

Pay Policy Statement:

2023/24

1. Introduction & Purpose

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 and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013 and the Local Government Transparency Code 2015.

Section 112 of the Local Government Act 1972 gives local authorities the power to appoint officers on such reasonable terms and conditions as the authority thinks fit, the pay policy sets out how the council exercises this power.

The purpose of the statement is to provide transparency with regards to the council's approach to setting the pay of its employees by identifying:

- the methods by which salaries of employees are determined.
- the detail and level of remuneration of our most senior employees i.e. 'chief officers', at Director level and above.

Once approved by full council this policy statement will come into immediate effect and will be subject to review on an annual basis.

2. Scope of the Pay Policy Statement

The statement relates to employees of Salford City Council whose remuneration, including rate of pay and terms and conditions, are determined by and within the control of the authority. It therefore **does not** apply to:

- All employees working in schools;
- Individuals employed by a third party contracted to work for the authority i.e. agency workers;
- Employees on secondment where their rates of pay or terms and conditions are not determined by the authority;
- Individuals employed through the authority on behalf of a third party where remuneration and other terms and conditions are not determined by the Authority;
- Volunteers or work experience placements.

3. Other matters relating to pay arrangements

The council takes steps to ensure that there is no pay discrimination within its pay structures and in determining the pay and remuneration of all its employees, complies with all relevant employment legislation. This includes legislation such as the Employment Rights Act 1996, Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the obligation to protect salaries under the Transfer of Undertakings (Protection of Employment) Regulations.

In determining its grading structure and setting remuneration levels, 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.

4. Context

4.1 Mayoral Priorities – The Salford Way



The Salford way is a journey of economic transformation, mapping out the City’s economic future. It embodies three key elements: The Great Eight priorities, Inclusive Economy Strategy and Tackling Poverty Strategy. Salford continues to change, at the heart of our approach are ambitious plans to transform and promote Salford as a modern global city where we can all make a real difference to the lives of Salford people. To help us achieve this vision we have identified some key priorities to tackle the problems people in Salford are currently facing called our Great Eight. These are: tackling poverty and inequality; creating vibrant places and spaces; tackling the climate emergency; improving skills and education (a learning City); increasing affordable housing and reducing homelessness; promoting transport and digital connectivity; creating an economy for all; and tackling health inequalities.



Tackling poverty is key to delivering our vision, as one of the largest employers in the city we have a role to play as an exemplar for the wider Salford workforce. With 57% of our employee’s resident in the city the Council has a vital role to play in setting an equitable pay

structure, preventing people from falling into poverty through our approach to pay, and ensuring that those in the lowest paid jobs receive a fair living wage.

No One Left Behind is our strategy for tackling poverty and creates a vision for a fairer and more inclusive Salford, where everyone can reach their full potential and live prosperous and fulfilling lives free from poverty and inequality. Low pay is recognised as a key cause of poverty and ensuring that wages and income levels are fair and appropriate, enables residents to fully participate in the life of the community. To help achieve this vision, collective efforts are focussed on the activities likely to have the most substantial and long-lasting impact in reducing poverty in the city.

4.2 Employment Standards Charter

The City Council sets the standard as an exemplar employer and ensures that all our remuneration and employment policies, procedures and practices reflect the Salford City Mayors Employment Standards Charter and the Greater Manchester Good Employment Charter. Leading by example and supporting businesses across the city to:

- Invest in the local workforce: creating training and employment opportunities for Salford people.
- Be an equal and inclusive employer: delivering and supporting workforce equality.
- Set the standard: adopting excellent working practices and conditions.

4.3 Living Wage

As the first Local Authority in Greater Manchester to be an accredited living wage employer, we will continue to set our minimum pay rates at or above the Foundation Living Wage of £10.90 per hour. Our revised local pay model effective from 1st April 2023 provides an hourly rate for Council employees on the lowest spinal column point (point 2) of £10.90 in line with the current Foundation Live Wage rate. This is achieved through the payment of a temporary supplement to SCP 2 pending the outcome of national pay negotiations for 2023/24.

National pay negotiations in relation to a pay award for 2023 are yet to be concluded and therefore this supplement will continue to be paid to ensure our minimum pay rates are at or above the Foundation Living Wage rate of £10.90. This will be reviewed and updated in line with any agreed national pay changes.

The Council is also committed to encouraging more organisations and companies to pay the real Living Wage aiming to become the first Living wage City in England. We have already been recognised by the Living Wage Foundation as a Living Wage Place for this ambition and doing more to expand living wage accreditation. We also value the commitment of all of Salford's care workers and the commitment they have to their role therefore with effect from 1st April 2021 Salford City Council and Salford Integrated Care Partnership (formerly Salford CCG) have made a commitment to pay all care workers a minimum rate of the real living wage

We have 101 accredited Living Wage employers in Salford with many more organisations working towards accreditation or already paying the real Living Wage. Our aim was to double the number of people working for an accredited Living Wage employer from 10,000

to 20,000 by November 2022 and there are currently 25,212 people in receipt of the Foundation Living Wage across Salford.

5. Workforce Strategy

The vision for our future workforce together with the framework and approaches required to achieve this are outlined in our Workforce Strategy. The strategy is designed to support the council to develop a skilled and motivated workforce to deliver our mission to create the best quality of life for the people of Salford. It is only through our people that we will realise these ambitions for the city.

The Workforce Strategy is being refreshed in line with organisational priorities for 2023 onwards. This strategy sets out how we are leading the way to make Salford a great place to work. It will cover how we intend to develop our talent, continue to embed flexible and smart working practices through our MyWork programme, improve wellbeing, equality, diversity and inclusion, performance and digital skills, reshape our workforce to encourage innovation and creativity, and to embed values-based leadership and a positive permission culture.

Alongside our Workforce Equality, Diversity and Inclusion Strategy the Workforce Strategy aims to support the City Council in achieving the skilled, motivated, flexible, and diverse workforce needed to deliver place based, integrated services that make a difference to the people of Salford. We recognise that our success as an organisation is dependent on the commitment, dedication and approach of every person that works across the system with the Spirit of Salford and values at the heart of everything we do.



Our core values are;

Pride

I'm proud of and committed to our city, its people, our work, and I demonstrate the 'Spirit of Salford' in everything I do.

Passion

I am optimistic and ambitious for the city and its people, being creative and positive about change and making the most of opportunities.

People

I respect and care for others, treating everyone fairly, listening and acting on the things people say.

Personal Responsibility

I am honest, taking responsibility and ownership for my actions and decisions and using resources that I am trusted with wisely.

The values inform the way we operate and influence our choices, behaviours, how we make decisions and transform services.

By putting the values into practice individuals demonstrate personal commitment to 'be the best they can be' in the way that they do their jobs, provide quality services, deliver the priorities and make a difference to the people of Salford.

6. Pay strategy and salary structure

As one of the largest employers in the city the council is mindful of the impact of its employment and remuneration policies and practices on the local economy and communities. The proportion of council employees (excluding schools) who live in the city as of January 2023 is 57% . This means that they not only serve the people of Salford but are also direct recipients of council services and contribute to the local economy.

It is vital therefore that the council remains an exemplar employer through its employment frameworks and practices and is seen as an 'employer of choice' to attract and retain employees of a high caliber throughout the organisation.

The council's approach includes:

- The internal operation of the Employment Standards Charter and the Greater Manchester Good Employment Charter which set out minimum employment standards (including the living wage) and campaigning for its adoption by other

organisations securing fair remuneration and employment practices across the city.

- Delivery of the Workforce Strategy objectives.
- Delivering on our commitment to create an inclusive workplace as outlined in our Workforce Equality, Diversity, and Inclusion Strategy
- Ensuring that we have the right roles, skills, and behaviours as we transform and redesign services by developing the internal labour market through talent management, maximising the opportunities provided through apprenticeships, succession planning and career pathways.
- Continuing to adopt a change management approach to service redesign, which focuses on employee engagement and involvement in the redesign of the services that they deliver. To ensure organisational agility this approach centres on the purpose, functions, and outcomes for services, rather than how they are organised and structured. This approach to organisation design will enable the council to effectively adapt and respond to change whilst also developing and shaping the workforce for the future.

In determining its grading structure and setting remuneration levels, 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 for the community, delivered effectively and efficiently and at times at which those services are required.

The council will use flexible and innovative approaches to workforce planning, maximising the opportunities which apprenticeships bring, developing skills, capacity and opportunities for progression combined with the creation of entry level opportunities and apprenticeships.

There have been significant challenges for the Council and all other sectors over the past few years. This is for several reasons, including the impact of the COVID-19 pandemic and an unstable economic climate. Salford City Council has not been immune to these challenges and has experienced a marked increase year on year in staff turnover as well as problems filling vacancies, particularly for specialist positions and senior officer posts which in turn can have a detrimental impact on service delivery as it affects the capacity and capability to deliver quality services for residents and businesses.

These problems have been exacerbated by the offering of more competitive pay rates by similar and neighbouring local authorities, leading to many staff seeking similar positions elsewhere. Additionally, Salford City Council's exemplary commitment to being a Foundation Living Wage employer, whilst pertinent, has presented an issue for fair pay with the erosion in differentials between pay levels as living wage rates have increased on an annual basis.

To address these challenges Salford City Council has undertaken a full pay review to be implemented in April 2023, the revised model addresses the key issues as outlined above and negates the need for ongoing payment of market rate enhancements and recruitment and retention allowances. The ability to offer competitive salaries at all levels will aid with the retention of high calibre staff and the ability to attract quality candidates for roles which will improve vacancy rates and in turn reduce the for a reliance on temporary agency workers thus reducing costs and ensuring stability and continuity in service delivery and capacity and capability to deliver quality services for residents and businesses.

6.1 Salary structure

The council uses the nationally negotiated pay spine (i.e. a defined list of salary points) as the basis for the pay structure in place to determine the salaries of the majority of its (non-teaching) workforce, together with the use of locally determined rates where these do not apply.

The council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated through the National Joint Councils.

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.

New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied as appropriate to secure the best candidate within the parameters of the salary scale as determined via the job evaluation process. The decision on the salary to be offered will be delegated to the appointment panel for the post.

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 and in line with the agreed Market Enhancement Policy.

In addition, any temporary supplement (honorarium) to the salary scale for the grade is approved in line with the Scheme of Delegation and Council Constitution.

7. National Joint Council for Local Government Employees (NJC) Pay and Grading Arrangements

Posts under NJC terms and conditions are all evaluated through the nationally agreed NJC job evaluation scheme. This scheme covers the vast majority of posts within the council and extends from spinal column point 2 of the new national pay spine for the lowest paid staff, to senior roles at spinal column point 50, spinal columns points above point 50 are determined locally and have been set as part of the pay review that has been undertaken.

A small number of non-teaching posts are paid in accordance with the Joint National Council for Youth and Community Workers terms and conditions and those set by the Soulbury Committee. In addition, there are a number of teachers employed directly by the council who are paid in line with School Teachers pay and conditions.

8. Chief Officer Pay and Grading Arrangements

The council's Chief Officers, as defined by the Localism Act, constitutes the Senior Leadership Team which is directly responsible for the key functions of the organisation. The Hutton Report acknowledged that high quality public services require high calibre leaders to deliver them. Vital to this is to ensure that public service leaders are adequately and fairly rewarded. If senior officers are not adequately financially rewarded it will become even more difficult to attract and retain individuals of the calibre required to lead services, drive reform and innovation, and ensure better outcomes for the residents of the city. This was an area specifically highlighted in the recent LGA Peer Review.

The council uses the chief officer job evaluation scheme developed by the Local Government Employers. This scheme applies to all senior posts paid on locally determined salary points on the Local Scale for Senior Officers, incorporating all chief officer posts. This provides assurance that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts and grades according to the requirements, demands and responsibilities of the role.

As a part of the pay review the local scale has been streamlined and reset with a revised pay banding structure as outlined below:

| | |
|--------|---------------------------|
| CEX | Chief Executive |
| Band A | Executive Directors |
| Band B | Statutory Officers |
| Band C | Directors |
| Band D | Heads of Service |
| Band E | Strategic /Senior Manager |

The posts within the council falling within the definition 'chief officers' as defined within the Localism Act are those at second tier which is Director and above and constitutes the council's Senior Leadership Team. Information regarding their salaries is available on the council's website together with information on posts with a salary greater than £50,000.

In line with Accounts and Audit (England) Regulations 2015 posts where the full-time equivalent salary is at least £50,000 will be referenced in the council's Annual Statement of Accounts which will include a note setting out the total amount of:

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above.

