their pension benefits.</p>
Wards Affected:	None directly. However, there is a potential impact as this could affect all employees of the Council at some point during the 'employee lifecycle'
Scrutiny Interest:	Overview and Scrutiny

TRACKING/PROCESS INTERIM EXECUTIVE DIRECTOR OF RESOURCES & REGULATION: STEVE KENYON

Chief Executive/	Cabinet	Ward Members	Partners
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Strategic Leadership Team	Member/Chair		
12.2.18	1.3.18		
Scrutiny Committee	Committee	Council	
	HR & Appeals 8.3.18		

1.0 SUMMARY OF KEY ISSUES

- 1.1 The Local Government Pension Scheme is a statutory pension scheme and its rules are laid down in legislation. The Regulations provide less central control of pension arrangements and increase the scope of local decision making. They also offer improved flexibility in pension provision. This gives employers more scope to manage pension scheme benefits. These are known as discretions.
- 1.2 The LGPS 2014 rules require employers to 'formulate, publish and keep under review' a policy statement in relation to discretions. The policy statement should show the basis on which the employer would make its decisions on the various discretions.
- 1.3 This report proposes clarification to the discretions in accordance with the LGPS (Benefits, Memberships and Contributions) Regulations 2007. The clarification is around the discretion "whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)".

2.0 EXERCISE OF DISCRETIONARY POWERS

- 2.1 It is important that any discretionary power is exercised correctly. In formulating and reviewing its policy, an employer is required by the Regulations to:
 - have regard to the extent to which the exercise of its discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service (Regulation 60(5) of the LGPS Regulations 2013)
 - to be aware of discrimination, ie age related, and to be aware of the local demographics as an employer, and
 - be satisfied that the policy is workable, affordable and reasonable having regard to foreseeable costs. It is recommended that policies are reviewed every 3 years.
- 2.2 Discretionary powers must also:
 - not be used for an ulterior motive and be exercised reasonably
 - be used taking account of all relevant factors
 - only be used when there is a real and substantial future benefit to the employer in return for incurring the extra costs and

- be duly recorded when used.

3.0 ISSUES

- 3.1 In accordance with the [Local Government Pension Scheme Regulations, \(2013\)](#) we were required to formulate, agree and publish our Discretions Policy by July 2014. This requirement was met and we agreed to review the Policy every three years.
- 3.2 A description of the discretions that may be exercised by employers is listed in Section 4.0 of the report. The table in section 4.0 also includes a reference to the specific regulation and the proposed policy decision in respect of each of the listed discretions.

4.0 PROPOSALS

- 4.1 A full list of the discretions as agreed by the Human Resources and Appeals Panel in July 2014 and June 2015 is listed below. The proposed additional wording for clarification is set in bold and underlined under 4.2, relating to flexible retirement.
- 4.2 **Discretions in accordance with the [Local Government Pension Scheme Regulations 2013 \[prefix R\]](#) and the [Local Government Pension Scheme \(Transitional Provisions and Savings\) Regulations 2014 \[prefix TP\]](#):**

Discretion	Regulation	Proposal
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	R16(2)(e)* & R16(4)(d)*	<p>Bury Council reserves the right to apply this discretion in exceptional circumstances where it can be evidenced that by exercising this discretion the Council is able to recruit and/or retain employees who are considered 'business critical'. Where it is proposed to apply this discretion a business case will be developed which clearly demonstrates that it is in the Council's financial interest and/or operational efficiency to contribute to a shared cost additional pension contribution (SPAPC) scheme. The powers to approve proposals made in accordance with this regulation will lie with the Council's Human Resources and Appeals Panel.</p> <p>The discretion may be applied having due regard to the implications on the member's personal tax liability (Lifetime Allowance and Annual Allowance) and Bury Council's Pay Policy Statement.</p>
Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	R30(6)* & TP11(2)	<p>Under the terms of the Council's Flexible Retirement Policy employees are required to reduce their working hours or grade so that the flexible retirement does not result in an increase in their gross annual earnings. The combined total of their reduced annual salary plus annual pension cannot be greater than their salary at the effective date of retirement <u>based on all their pension benefits accrued until the date of the revised working pattern.</u></p>

