

Part 1 - Open to the Public	ITEM NO.
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REPORT OF THE LEAD MEMBER FOR FINANCE AND SUPPORT SERVICES

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TO COUNCIL

ON

16<sup>TH</sup> MARCH 2022

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TITLE: PAY POLICY STATEMENT 2022-23

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RECOMMENDATIONS:

THAT the content of the draft Pay Policy Statement for 2022/23 be noted and approved.

THAT the gender pay gap information is noted including the publication requirements.

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EXECUTIVE SUMMARY:

Salford City Council pride ourselves on being an exemplar employer ensuring that all of our remuneration and wider workforce strategies, policy frameworks, procedures and practice reflect the commitments in the Employment Standards Charter and the Greater Manchester Good Employment Charter, leading the way to make Salford a great place to work.

In order to promote openness and accountability in local pay arrangements, the Localism Act 2011 requires the authority to prepare, approve and publish a pay policy statement. This statement must articulate the council's policies towards a range of issues relating to the pay of the workforce, particularly its senior staff and its lowest paid employees.

In line with the Equality Act 2010 (specific duties and public authorities' regulations 2017) Salford City Council is also publishing details of our gender pay gap. The Council has seen a reduction of 3.7% in the mean gender pay gap and 6.1% in the median gender pay gap since reporting began.

## BACKGROUND DOCUMENTS:

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KEY DECISION: YES / **NO**

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### DETAILS:

#### **1. Background**

Under section 38 of the Localism Act, local authorities are required to publish a pay policy statement annually. This statement must articulate the council's policies towards a range of issues relating to the pay of the workforce, particularly its senior staff and its lowest paid employees.

The Pay Policy Statement relates to people employed by 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 teachers; support staff in schools and academies or people employed by a third party.

#### **2. 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 £9.90 per hour. Our local pay model provides an hourly rate for Council employees on the lowest spinal column point 2 of £9.86 based on current 2021 pay rates.

It will therefore be necessary to pay a temporary supplement to the second point to bring this in line with the Foundation living wage.

National pay negotiations in relation to a pay award for 2022 are yet to commence and therefore a supplement will continue to be paid to ensure our minimum pay rates are at or above the Foundation Living Wage rate of £9.90. This will be reviewed and updated in line with any agreed national pay changes.

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 have 68 accredited Living Wage employers in Salford with many more firms 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 there are currently 13,095 people in receipt of the Foundation Living Wage across Salford.

### 3. Local Government Transparency Code 2014

In October 2014 the Department for Communities and Local Government published its Local Government Transparency Code which requires the council to publish certain information relating to senior employees pay and pay dispersion.

The Code requires the council to publish the pay multiple which is defined as the ratio between the highest paid salary and the median salary of the whole of the authority's workforce. The pay policy statement includes these ratios to reflect those requirements.

### 4. Gender Pay Gap Reporting Requirements

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 introduced specific requirements for public sector employers with more than 250 staff to publish information relating to their gender pay gap on an annual basis.

There are six calculations under the regulations captured on a snapshot date of 31<sup>st</sup> March 2020. The two key calculations are the mean and median gender pay gap. The mean gender pay difference for Salford City Council is 11.3% and the median gender pay difference is 10.8%. The position has improved since our first report in 2018 with the mean falling by 3.7% and the median by 6.1%.

Gender pay is different to equal pay whereby men and women employed by the same organisation performing equal work must receive equal pay. As a responsible employer we ensure fairness, equity and equal pay compliance in all our pay structures and monitor robustly through an annual equal pay audit to make sure our male and female employees continue to be paid equally.

Gender pay is the difference in the average hourly earnings of men and women within an organisation and is largely affected by workforce composition. We are pleased that our gender pay gap has continued to reduce since the last reporting period and remains below the national average. Whilst we do have a high proportion of women concentrated in our lowest quartiles (which relates to a high proportion of women occupying our lower paid roles such as catering and cleaning.) We are very proud to retain service delivery in house, providing flexible employment opportunities paid at 4.0% above the living wage to many Salford residents. It should also be noted that 4 out of 7 of our top earners are female and 55% of our senior leadership team (Assistant Director and above) are women.

We are also looking at focusing on areas of occupational segregation and are proud to be the first Local Authority to support the #TechSheCan programme. As leaders in digital transformation and apprenticeships we are committed to innovation, inclusivity and inspiring the next generation. We have developed a tech talent pipeline initiative to help residents make the most of our digital opportunities and we want to continue to design and create accessible routes into digital employment for women and other groups underrepresented in tech roles.

Further details are contained within the pay policy statement (**Appendix 1**). Whilst legislation only requires that figures relating to the gender pay gap are published a

report is being produced to supplement the figures which provides further information and context behind the figures reported.

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KEY COUNCIL POLICIES:

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EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

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ASSESSMENT OF RISK:

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LEGAL IMPLICATIONS: Supplied by Mary Sutton, Head of Litigation and Employment Group [m.sutton@manchester.gov.uk](mailto:m.sutton@manchester.gov.uk)

The proposed pay policy complies with the Council's obligations under the Localism Act 2011, the Local Government Transparency Code 2014 and the gender pay gap reporting requirements.

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FINANCIAL IMPLICATIONS Supplied by Paul Hutchings Strategic Finance Manager [paul.hutchings@salford.gov.uk](mailto:paul.hutchings@salford.gov.uk)

Whilst there are no direct financial implications resulting from this report, employee remuneration represents a significant expenditure line for the Council. It must be noted that employee remuneration, as outlined within the Pay Policy Statement, is included within the budget assumptions for 2021/22 and beyond. Furthermore, disclosure of senior officer pay is included within the council's annual statement of accounts as described within the pay policy statement.

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PROCUREMENT IMPLICATIONS Supplied by:

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HR IMPLICATIONS Supplied by: Steve Hulme, Strategic HR and OD Manager

Contained within the body of the report.

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OTHER DIRECTORATES CONSULTED:

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CONTACT OFFICER: Steve Hulme, Strategic HR and OD Manager

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WARDS TO WHICH REPORT RELATES: