

TRAFFORD COUNCIL

Report to: Employment Committee
Date: 4th March 2024
Report for: Approval
Report of: Director of Human Resources
Report Title

Trafford Council's Pay Policy Statement for 2024/25

Summary

This paper provides Employment Committee with information relating to Trafford's pay policy for 2024/25 in line with the requirements for the Localism Act 2011.

Recommendations

To note and approve the 2023/24 Pay Policy statement as set out in the attached report and recommend any amendments for approval at full Council on 20th March.

Contact person for access to background papers and further information:

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Extension: 1291

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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 employees directly employed by schools.

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 Gender Pay Gap reporting requirements.

We also confirm our position as a Real Living Wage accredited employer and how we ensure we meet relevant requirements for our directly employed workforce.

2. Recommendation

Employment Committee is recommended to note and approve the 2024/25 Pay Policy as set out in the attached report and recommend any amendments for approval at full Council on 20th March

TRAFFORD PAY POLICY STATEMENT 2024/25

1. Introduction

- 1.1 The purpose of the Pay Policy Statement is to ensure transparency and accountability regarding the Council's approach to setting pay.
- 1.2 The Pay Policy Statement will be approved by Council and is published 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 the most senior staff i.e. Head of Paid Service and Chief Officers;
 - The remuneration of its lowest paid employees;
 - The relationship between the remuneration levels of the most senior employee 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.
- 1.4 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.
 - Employees of our 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 those on work experience placements.

3. Legislation Relevant to Pay and Remuneration

- 3.1. In determining the pay and remuneration of all 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, the Employment Rights Act 1996 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 determining and keeping under review collective and corporate terms and conditions of employment including the consistent and lawful application of the Council's Pay Policy and publication requirements in respect of transparency of pay, termination payments and audit responsibilities.
- 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.
- 4.3 In May 2022 the government introduced statutory guidance on the making and disclosure of Special Severance Payments (additional discretionary sums, i.e., in addition to statutory and contractual payments) by local authorities in England. This guidance is adhered to.

5. Context

- 5.1 Trafford Council serves a population of 235,100 residents (ONS population estimates 2021), has bold ambitions, and a vision for a borough where all our residents and communities prosper. The Council's Corporate Plan for 2021 to 2024 details this vision and outlines the 3 corporate priorities: reducing health inequalities; supporting people out of poverty, and; addressing our climate crisis - which are key to the delivery of our vision.
- 5.2 As at January 2024 the Council had an employee headcount of 2418 excluding schools, casuals, and apprentices, covering 2519 positions across our 6 directorates. The full time equivalent (FTE) employee figure is 1917. 49.7% of roles are full-time and 50.3% of are part-time.

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 must 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 band, although from time to time it may be necessary to take account of the external pay levels in the labour market to attract and retain employees with experience, skills and capability. 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 and outlined below:-
- i) The head of the paid service designated under section 4(1) of the Local Government and Housing Act 1989 (see [Legislation.gov - Local Government and Housing Act 1989](http://legislation.gov.uk/ukpga/1989/26));
 - 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.

Further information is 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 and Deputy Chief Officers are those on grades SM2 and SM3 with some Director spot salaries.

- 7.2 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.

When the Chief Executive and Chief Officers act as Returning Officer and Deputy Returning Officers, they 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 Officers and Deputy Chief Officers do not receive any car allowance.
- 7.4 The Council does not pay bonuses to Senior Managers or any other employee group.
- 7.5 For Chief Officers and deputy chief Officers on a payscale, salary progression within the pay range is linked to attainment of pre-determined objectives and targets as set out in their contractual terms and the appraisal check-in process.
- 7.6 The Transparency Code 2015 requires us to publish senior salary information and an organisation chart showing roles in at least the top three levels of our organisation. These are on the Council's [website](#).

8. Recruitment of Chief Officers

- 8.1 The Council's policy and procedures regarding 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 policy in place at the time. For new posts, with recommended salary packages more than £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 The Council had 1 interim appointment in place at Chief Officer level in 2023/24 in the Adults and Wellbeing Directorate to support with developing vision and target operating model and governance arrangements for a range of transformation projects that will support with improvements to residents lives. Due to the specialist nature of the skill set needed in this role, this individual was engaged through the procurement process described in paragraph 8.4 above.
- 8.6 It should be noted that when these interim engagements are established, the Council is not required to make either pension or national insurance contributions for such individuals.

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 contribute 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 to ensure the scheme is appropriately funded. The new rate which commenced from April 2023 is set at 19.2%.

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. It is also in line with the statutory guidance on the making and disclosure of Special Severance Payments.
- 10.2 Payments on termination in relation to the policy and guidance set out above that exceed £100k are subject to approval of Full Council.

11. Lowest Paid Employees

- 11.1 The Council employs Apprentices who receive the National Living Wage, which is based on age. The National Living Wage rates for the forthcoming financial year by age are detailed below.