		<p>Expressions of interest must be agreed in principle by their employing department and a business case will be prepared which demonstrates that it is in the Council's financial interest and/or in the interests of efficiency of the Council's business to agree to the request.</p> <p>The powers to approve Flexible Retirement Applications will lie with the Council's Human Resources and Appeals Panel.</p> <p>Employees who retire early under the terms of the flexible retirement scheme will not receive a redundancy payment.</p>
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)*	<p>Bury Council's voluntary early retirement and flexible retirement schemes use a business case to evidence that this strain on the pension fund (capital cost) will be recovered within five years of the date of retirement.</p> <p>Where applications meet the set criteria (see above) the Council will waive, in whole any actuarial reductions that might otherwise apply.</p>
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age	R30(8)*	<p>Bury Council's voluntary early retirement and flexible retirement schemes use a business case to evidence that this strain on the pension fund (capital cost) will be recovered within five years of the date of retirement.</p> <p>Where applications meet the set criteria (see above) the Council will waive, in whole any actuarial reductions that might otherwise apply.</p>
Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 2(2)*	<p>Bury Council reserves the right to apply this discretion in exceptional circumstances. Where it is proposed to apply this discretion a business case will be developed which clearly demonstrates that it is in the Council's financial interest and/or operational efficiency to do so.</p>
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 1/4/14 membership where the employer has "switched-on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60	TPSch 2, para 2(3)*	<p>Bury Council reserves the right to apply this discretion in exceptional circumstances. Where it is proposed to apply this discretion a business case will be developed which clearly demonstrates that it is in the Council's financial interest and/or operational efficiency to do so.</p>
Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.)	R31*	<p>Bury Council reserves the right to apply this discretion in exceptional circumstances where it can be evidenced that by exercising this discretion the Council is able to recruit and/or retain employees who are considered 'business critical'. Where it is proposed to apply this discretion a business case will be developed which clearly demonstrates that it is in the Council's financial interest and/or operational efficiency to award additional pension payment to an active</p>

		<p>Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency. The powers to approve proposals made in accordance with this regulation will lie with the Council's Human Resources and Appeals Panel.</p> <p>The discretion may be applied having due regard to the implications on the member's personal tax liability (Lifetime Allowance and Annual Allowance) and Bury Council's Pay Policy Statement.</p>
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4.3 Discretions in accordance with the [Local Government Pension Scheme \(Benefits, Membership and Contributions\) Regulations 2007](#)

Discretion	Regulation	
<p>Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31st March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30th September 2014.</p>	<p>B12*</p>	<p>Bury Council will not apply this discretion.</p>
<p>Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60</p>	<p>B30(2)*</p>	<p>The Council's policy is that applications for early payment of deferred pension benefits from former employees will be approved and that deferred benefits will be paid with an actuarial reduction where there is no cost to the Council.</p> <p>Applications for release of deferred pension benefits from current employees will be approved without actuarial reduction subject to the application being presented in accordance with the Council's Early Retirement Schemes and by demonstrating that a valid business case exists.</p>
<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30</p>	<p>B30(5)*</p>	<p>The Council's policy is that applications for early payment of deferred pension benefits will be approved and that deferred benefits will be paid with an actuarial reduction unless the applicant can demonstrate that they are facing serious financial hardship and that release of pension benefits without actuarial reduction would perpetuate this hardship.</p> <p>The Council may waive, on compassionate grounds, the actuarial reduction applied to deferred benefits, but in doing so will consider the strain on the pension fund and financial impact of this decision.</p>

<p>Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60</p>	<p>B30A(3)*</p>	<p>The Council’s policy is that applications for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 will be supported and that suspended benefits will be paid with an actuarial reduction.</p> <p>The powers to approve Early Retirement Applications will lie with the Council’s Human Resources and Appeals Panel.</p>
<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A</p>	<p>B30A(5)*</p>	<p>The Council’s policy is that applications for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 will be paid with an actuarial reduction unless the applicant can demonstrate that they are facing serious financial hardship and that release of pension benefits without actuarial reduction would perpetuate this hardship.</p> <p>The Council may waive, on compassionate grounds, the actuarial reduction applied to deferred benefits, but in doing so will consider the strain on the pension fund and financial impact of this decision.</p>

