

TRAFFORD COUNCIL

Report to: Employment Committee
Date: 28 February 2022
Report for: Approval
Report of: Angela Beadsworth, interim Director of HR
Report Title

Trafford Council's Pay Policy Statement 2022/23

Summary

This paper provides Employment Committee with information relating to Trafford's pay policy for 2022/23 in line with the requirements for the Localism Act 2011.

Recommendations

To note and approve the 2022/23 Pay Policy statement as set out in the attached report and recommend any amendments for approval at full Council on 23rd March.

Contact person for access to background papers and further information:

Name: Catherine Hay
Extension: 2016

Background Papers:

The Code of Recommended Practice for Local Authorities on Data Transparency - Department for Communities and Local Government.

Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 – Department for Communities and Local Government.

Local Government Transparency Code 2015.

Relationship to Corporate Priorities	The information provided within the report aligns with the council's Corporate Priorities in respect to 'Supporting People out of Poverty'.
Relationship to GM Policy or Strategy Framework	None
Financial	The report information ensures that we comply with financial regulations in respect of data transparency and accounts and audit regulations.

Legal Implications:	Compliance with all relevant employment legislation is a critical and a key component of this strategy to ensure that our legal governance structure is robust and can defend employment claims should the need arise.
Equality/Diversity Implications	The pay policy will ensure that we remunerate our employees fairly and with due respect to all equality policies and strategies.
Sustainability Implications	Not applicable
Carbon Reduction	Not applicable
Staffing/E-Government/Asset Management Implications	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

1. Background

The 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.

The requirements of the Localism Act in respect of transparency about senior pay builds on the Accounts and Audit Regulations 2015 with which the Council is also compliant; published details of the Council's remuneration of its Chief Executive and Corporate Directors can be found on the Council's public website www.Trafford.gov.uk.

The Pay Policy Statement articulates the Council's own policies towards a range of issues relating to the pay of its workforce, in particular its senior staff (Chief Officers, as defined by the Local Government and Housing Act 1989) and to its lowest paid employees. The purpose of the Pay Policy Statement is to increase accountability in relation to pay.

As specified in the Act, this requirement does not extend to schools and this Statement does not therefore include school based employees.

The statement also incorporates the Council's Gender Pay Gap information as the Council is required to publish this on an annual basis under the GPG reporting requirements.

In summary, the Pay Policy Statement identifies:

- ❖ The method by which salaries and severance payment are determined;
- ❖ The detail and level of remuneration of the Council's most senior managers i.e. Chief Executive, Corporate Leadership Team, Service Directors;

- ❖ The committee responsible for ensuring that the Pay Policy Statement is applied consistently, the Employment Committee, which has delegated powers in relation to senior manager employment;
- ❖ The detail and level of remuneration for the lowest level of post/employee;
- ❖ The ratio of pay of the top earner and that of the median earner.

2. Recommendation

Employment Committee is recommended to note and approve the 2022/23 Pay Policy statement as detailed below and recommend any amendments for approval at full Council on 23rd March 2022.

TRAFFORD PAY POLICY STATEMENT 2022/23

1. Introduction

- 1.1 The purpose of the Pay Policy Statement is to ensure transparency and accountability with regard to the Council's approach to setting pay.
- 1.2 The Pay Policy Statement will be approved by Council and is publicised on the Council's website in accordance with the requirements of the Localism Act 2011.
- 1.3 The Pay Policy Statement identifies:
- The methods by which salaries of all employees are determined;
 - The detail and level of remuneration of its most senior staff i.e. Head of Paid Service, 'Chief Officers', the Monitoring Officer, and Deputy Chief Officers as defined by the relevant legislation;
 - The remuneration of its lowest paid employees;
 - The relationship between the remuneration levels of the most senior employees and that of other employees;
 - The Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and making recommendations on any amendments to Full Council.
- 1.3 Once approved by Full Council, this policy statement will come into immediate effect and will be subject to review as a minimum on an annual basis.

2. Scope

- 2.1 The Council's Pay Policy Statement relates to employees of Trafford Council whose remuneration, including rate of pay and terms and conditions are determined by and within the control of the authority. It does not apply to the following.
- All employees working in schools.
 - Employees on secondment where their rates of pay or terms and conditions are not set by the authority.
 - Individuals employed by a third party contracted to work for the authority, i.e. agency workers.
 - Individuals employed through the authority on behalf of a third party where their rates of pay or terms and conditions are not set by the authority.
 - Volunteers or work experience placements.

3. Legislation Relevant to Pay and Remuneration

3.1. 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 National Minimum Wage (Amendment) Regulations 2018, Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

3.2 The Council ensures there is no 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.

4. Accountability and Decision Making

4.1 In accordance with the Constitution of the Council, the Employment Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

4.2 Decisions relating to salary packages for new posts above £100k are subject to full Council approval. In addition, any severance arrangements agreed in line with the relevant policies that exceed £100k are subject to full Council approval.

