

Pay Policy Statement:

2021/22

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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 Assistant 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 Great Eight

Salford has changed and is continuing to change; at the heart of our approach are ambitious plans to transform Salford into a modern global city where we can all make a real difference to the lives of Salford people. By delivering our 'Great Eight' priorities we will achieve our vision for a better and fairer Salford. Our vision is underpinned by these priorities of tackling poverty and inequality, education and skills, health and social care, economic development, housing, transport, a transparent effective organisation, and social impact. 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 58% of our employees resident in the city the Council has a key 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 must ensure that all our remuneration and employment policies, procedures and practices reflect our Employment Standards Charter and the Greater Manchester Good Employment Charter.

The charter contains a suite of pledges, focused on three categories and the Council supports 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 continue to set our minimum pay rates above the Foundation Living Wage of £9.50 per hour. Our local pay model implemented on ensures an hourly rate for Council employees of £9.69.

The Council is also committed to ensuring more organisations and companies to pay the real Living Wage and aiming to become the first Living wage City in England. We have already been recognised by the Living Wage Foundation for this ambition.

We already have 47 accredited Living Wage employers in Salford with many more firms working towards accreditation or already paying the real Living Wage. Our aim is to double the number of people working for an accredited Living Wage employer from 10,000 to 20,000 by 2022.

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 from 2021 onwards. This strategy sets out how we are leading the way to make Salford a great place to work. It includes how we intend to develop our talent, embed flexible and smart working practices, improve wellbeing, inclusion, performance and digital skills, reshape our workforce to encourage innovation and creativity, and to embed values-based leadership and a positive permission culture.

The strategy aims to support the City Council in achieving the skilled, motivated, flexible, and diverse workforce needed to deliver placed 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 2021 is 58%. 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 calibre 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.

- 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 to 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.

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 46.

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 inadequately rewarded it will be more difficult to attract and retain individuals of the calibre required to lead on public service reform.

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 from spinal column point 53 and above, 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.

The posts within the council falling within the definition 'chief officers' as defined within the Localism Act are those at second tier which is Assistant 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 **1:8.84**

Highest to median pay **1:6.07**

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.

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 11.3%. The median gender pay difference is 13.8%. There is no bonus gender pay gap as the City Council does not operate any bonus pay scheme. Since reporting began in 2018 our mean gender pay gap has now reduced by 3.2% and the median pay gap has reduced by 5%.

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 at 4.9% above the real living wage and 19.1% above the national living wage to many Salford residents. Our women within this quartile have also seen an average increase in hourly rate of pay of 13.2% since reporting began. This does however have a big impact on our gender pay gap. As an example, if we

excluded catering and cleaning roles from our calculations the gender pay gap reduces by 6.6%.

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 and we now have seven women in the top ten earners across the organisation, compared to just three in 2017. This change now reflects the composition of our workforce. 61% of our senior leadership team at Assistant Director and above are also female.

We are in the process of refreshing and investing in our #LeadingSalford leadership framework to develop values-based leaders who can produce results through and with others, leaders who have the skills and confidence to carry out the people aspects of their roles; leaders who are coaches and developers of people and leaders who can lead the way forward. We offer a range of leadership development programmes for our existing manager to develop strategic leadership capabilities. Upon completion of these programmes, employees can achieve either a departmental manager qualification, or a senior leader master's degree/MBA. We are also continuing to deliver on our ambitious apprenticeship strategy to recruit new talent into the organisation and upskill our existing workforce.

We recognise this year 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.

We also understand the role we play as a large exemplar organisation within the City and so are the first Local Authority to sign up to #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, universities etc 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) not to be re-employed by the council.

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.

In November 2020 the UK Government introduced The Restriction of Public Sector Exit Payments Regulations 2020 which restricted the value of severance packages to £95,000. The £95,000 includes payments of statutory redundancy, discretionary severance pay and pension strain costs paid by the employer to pension funds to cover the pension reductions for those who are made redundant after the age of 55.

On 12th February 2021 after extensive review of the application of the cap, the UK Government has concluded that the cap may have had unintended consequences and the Regulations should be revoked. HMT Directions have been published that disapply the cap until the Regulations have been revoked.

15. Publication

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

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