In line with the Local Government Transparency Code 2015 the council also publishes an organisation structure chart covering staff in the top three levels,

together with a list of all posts with a salary that exceeds £50,000 including details of duties and responsibilities and contact details.

This information can be found on the finance pages, the FOI pages, and the open data pages of the website.

As part of the wider Green Wheels Travel Plan, the City Council introduced a car club for all business travel in 2015 and all Chief Officers are covered by this scheme.

Progression through the incremental scale of the relevant grade is subject to satisfactory performance, which is assessed on an annual basis in accordance with the arrangements and factors set out within the council's agreed performance review scheme. There is no additional remuneration which is subject to performance e.g. performance related pay or bonuses of any kind.

9. Election Fees

The council is required to provide funding to the Returning Officer to discharge statutory functions relating to the administration of local government elections. The Returning Officer sets and makes payments for the management and administration of local elections from resources made available by the council. The Returning Officer will make payments to those officers who undertake specific duties in relation to the elections (including chief officers) depending on their role. The Chief Executive does not receive any additional payment for work in relation to local elections.

Any fees payable for duties in connection with Parliamentary elections and national referenda are funded by Central Government. Consequently, any such payments made to those officers who undertake specific duties in relation to these elections and referenda (including chief officers and the Chief Executive) are not funded by the council.

10. Pay ratios

The council does not have a target for the ratio between the pay of the highest earners and other employees. It does not propose to set one for the foreseeable future, accepting the judgement as summarised on page four of the Hutton Report, that such targets serve no useful purpose. However, it will monitor this relationship to ensure that the remuneration of the highest paid is not excessive and remains consistent with the needs of the council as expressed in this policy statement. The current salary multiple between the highest paid (Chief Executive) and both the lowest and median rates for all officers within the scope of this policy are set out below:

Highest to lowest paid **1:8.01**

Highest to median pay **1:5.77**

11. Equal Pay Audit

The City Council undertakes an annual equal pay audit comparing the pay of protected groups who are doing equal work in the authority, investigating the causes of any pay gaps by gender, ethnicity, disability, age, or working pattern and putting in place plans to close any gaps that cannot be justified on grounds other than one of those characteristics. No statistically significant pay gaps have been identified for any of the protected groups.

As part of the pay review and to ensure the revised pay model did not have a disproportionate negative impact on particular groups, equality impact analysis was carried out on an ongoing basis throughout the course of the review. Informing this approach, a newly designed equality survey which was broken down by protected characteristics as laid out in the Equality Act, 2010 was distributed across the organisation supported by an internal communication plan to encourage completion. The survey was created in collaboration with workforce equality groups to ensure it was in line with best practice and used the most relevant wording regarding inclusivity. A new digitalised process was implemented to make it as simple as possible for staff to supply data with the trade unions providing a point of access for staff who may lack digital accessibility.

The council is committed to improving the levels of equalities data held, and the position in relation to equal pay will be monitored and reported on an annual basis.

12. Gender Pay Gap

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 introduced specific requirements for public sector employers with more than 250 employees to publish the following information relating to their gender pay gap:

- The difference in mean pay between male and female employees
- The difference in median pay between male and female employees
- The difference in mean bonus pay between male and female employees
- The difference in median bonus pay between male and female employees
- The proportions of male and female employees who were paid bonus pay; and
- The proportions of male and female employees in each quartile of their pay distribution.

Gender pay differs to equal pay whereby men and women in the same employment performing equal work must receive equal pay. This is set out in legislation, to which Salford City Council as an employer is fully compliant. We will continue to undertake an annual equal pay audit and ensure there continues to be equity of pay between male and female employees.

The mean gender pay difference for Salford City Council is 9.8%. The median gender pay difference is 13.6%. There is no bonus gender pay gap as the City Council does not operate any bonus pay schemes. Since reporting began in 2018 our mean gender pay gap has now reduced by 4.7% and the median pay gap has reduced by 5.7%.

Gender pay is affected by the composition of the workforce and the City Council does have a high proportion of females within the lowest quartile of our pay distribution. This relates to

a high number of women occupying our lower paid roles such as catering and cleaning which are part time and term time positions. We are very proud to retain service delivery in house, providing employment opportunities paid above the real living wage and above the national living wage to many Salford residents.