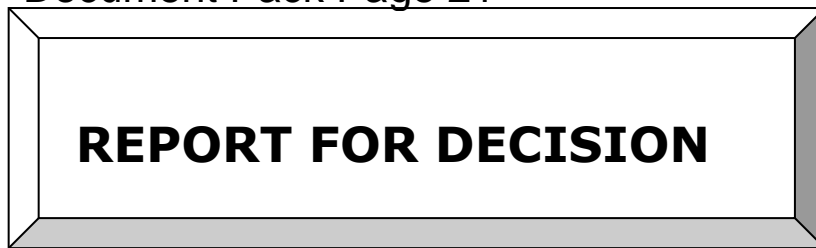
4.4 Discretions relating to redundancy in accordance with the [Local Government \(Early Termination of Employment\) \(Discretionary Compensation\) Regulations, 2006](#)

Discretion	Regulation	Proposal
<p>To base redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit.</p>	<p>5</p>	<p>The Council has exercised this discretion in accordance with The Local Government (Compensation for Redundancy and Premature Retirement) Regulations 1984 (as amended) for many years.</p> <p>The Council will continue to exercise this discretion in accordance with existing regulations</p>
<p>To award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.</p>	<p>6</p>	<p>Bury Council reserves the right to apply this discretion in exceptional circumstances where it can be evidenced that by exercising this discretion there are valid risk management and / or reputational considerations</p>
<p>To award compensatory added years to a person aged 50 or over with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment which occurred after 30th September 2006 and before 1st April 2007 (but only if employment had commenced pre 1st</p>	<p>11(2)</p>	<p>This provision will not apply.</p>

October 2006)		
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5.0 **CONCLUSION**

5.1 The Council has committed to review the Discretions Policy every 3 years. However, it can be reviewed at any time and members of the Human Resources and Appeals Panel are asked to approve the additional wording in 4.2 of the discretions.



Agenda Item	
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REPORT TO:	SENIOR LEADERSHIP TEAM
DECISION OF:	HR PORTFOLIO
	HUMAN RESOURCES AND APPEALS PANEL
	COUNCIL
DATE:	12th February 2018
	1st March 2018
	8th March 2018
	11th April 2018
SUBJECT:	PAY POLICY STATEMENT
REPORT FROM:	COUNCILLOR RISHI SHORI,
	LEADER OF THE COUNCIL
CONTACT OFFICER:	TRACY MURPHY
	ASSISTANT DIRECTOR RESOURCES AND
	REGULATION (HR AND OD)
TYPE OF DECISION:	COUNCIL DECISION
FREEDOM OF INFORMATION/STATUS:	The Paper is within the public domain
SUMMARY:	<p>Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year after that.</p> <p>The purpose of the Pay Policy Statement is to provide transparency in respect of the Council's approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying; the methods by which salaries of all employees are determined; the detail and level of remuneration of its most senior staff and the agreed decision making arrangements for ensuring the provisions set out in this statement are applied consistently throughout the Council.</p>
OPTIONS & RECOMMENDED OPTION	The Localism Act requires that pay policy pay policy statements and any amendments to them are considered by a meeting of full Council.

	The attached Pay Policy Statement [2018-2019], Appendix A, has been drafted to ensure compliance with the Act and it is put before the Council for approval.
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	This report outlines the Council's Pay Policy as required by the Localism Act. The report is a statement of fact. All pay costs are provided for and fully funded within the Council's approved budget.
Statement by Executive Director of Resources:	The attached Pay Policy Statement (2018-2019) has been drafted to ensure compliance with the Localism Act. There are no additional resource implications arising from the report.
Equality/Diversity implications:	Yes The purpose of the Pay Policy Statement is to provide transparency in respect of the Council's approach to setting the pay of its employees. Pay and grading decisions are based on the application of agreed Job Evaluation Schemes which are designed to eliminate discrimination.
Considered by Monitoring Officer:	Yes JH Section 38 of the Localism Act 2011 sets out that the Council must prepare and approve a pay policy statement for 2012-2013 (and each subsequent financial year) before 31 March each year. This must then be published as soon as is reasonably practicable following approval.
Wards Affected:	All Wards
Scrutiny Interest:	Internal Scrutiny Committee

TRACKING/PROCESS

DIRECTOR: Exec. Director of Resources

Chief Executive/ Strategic Leadership Team	Executive Member/Chair	Ward Members	Partners
✓	✓ HR Portfolio		
Scrutiny Committee	Committee	Council	
	✓ HRA	✓	

