



# Pay Policy Statement

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## Pay Policy Statement 2019 – 2020

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 (2018-2019) was approved by the Human Resources and Appeals Panel on 8<sup>th</sup> March 2018 and was agreed at full Council on 11<sup>th</sup> April 2018.

1.5 This year’s Pay Policy Statement (2019-2020) was taken to Corporate Leadership Team on the 4<sup>th</sup> February 2019, HR Portfolio on the 4<sup>th</sup> March 2019, Human Resources and Appeals Panel on (4<sup>th</sup> April 2019) and was agreed at full Council on the 10<sup>th</sup> April 2019.

## **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. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, and, where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

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 As a result of the pay award for 2019, in agreement with recognised local trade unions, the Council will implement a new pay structure with effect from 1<sup>st</sup> April 2019. This structure will include two new senior management grades which will bridge the gap between staff employed on NJC conditions of service and chief officer grades, ensuring compliance with equal pay legislation.

3.3 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

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

3.5 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.

3.6 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.

3.7 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.

3.8 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](#).

3.9 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.

3.10 The Council has three salary sacrifice schemes in place. These are the Cycle to Work scheme, the childcare voucher scheme and the car lease scheme. These schemes and their operation are regulated by Her Majesty's Customs and Excise and there are strict rules around the management of the schemes. The schemes permit employees to "sacrifice" part of their salary in exchange for a benefit; this means that Tax and National Insurance are not paid on the amount sacrificed effectively reducing the cost of the benefit to the employee. These schemes are open to all employees at the Council with the proviso that their salary exceeds the National Minimum Wage after the deduction. In addition to these schemes the Council has a number of other employee benefits.

## **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 1<sup>st</sup> April 2019 and include the agreed pay award.

- **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 8<sup>th</sup> January 2018, new salary arrangements were agreed at Council on 17<sup>th</sup> January 2018.

The current Chief Executive was also appointed as Accountable Officer for the CCG with effect from 1<sup>st</sup> October 2018.

The salary falls within a range of 3 incremental points between £175,249 rising to a maximum of £182,070. 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 2 grades; each having 5 incremental points. The incremental points are between £116,161 and £126,989; and 5 incremental points between £132,694 and £144,870 respectively.

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

The salary package of these posts fall within a range of 30 incremental points between £55,096 rising to a maximum of £102,803.

4.3 When establishing or reviewing the senior management salary structure the Council complies with advice issued by the Joint Negotiating Committees for Chief Executives 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 In accordance with the Localism Act (2011), where the proposed annual salary package is £100,000 or more the decision must be voted on by a meeting of members before the appointment is confirmed. The requirement to approve salary packages above £100,000 only applies to new appointments and does not apply to existing senior managers.

5.3 Accordingly 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.

5.4 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.

5.5 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;

<b><i>Payment details</i></b>	<b><i>Paid to</i></b>
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
Salary supplements payable for statutory duties carried out by The Director of Public Health 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 1<sup>st</sup> January 2019 are:-

### Member Contribution Table

Band	Yearly pay	Main Scheme	50/50 option
1	Up to £14,100	5.5%	2.75%
2	£14,101 - £22,000	5.8%	2.9%
3	£22,001 - £35,700	6.5%	3.25%
4	£35,701 - £45,200	6.8%	3.4%
5	£45,201 - £63,100	8.5%	4.25%
6	£63,101 - £89,400	9.9%	4.95%
7	£89,401 - £105,200	10.5%	5.25%
8	£105,201 - £157,800	11.4%	5.7%
9	£157,801 or more	12.5%	6.25%

## 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 20<sup>th</sup> 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.

8.4 Regulations around an exit payment cap of £95,000 will be enforced once they are implemented.

8.5 The Council operates a Mutual Settlement Scheme which allows employees to leave the Council with up to twelve months' salary, based on continuous years of service with Bury. Employees who leave under this scheme are required to sign a settlement agreement which restricts their re-employment with the Council.

## **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 1<sup>st</sup> January 2019, this is £16,394 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 1<sup>st</sup> 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 £7.83 per hour and will rise to £8.21 per hour with effect from 1<sup>st</sup> April 2019. The National Employers pay offer for 2018 and 2019 takes this new rate into account, having a minimum hourly rate of £9.00 per hour with effect from 1<sup>st</sup> April 2019, mirroring the Foundation Living Wage.

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 1<sup>st</sup> January 2019 for the whole of the workforce and the Chief Executive (top of pay spine) as 1:9.62.

10.2 The current pay levels within the Council define the multiple between the lowest paid employees' full time equivalent (FTE) earnings as at 1<sup>st</sup> January 2019 and the Chief Executive (top of pay spine) as 1:16.14.

10.3 Pay multiples have been calculated in accordance with the LGA Local Transparency Guidance. Data relates to the 1<sup>st</sup> January 2019.

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 2018 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 31<sup>st</sup> March 2019 at the latest. The Gender Pay Gap will be published 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 2018-2019 is detailed below:

**Women’s Hourly Rate:**

Mean	7.12% lower than males
Median	5.15 % lower than males

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

<b>Quartile</b>	<b>% of Men</b>	<b>% of Women</b>
Upper	32.70%	67.30%
Upper Middle	30.65%	69.35%
Lower Middle	40.12%	59.88%
Lower	16.69%	83.31%

**Bonus Pay:**

None Paid.

11.6 This represents an improvement on the Gender Pay Gap figures for 2017-2018. The data will be analysed in more detail and an action plan be developed to close the gap further.

**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 20<sup>th</sup> 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 beyond 13 weeks on any single engagement.

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.