5. Context

5.1 Trafford Council serves local residents, with bold ambitions, re-thinking the traditional problems faced by local authorities to respond positively to the latest challenges faced. The Council serves a population of 236,179 (ONS population estimates 2018). The Council's Refreshed Corporate Plan for 2021 to 2024 details the vision and outlines the new 3 corporate priorities: Reducing health inequalities; Supporting people out of poverty, and; Addressing our Climate Crisis which are key to the delivery of that vision.

5.2 As at January 2022 the Council had an employee headcount of 2447 excluding schools, casuals and apprentices, covering 2552 positions across our 6 directorates. With 49.18% of staff being part-time and 50.82% of staff being full-time, the full time equivalent (FTE) employee figure is 1949.

6. Pay Structure

6.1 The Council's pay strategy must be one of balance between securing and retaining high-quality employees whilst maintaining pay equality and avoiding excessive pay rates.

6.2 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, which determines

the salaries of the large majority of its (non-teaching) workforce together with the use of locally determined rates where these do not apply.

- 6.3 All other pay-related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time further to collective bargaining.
- 6.4. 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. However this has to be balanced against the need to recruit and retain employees who are able to provide high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 6.5 New appointments will normally be made at the minimum of the relevant pay scale for the grade, although 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.
- 6.6 To meet specific operational requirements, it may be necessary for an individual to temporarily take on extra duties, which are in addition to their normal role. The Council's arrangements for authorising any additional remuneration relating to temporary additional duties are set out in the Acting-up and Additional Responsibility Payments Policy.
- 6.7 Any temporary supplement to the salary scale for the grade is approved in accordance with the Council's Market Supplement Policy.

7. Senior Management Pay Arrangements

- 7.1 For the purposes of this statement, senior management means 'Chief Officers' as defined within the Localism Act. The posts falling within the statutory definition are set out in the data published for the Local Government Transparency Code 2015 and the Accounts and Audit Regulations 2015. Within the Council Chief Officers are those on grades SM2 and SM3.
- 7.2 The Chief Executive and Chief Officers receive minimal additions to salary. The Chief Executive and Chief Officers who act as Returning Officer and Deputy Returning Officers receive fees for local and other elections as they arise from time to time. The level of these fees depends on the type of election. These are published annually in the Council's annual Statement of Accounts.

- 7.3 The Chief Officer car allowance scheme was deleted as part of the 2014/15 budget proposals along with the general essential car user scheme which was replaced by a critical car user scheme. The Chief Executive and Chief Officers do not qualify for the scheme and so do not receive critical car user allowance.
- 7.4 The Council does not pay bonuses to Senior Managers or any other employee group.
- 7.5 We will continue to consider how we can introduce more transparent performance arrangements at a senior management level. Salary progression within the range is linked to attainment of pre-determined objectives and targets as set out in the appraisal check-in process.
- 7.6 An organisation chart covering staff in the top three levels provides information on the senior salary pay structure for the Council. This is produced in line with the requirements of the Transparency Code 2015.

8. Recruitment of Chief Officers

- 8.1 The Council's policy and procedures with regard to recruitment of Chief Officers is set out within the Council constitution Part 4 Officer Employment procedure rules.
- 8.2 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 Redeployment Policies as approved by Council.
- 8.3 Decisions relating to the remuneration of any newly appointed Chief Officer will be in accordance with relevant job evaluation methodology, market factors and recruitment policies in place at the time. For new posts, with recommended salary packages in excess of £100k, approval of Full Council is required.
- 8.4 Where the Council is unable to recruit Chief Officer posts, 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.
- 8.5 It should be noted that when these engagements are established, the Council is not required to make either pension or national insurance contributions for such individuals.
- 8.6 The Council has had 1 interim appointment in place at Chief Officer level throughout 2021/22 to lead the successful delivery of Trafford's COVID 19 Outbreak Management programme and recovery planning.

9. Pension Contributions

- 9.1 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.
- 9.2 The 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 current rate is set at 20.4%.

10. Payments on Termination

- 10.1 The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and the Local Government Pension Scheme Regulations 2007.
- 10.2 Any current payments falling outside of these provisions or the relevant periods of notice within the contract of employment shall be subject to a formal decision made by the Employment Committee. Payments on termination in relation to the policy set out above that exceed £100k are subject to approval of Full Council.

11. Lowest Paid Employees

- 11.1 The lowest paid employees employed under a contract of employment with the Council are employed on full time (36.25 hours) equivalent salaries in accordance with the minimum spinal column point (scp) currently in use within the Council's grading structure.
- 11.2 National pay negotiations for the 2021/22 pay award have been protracted and at the time of writing this report, yet to be agreed. The final offer from the Employers was 2.75% for staff on scp 1 and 1.75% for those on the other scps. Until the pay award is agreed as at 1st April 2021, the lowest entry level spinal column point is equivalent to £17,842 per annum. This is an hourly rate of £9.44. If the proposal is agreed then the rates for those on scp1 will increase to £18,332, which is an hourly rate of £9.70 and is therefore above the national living wage rate.
- 11.3 We track the current national and local initiatives regarding low paid staff, benchmarking with our regional counterparts to ensure pay parity. The Real Living Wage, is a minimum hourly rate based on the real cost of living and is currently set at £9.90 as of November 2021, however organisations can apply the rate by the following May, so May 2022.