1.0 BACKGROUND

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a Pay Policy Statement for 2012/13 and for each financial year after that.
- 1.2 Guidance issued by the Department for Communities and Local Government states that the purpose of the Pay Policy Statement is to address the Governments issues with "top end pay" and some of the recommendations set out in the "Hutton review of Fair Pay in the Public Sector Report".
- 1.3 The Act requires Councils to prepare Pay Policy Statements which details their policy on a range of issues relating to the pay of its employees; in particular, its senior staff ("Chief Officers") and its lowest paid employees.
- 1.4 The provisions do not apply to local authority school employees and neither do they change any existing responsibilities or duties under relevant Employment Legislation. However, all employees are included within the pay ratio calculations.
- 1.5 The Pay Policy Statement must be prepared for each financial year starting with 2012-2013. The Statement must be approved by full Council and then be published, at least, on the Council's web-site. This is to ensure transparency, so that local tax payers can take an informed view of whether local decisions and all aspects of remuneration are fair.
- 1.6 The Council's existing Pay Policy Statement (2017/18) was approved at the meeting of Council held on 22nd February 2017.
- 1.7 The matters that must be included in the statutory pay policy statement are:
 - The local authority's policy on the level and elements of remuneration for each chief officer;
 - The local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
 - The local authority's policy on the relationship between the remuneration of its chief officers and other officers;
 - The local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.
- 1.7 The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.
- 1.8 The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying;
 - the methods by which salaries of all employees are determined;

- the detail and level of remuneration of its most senior staff i.e. 'Chief Officers', as defined by the relevant legislation;
- the Committee(s) responsible for ensuring the provisions set out in the Pay Policy Statement are applied consistently throughout the Council and recommending any amendments to the full Council.

1.9 The updated Pay Policy Statement: 2018-2019, which is attached at Appendix A, has been drafted to ensure compliance with the Localism Act and it is put before the Council for approval.

List of Background Papers:-

- 1. DCLG Guidance (2011): Openness and accountability in local pay**
- 2. DCLG Supplementary Guidance (February 2013): Openness and accountability in local pay - Guidance under section 40 of the Localism Act 2011**

Contact Details:-

Tracy Murphy, Assistant Director Resources & Regulation [Human Resources and Organisational Development], t.e.murphy@bury.gov.uk



Pay Policy Statement

Pay Policy Statement 2018 – 2019

The purpose of the statement is to provide transparency in respect of the Council's approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying; the methods by which salaries of all employees are determined; the detail and level of remuneration of its most senior staff and the agreed decision making arrangements for ensuring the provisions set out in this statement are applied consistently throughout the Council.

1.0 INTRODUCTION AND PURPOSE

1.1 In accordance with section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.

1.2 The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior staff i.e. ‘Chief Officers’, as defined by the relevant legislation;
- the constitutional arrangements in place for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

1.3 This policy statement will be subject to review on an annual basis.

1.4 Last year’s Pay Policy Statement (2017-2018) was approved by the Human Resources and Appeals Panel on 13th January 2017 and was agreed at full Council on 22nd February 2017.

1.5 This year’s Pay Policy Statement (2018-2019) was taken to Senior Leadership Team on the 12th February 2018, HR Portfolio on the 1st March 2018, Human Resources and Appeals Panel on 8th March 2018 and was agreed at full Council on the 11th April 2018.

2.0 CONTEXT: LEGISLATION RELEVANT TO PAY AND REMUNERATION

2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation.

2.2 The Council will ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

3.0 PAY STRUCTURE

3.1 The Council uses the nationally negotiated pay spine(s) (i.e. a defined list of salary points) as the basis for its local pay structure. These pay spines are used to determine the salaries of the large majority of the Council’s non-teaching workforce.

3.2 The pay and terms and conditions of employment of the Council's workforce are largely determined by the following negotiating bodies in accordance with the agreed collective bargaining machinery:

- National Joint Council (NJC) for Local Government Services;
- The Soulbury Committee, (*educational advisers/inspectors, other school improvement professionals, educational psychologists*)
- Joint Negotiating Committee (JNC) for Local Authority Craft and Associated Employees;
- Joint Negotiating Committee for Youth and Community Workers;
- Joint Negotiating Committee (JNC) for Chief Officers
- Joint Negotiating Committee (JNC) for Chief Executives

3.3 The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spines.

3.4 The pay of those employees whose terms and conditions fall within the purview of the Joint Negotiating Committee for Chief Executive's and the Joint Negotiating Committee for Chief Officers are also determined by reference to Joint Secretarial advice issued by the JNC for Chief Officers of Local Authorities in 2002. The Joint Secretarial advice recommended the establishment of local salary structures as a result of a move from benchmark to median salaries, identified through the annual salary and numbers survey conducted by the Local Government Employers' Organisation.