National Living Wage rates April 2024

Age	Over 21	18 to 20	Under 18	Apprentice (under 19 or in first year)
Hourly rate	£11.44	£8.60	£6.40	£6.40

- 11.2 In terms of our pay structure, following the NJC pay award for 2023/2024, the salary for the bottom point of the pay structure scp 2 was increased to £22,366. This is an hourly rate of £11.83 and is consequently £0.39 above the new national living wage rate of £11.44. When the 2024/2025 pay award is agreed the differential will increase.
- 11.3 We track the current national and local initiatives regarding low paid staff, benchmarking with our regional counterparts to ensure pay parity.
- 11.4 We pay the Real Living Wage and have achieved accreditation, which supports one of the Council's key priorities to reduce poverty (by maximising people's income in the first place) as well as supporting colleagues with cost-of-living impacts.
- 11.5 The new Real Living Rate is £12 and must pay this by May 2024. A supplement of £0.17 will be paid to all Council and maintained school employees on scp 2 to bring them up to this rate from 1st April 2024. This will be paid until the 2024/2025 pay award is implemented and takes the rate higher. (The supplement value may vary slightly for some staff who have a different minimum hourly rate because their weekly FTE contracted hours are different – this applies to some staff who have joined the Council via TUPE.)

12. Pay Ratios

- 12.1 It is useful to consider pay dispersion, which is the relationship between remuneration of chief officers and the remuneration of other staff. The following information details the salary levels from the highest earner to the lowest earners in the Council.

In 2023, there were slight adjustments to pay in recognition of the Chief Executive taking on the Place Lead role for the Trafford Locality:

- The Chief Executive salary is £190,446.
- The median (middle) salary of Chief Officers is £104,159.

- The median (middle) salary is £29,777.
- The lowest salary is £22,207*

*This is excluding apprentices and the Real Living Wage supplement as we are considering contractual salary. It is lower than the bottom our pay scale because it relates to employees who joined the Council via TUPE.

12.2 We have considered two ratios:

- The ratio of pay of the top earner (Chief Executive) and the median earner is 6.40:1. In other words, for every £1 earned by the median earner the Chief Executive earns £6.40.
- The ratio of pay of the top earner (Chief Executive) and the lowest earner is 8.58:1. In other words, for every £1 earned by the lowest earner the Chief Executive earns £8.58.

The Hutton Review of fair pay that established the reporting requirements for pay policy statements, recommends a ratio for highest and lowest earner of no more than 20:1 – and at 8.58:1 we are within these parameters. Our pay ratios have reduced since last year. We will continue to monitor our pay ratios to ensure that the differentials don't increase more than would be appropriate.

12.3 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 Strategy & Equality Diversity in Employment Policy that recognises the value that diversity in employment can bring.

13.2 The Council is committed to ensuring that no-one is discriminated against, disadvantaged, or given preference, through membership of any 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 ensuring 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 Public Authorities including government departments, the armed forces, local authorities and NHS bodies and schools with 250 employees or more, must publish and report specific figures about their gender pay gap on an annual basis.

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 a snapshot of data from the previous year (31st March 2023) and will be published on the National Gender Pay Gap Reporting website before the deadline of 30th March 2024.

14.4 When considering the gender pay gap it is useful to remember that it is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs, or work of equal value. Equal pay means that men and women in the same employment performing equal work must receive equal pay and it is the law (Equal Pay Act 1970). The Council has a robust system in place to ensure equal pay so this will not be a factor in our pay gap.

14.5 Trafford Council's overall mean pay gap is 9.70% and the median is 13.26%, both in favour of male employees. As detailed above, the gap isn't due to an equal pay issue. Instead, occupational segregation is likely to be the biggest factor, i.e., the fact that some types of jobs within our organisation are more traditionally undertaken by females and some by males. There are several other influencing factors which contribute to the gap.

- The gender composition of our workforce which is 74% female and 26% male.
- The fact that we employ a lot of part time roles (49% of posts) which attract females and evidence shows that part-time roles pay less than full time roles.
- The fact that we employ a lot of term time roles which attract females.

- 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).
- We have an ageing workforce and evidence shows that the gender pay gap widens above age 40;

14.6 Our pay gap has increased slightly from the previous year (as can be seen in the table below), however if we compare it to the first year of reporting both are lower and the mean has reduced by 23%.

Reporting Year	Mean gap	Median gap
2018	10.70%	17.40%
2022	8.14%	10.77%
2023	9.68%	12.93%
2024	9.70%	13.26%

14.7 We will be providing a full Gender Pay Gap report when we publish our figures. In this we will detail actions we have undertaken so far and future considerations.

15. Trade Unions

15.1 The Council recognises two trade unions – UNISON and GMB, for collective bargaining purposes and funds two full time equivalent UNISON representatives.

16. Publication

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