We continue to see more positive changes within our upper pay quartiles too. Further analysis around our higher grades show the gender pay gap reducing significantly with 61% of our senior leadership team at Director and above being women.

We recognise more than ever the need for flexible working arrangements to continue to build a truly inclusive organisation. A wide range of flexible arrangements exist across all levels of job role, including those at the most senior levels. Our apprenticeship and development programmes are also offered on a flexible basis to ensure these are inclusive to all employees.

Through our MyWork programme we are developing a strong flexible and hybrid working offer with fit for the future working practices and workspaces that meet the needs of our people and services supporting the workforce to work in a flexible and inclusive way.

We also understand the role we play as a large exemplar organisation within the city and are in the third year of being signed up to the #The Tech She Can Charter. This is a commitment by organisations to work together to increase the number of women working in technology roles in the UK and the aim is to tackle the root cause of the problem at a societal level. We want to work with our schools, colleges and universities to inspire and educate young girls and women to get into tech careers and share best practice with the other organisations involved. We are excited to be involved in this work as we understand the importance of diversity in creating digital solutions for the city.

Further information is provided in Salford City Council's Gender Pay Gap report.

12. Recruitment of Chief Officers

The council's procedures in relation to recruitment of chief officers is set out within the Council's Constitution and Scheme of Delegation and is undertaken by an appointment panel in accordance with the Constitutional arrangements. Full council will be offered the opportunity to vote before a salary package exceeding £100,000 is offered in respect of a new appointment.

When recruiting to all posts the council will ensure inclusive, fair, efficient, and effective recruitment practices are in place taking full and proper account of all provisions of relevant employment law whilst also developing the internal market through talent management and succession planning.

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. The salary will be delegated to the appointment panel to determine in consultation with the Chief Executive.

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 and benefits from competition in securing the relevant service. In assessing individuals, it should be noted that in respect of such engagements the council may be required to deduct tax and national insurance from any fee due to an individual engaged on this basis, however no pension contributions will be payable for these engagements.

13. Additions to Salary of Chief Officers

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 remuneration is not variable dependent upon the achievement of defined targets.

14. Payments on termination & re-employment / re-engagement of former employees

The councils' approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is consistent with the approach for such payments made to all council employees. All payments are subject to approval in line with the Scheme of Delegation and Council Constitution. Senior officers i.e. those in the top three levels of the organisation are also required to enter into a termination agreement once formal approval has been agreed, which amongst other things places restrictions on their immediate employment options.

Where the Council is seeking to redesign services or reduce workforce numbers a voluntary scheme exists whereby employees may apply for voluntary severance or voluntary early retirement. Payments under the voluntary severance scheme are calculated based on length of service, age, and salary to a maximum of 30 weeks' pay. The voluntary aspect of the scheme currently attracts an enhancement equivalent to 12 weeks' pay. Employees aged 55 or over who are members of the Local Government Pension Scheme may apply for the early release of their existing pension benefits under the voluntary early retirement scheme.

Employees who access either voluntary severance or voluntary early retirement agree (as part of the terms of the package) will not be re-employed by the council for 2 years when taking Voluntary Severance and 5 Years when taking Voluntary Redundancy

In accordance with the Supplementary Statutory Guidance on openness and accountability in local pay issued in February 2013 any severance packages with a value in excess of £100,000 will be approved by council before they are agreed.

The policy applies to all severance packages whether or not made pursuant to a settlement agreement.

The Government issued statutory guidance in relation to 'special severance payments' in May 2022. These are payments made to employees leaving the

Council which exceed their statutory or contractual entitlements. The Guidance sets out the factors that the Council must consider before making such payments and also makes provision for the process of approval that must be followed. The Council has implemented steps to ensure that the guidance is complied with.

The Government has previously consulted on the introduction of restrictions on exit payments and introduced regulations to implement changes. These regulations were subsequently rescinded but the Government has indicated that it will carry out further consultation in future. At present there is no timeline for resolution and implementation of any changes. However, it is anticipated that the exit payment cap or similar will be re-introduced in some form and related further reforms will be made to the LGPS and local government redundancy terms.

15. Publication

Following approval by the full council, this statement will be published on the council's website.