3.5 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

3.6 In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

3.7 The Council is committed to the principles of equal pay for all its employees, and to ensuring that there is consistency and fairness in the approach to starting salaries and has Guidance for Managers in this area.

All new appointments (whether new recruits to the Council or an internal candidate) will commence at the minimum spinal column point (SCP) of the relevant grade. Appointments will not be made higher up the grade in order to preserve salary, although pay protection arrangements are available in relevant situations.

Only in exceptional circumstances and on the completion of an evidenced and documented equal pay risk assessment comparing the skills, qualifications and experience of the appointee, other generic post holders and the rest of the team,

will appointments be made with a starting salary higher than the minimum point.

In these exceptional circumstances where the appointment salary is above the minimum point of the pay scale and is not affected by other council policies, for example promotion, redeployment or flexible retirement, this is approved in accordance with the Officer Delegation Scheme within the [Council's Constitution](#).

3.8 From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate.

Any temporary supplement to the salary scale for the grade is approved in accordance with the Council's Market Supplement Policy.

4.0 SENIOR MANAGEMENT REMUNERATION

4.1 For the purposes of this statement, senior management means 'chief officers' as defined within the Localism Act; i.e.

- i. The head of the paid service designated under section 4(1) of the [Local Government and Housing Act 1989](#);
- ii. The monitoring officer designated under section 5(1) of that Act;
- iii. A statutory chief officer mentioned in section 2(6) of that Act;
- iv. A non-statutory chief officer mentioned in section 2(7) of that Act;
- v. A deputy chief officer mentioned in section 2(8) of that Act.

4.2 The posts falling within the statutory definition are set out below, with details of their salary. Salaries quoted below are applicable as at February 2018, however, it is likely that these rates will receive an increase of 2% with effect from 1st April 2018:

- **Chief Executive:**

A review of the salary of the Chief Executive was carried out in January 2018 and, following a recommendation by the Human Resources and Appeals Panel on 8th January 2018, new salary arrangements were agreed at Council on 17th January 2018.

The salary falls within a range of 3 incremental points between £168,444, rising to a maximum of £175,000. The Chief Executive (Head of Paid Service), also carries out the duties of the Returning Officer in accordance with the Representation of The People Act 1983. The duties of the Returning Officer are separate from the duties undertaken as a local government officer; the office of Returning Officer is totally distinct from the office of Chief Executive and Head of Paid Service. Payments due to the post holder in respect of the conduct of local municipal elections are consolidated within the salary. Payments in respect of the conduct of

National Government Elections, European Elections and any National Referenda are paid in addition to salary. These payments are pensionable and subject to deductions for tax and National Insurance.

- **Executive Directors:**

The current salaries of the post holders designated as Executive Director fall within 5 incremental points between £111,650 rising to a maximum of £122,058.

- **Assistant Directors and Designated Heads of Service:**

The salary package of these posts fall within a range of 30 incremental points between £52,956 rising to a maximum of £98,523.

4.3 When establishing or reviewing the senior management salary structure the Council complies with advice issued by the Joint Negotiating Committee's for Chief Executive's and Chief Officers, on the establishment of a local salary structure based on median salary levels as identified through the annual salary survey. This advice states that when deciding at what level these posts should be remunerated the following factors are to be considered:

- a. The Authority's policy in respect of the pay of its JNC officers and any relationship to the median salary levels for similar Authorities;
- b. the chief executive's salary;
- c. the relationship of current salary to the appropriate illustrative national median salary (salaries may be above, around, or below the median);
- d. any special market considerations;
- e. any substantial local factors not common to authorities of similar type and size, e.g. London weighting;
- f. comparative information to be supplied on request by the Joint Secretaries on salaries in other similar authorities;
- g. top management structures and the size of the management team compared to those of other authorities of similar type and size, and;
- h. the relative job size of each post, as objectively assessed through job evaluation or otherwise.