- 11.4 If the Council applies the 2021/22 pay award as detailed above of 2.75% for those on scp 1 then the entry level hourly rate will be £9.70, and the pay award for 2022/23 will ultimately uplift this further.
- 11.5 The Council employs Apprentices who receive the National Living Wage, which is based on age. The National Living Wage rates by age are detailed below.

National Living Wage rates April 2022

Age	23 plus	21 to 22	18 to 20	Under 18	Apprentice (under 19 or in first year)
Hourly rate	£9.50	£9.18	£6.83	£4.81	£4.81

- 11.6 If the 2021/22 pay award hasn't been implemented by 1st April 2022, the Council will apply an hourly 'top-up' to those on scp 1 to bring them up to £9.50 per hour to ensure we are in line with the National Living Wage rate increase.

12. Pay Ratio

- 12.1 The following information is provided to assist with understanding the ratio calculation;

The Chief Executive Salary level used for comparative purposes is £169,538

The lowest paid Council job has a maximum salary level of £17,842

The Median (middle) of the salary range is £24,491

- 12.2 The ratio of pay of the top earner i.e. Chief Executive and that of the median earner is 6.92:1 and is within the 20:1 ratio recommended by the Hutton Review. In other words for every £1 earned by the median earner the Chief Executive earns £6.92. This is the same ratio as last year.
- 12.3 The ratio between the lowest paid employee and average Chief Officer is 5.55:1 so for every £1 earned for the lowest paid member of staff the Chief Officer earns £5.55. This is a positive change from last year when it was £5.76.
- 12.4 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 benchmarking information as appropriate. In addition, upon the annual review of this statement, it will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable Local Authorities.

13. Equality and Inclusion

- 13.1 Chief Officers are responsible for ensuring that they operate within the Council's Equality & Diversity in Employment Policy to provide equality of opportunity for all employees.

- 13.2 The Council is committed to ensuring that no-one is discriminated against, disadvantaged or given preference, through membership of any particular group, particularly based on age; disability; gender reassignment; race, religion or belief; sex; sexual orientation; marriage and civil partnership and pregnancy and maternity. This policy will be applied equally to all employees irrespective of their background or membership of a particular group.
- 13.3 In addition, in line with the Trade Union and Labour Relations (Consolidation) Act 1992 (TULCRA) Part 3, the Council is committed to ensure that employees are not disadvantaged or discriminated against by virtue of their trade union membership in the application of this policy.
- 13.4 The Council will regularly review this policy's impact on any equality and diversity issues, and will identify any inequalities by monitoring and will take appropriate action where necessary.

14 Gender Pay Gap

- 14.1 2021 is the fourth year of statutory Gender Pay Gap (GPG) reporting for the public sector. Public Authorities including government departments, the armed forces, local authorities and NHS bodies and most schools with 250 employees or more, must publish and report specific figures about their gender pay gap.
- 14.2 The information which must be published is the mean gender pay gap in hourly pay, the median gender pay gap in hourly pay, the mean bonus gender pay gap, the median bonus gender pay gap: proportion of males and females receiving a bonus payment and the proportion of males and females in each pay quartile. A point to note is that Trafford Council does not have any pay bonus schemes and so we do not report on this aspect.
- 14.3 The figures are based on pay received in March 2021, and the Council will publish on the National Gender Pay Gap Reporting website before the deadline of 30th March 2022.
- 14.4 Trafford Council's overall mean pay gap is 8.14% and the median is 10.77%, both in favour of male employees. There are a number of influencing factors which are the same as in previous years.
- Our GPG is significantly affected by the gender composition of our workforce which is 76% female and 24% male.
 - We employ a lot of part time roles in Trafford (49% of posts) which attract females and evidence shows that part-time roles pay less than full time roles.
 - When part-time roles are looked at the gender pay gap is positive for women as the mean is -1.12% and the median gap is -4.02%. For full-time employees the gender pay gap is 1.47% (mean) and 8.59% (median).
 - We have some large in-house services with lower paid bands which traditionally attract more females – catering, cleaning, passenger

assistants, care assistants and support workers; If we remove these groups the gap reduces to 3.43% (mean) and 8.33% (median);

- Some services such as highways and street cleaning services that predominantly attract male workers are not employed in house; this affects our GPG as associated posts tended to be on the lower pay bands;
- We have an ageing workforce and evidence shows that the gender pay gap widens above age 40;

14.5 The figures for 2020, as submitted in March 2021, were a mean pay gap of 9.75% and a median pay gap of 15.46%. So this year we have seen a positive change in our pay gap and particularly so in terms of the median figure. We will be exploring our gap further to consider what measures we can put in place with the aim of reducing it further.

15. Trade Unions

15.1 The Council recognises two trade unions – UNISON and GMB, for collective bargaining purposes and there are currently two full time equivalent UNISON officials in employment.

16. Publication

16.1 Upon approval by the Full Council, this statement will be published on the Council's Website.