4.4 Where the Council is unable to recruit chief officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals, who might be considered as self employed by the HMRC. The Council does not currently have any chief officers engaged under such arrangements.

5.0 RECRUITMENT OF CHIEF OFFICERS

5.1 The Council's policy and procedures with regard to recruitment of Chief Officers is set out within the Chief Officer Recruitment Guidelines which is currently under review.

5.2 The recruitment of Chief Officers is delegated to the Human Resources and Appeals Panel whose functions include:

- The shortlisting and appointment of Chief Officers and Deputy Chief Officers. The confirmation of appointment of all Chief Officers (with the exception of the Chief Executive/Head of Paid Service) is carried out in accordance with the [Council Constitution](#) – Officer Employment Procedure Rules and [The Local Authorities \(Standing Order\) \(England\) Regulations 2001](#)
- The shortlisting and appointment of the Chief Executive / Head of Paid Service is carried out in accordance with the [Council Constitution](#) for submission to the Council.

5.3 When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own Equality, Recruitment and Selection and Redeployment Policies as approved by Council.

5.4 The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

6.0 ADDITIONS TO SALARY OF CHIEF OFFICERS

6.1 With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, (which is assessed on an annual basis), the level of chief officer remuneration is not variable dependent upon the achievement of defined targets.

6.2 To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration [e.g. honoraria, ex gratia, 'acting up payments] relating to temporary additional duties are set out in the [Council's Constitution](#) and supplementary conditions of service.

6.3 In addition to basic salary, the Chief Executive receives additional pay in respect of Returning Officer duties in accordance with the Representation of The People Act 1983 (see 4.2).

6.4 Set out in table 1 below are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfillment of their duties;

Payment details	Paid to
Fees paid for returning officer duties where identified and paid separately	Chief Executive
Salary supplements payable for fulfilling statutory officer duties (e.g. S151 / Monitoring Officer) where identified and paid separately	None payable
Market forces supplements in addition to basic salary where identified and paid separately	None payable
Priority Car User Allowance Lump Sums	None payable
Salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately	None payable
Any arrangements for payment of untaken annual leave falling outside the requirements of relevant legislation	None payable

7.0 PENSION CONTRIBUTIONS

7.1 Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee.

7.2 The Employer's rate of contribution is set by Actuaries advising the Greater Manchester Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The triennial valuation covers the period 1 April 2017 to 31 March 2020. The employer's contribution rate is 20.5%.

7.3 From April 2014 with the introduction of a new local government pension scheme the rate of pension contributions will be based on actual [pensionable pay](#). In the new scheme there are 9 different contribution banding rates between 5.5% and 12.5%. The bandings as at 1st January 2018 are:-

Member Contribution Table

Pay Bands	Contribution Rates
Up to £13,600	5.5%
£13,601 - £21,200	5.8%
£21,201 - £34,400	6.5%
£34,401 - £43,500	6.8%
£43,501 - £60,700	8.5%
£60,701 - £86,000	9.9%
£86,001 - £101,200	10.5%
£101,201 - £151,800	11.4%
More than £151,800	12.5%

8.0 PAYMENTS ON TERMINATION

8.1 The Councils approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is in accordance with [The Local Government Pension Scheme Regulations 2013](#) and Regulations 5 and 6 of the [Local Government \(Early Termination of Employment\) \(Discretionary Compensation\) Regulations 2006](#).

8.2 Any payments falling outside these provisions or the relevant periods of notice within the contract of employment shall be subject to a formal decision made by The Human Resources and Appeals Panel.

8.3 In accordance with supplementary guidance issued by DCLG on 20th February 2013, Local authorities are required to present details of any severance package paid to an officer where the value of the package exceeds £100,000. Approval of the severance package is subject to a vote by full Council. Proposed New Regulations around an exit payment cap of £95,000 will be enforced once they are implemented.

9.0 LOWEST PAID EMPLOYEES

9.1 The lowest paid persons employed under a contract of employment with the Council are employed on full time [37 hours per week] equivalent salaries in

accordance with the minimum spinal column point currently in use within the Council's grading structure.

9.2 As at 1st January 2018, this is £15,014 per annum which is spinal column point 6 on the NJC salary structure. The Council employs Apprentices who are not considered within the definition of 'lowest paid employees'.

9.3 With the introduction of the National Living Wage with effect from 1st April 2016, the pay spine was adjusted following a national review by the National Joint Council, to ensure the Council was compliant with this. The National Living Wage is currently £7.50 per hour and will rise to £7.83 per hour with effect from 1st April 2018. The National Employers pay offer takes this new rate into account, however, at the time of writing the offer has been rejected and temporary 'top up' arrangements may have to be implemented to ensure the Council is compliant.

9.4 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

10.0 PAY MULTIPLES

10.1 The current pay levels within the Council define the multiple between the median (the half way point between the lowest and highest earner) full time equivalent (FTE) earnings as at 1st January 2018 for the whole of the workforce and the Chief Executive (top of pay spine) as 1:8:02. This figure will change when the new Chief Executive pay arrangements are implemented. Based on the top of the grade the multiple would be 1:8.69.

10.2 The current pay levels within the Council define the multiple between the lowest paid employees' full time equivalent (FTE) earnings as at 1st January 2018 and the Chief Executive (top of pay spine) as 1:13:17. This figure will change when the new Chief Executive pay arrangements are implemented. Based on the top of the grade the multiple would be 1:14.26.

10.3 Pay multiples have been calculated in accordance with the LGA Local Transparency Guidance. Data relates to the 1st January 2018.

10.4 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local Authorities.

11.0 GENDER PAY GAP

11.1 The Government have brought into force a provision of the Equality Act 2010 on gender pay gap reporting. Although the provision originally only covered the private and voluntary sectors, this was extended to the public sector under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

11.2 By April 2018, public, private and voluntary sector organisations with 250 or more employees will have to report on their gender pay gaps, using six different measures (see 11.4 below).

11.3 The Council is required to take a 'snapshot of data' as at the 31 March 2017 and analyse this to calculate our gender pay gap. We are required to publish the data on the Council website (to remain for at least 3 years) and also on a government site, by 31st March 2018 at the latest. From then on we will have to report our figures annually.

11.4 The gender pay gap reporting measures are:

- Mean gender pay gap - The difference between the mean (average) 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 (mid-point) 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 pay 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

11.5 The Council's Gender Pay Gap data for 2017-2018:

Women's Hourly Rate:

Mean	8.84% lower
Median	7.73% lower

% of Men and Women in each quarter of the payroll:

Quartile	% of Men	% of Women
Top	33.74%	66.26%
Upper Middle	29.49%	70.51%
Lower Middle	43.47%	56.53%
Lower	11.54%	88.46%

Bonus Pay:

None Paid.

11.6 Further analysis of the data will be carried out in order to identify strategies to reduce the pay gap.

12.0 ACCOUNTABILITY AND DECISION MAKING

12.1 In accordance with the Constitution of the Council, the Human Resources and Appeals Panel is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council. The Human Resources and Appeals Panel is also responsible for the recruitment selection and appointment of Chief Officers; (see Section 5.0 above).

13.0 RE-EMPLOYMENT / RE-ENGAGEMENT OF FORMER CHIEF OFFICERS

13.1 The Council’s policy with regard to the re-employment /re-engagement of former employees (including Chief Officers) was approved by the Executive Committee on 20th October 1999.

As a general principle the Council is opposed to re-employing retired employees. Retired employees will be permitted to register with our in-house supply registers subject to them being employed on a zero hours contract basis and that no single engagement extends beyond 13 weeks.

However in exceptional circumstances, where it is considered necessary to re-employ or re-engage a former employee who is in receipt of a pension from the Local Government Pension Scheme:-

- (a) There should be clear evidence that the work cannot be undertaken by someone else, either internal, external or through agency staff;

- (b) If the individual is engaged under the terms of a contract for services and claims to be self-employed or a consultant the Assistant Director (Finance and Efficiency) must be satisfied that they meet the criteria laid down by HMRC;
- (c) A former employee should not be re-engaged unless agreement has been given by the Cabinet Member for Resources and/or the spokesperson for Human Resources.

13.2 The Council will need to prepare for forthcoming Regulations around the recovery of exit payments for higher paid employees who leave the public sector employment and re-join within a year, once the implementation date is known.

14.0 PUBLICATION

This statement will be published on the Council's Website under our Local Government Transparency Section.

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