



Personnel Committee

Date: Wednesday, 14 February 2024
Time: 2.15 pm (or at the rise of the Executive if later)
Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

Access to the Public Gallery

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension.

There is no public access from any other entrance.

Filming and broadcast of the meeting

Meetings of the Personnel Committee are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Personnel Committee

Councillors - Akbar (Chair), Bridges, Craig, Hacking, Igbon, Midgley, Leech, Moran, Rahman, Rawlins, T Robinson and White

Agenda

- 1. Urgent Business**
To consider any items which the Chair has agreed to have submitted as urgent.
- 2. Appeals**
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.
- 3. Interests**
To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.
- 4. Minutes** 5 - 8
To approve the minutes of the meeting held on 13 September 2023
- 5. Draft Pay Policy Statement 2024-2025** 9 - 32
Report of the Director of Human Resources, Organisation Development and Transformation attached
- 6. Market Rate Supplements** 33 - 38
Report of the Director of Human Resources, Organisation Development and Transformation attached
- 7. Senior Management Team updates**
Report to follow

Information about the Committee

The Personnel Committee is made up of the Leader of the Council, the other nine Members of the Executive, the Deputy Executive Member (Finance and Human Resources), and a member of the Opposition.

Amongst its responsibilities, the Personnel Committee considers department staffing and organisational reviews; determines collective and corporate terms and conditions of staff and 'market rate' supplements. The Committee also determines the assignment and re-grading of certain posts and policies relating to local government pensions.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to the strict minimum. When confidential items are involved these are considered at the end of the meeting at which point members of the public are asked to leave.

The Council welcomes the filming, recording, public broadcast and use of social media to report on the Committee's meetings by members of the public. Agenda, reports and minutes of all Council Committees can be found on the Council's website www.manchester.gov.uk.

Smoking is not allowed in Council buildings.

Joanne Roney OBE
Chief Executive
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Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This agenda was issued on **Tuesday, 6 February 2024** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

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Personnel Committee

Minutes of the meeting held on Wednesday, 13 September 2023

Present: Councillor Akbar (Chair) – in the Chair

Councillors: Bridges, Hacking, Igbon, Midgley, Leech, Rawlins, T Robinson and White

Apologies: Councillor Moran and Rahman

PE/23/7 Minutes

Decision

The Committee approve the minutes of the meeting held on 31 May 2023

PE/23/8 Recruitment and Selection Policy

The Committee considered a report of the Director of Human Resources, Organisational Development and Transformation, which sought approval of a proposed revision to the Council's Recruitment and Selection Policy.

The revised Recruitment and Selection Policy had been developed to incorporate critical strategic aims arising from the Race Review (2019) and the Workforce Equality Strategy (2022). The policy was last approved by Personnel Committee in June 2018.

The main changes reflected the strategic aims of the Workforce Equality Strategy. The central ambition of the Workforce Equality Strategy (WES) was that the Council's workforce should reflect the rich diversity of talent in the community it served by 2025.

The aim of diversifying the workforce to better reflect the city's community required internal and external candidates to be recruited on a more equal footing. This was to facilitate a wider and more diverse pool of candidates from which to select the best candidates. Therefore, one key change set out in the revised policy was that, normally and by default, roles would be advertised externally and internally at the same time.

Trade Unions had been consulted on the proposed revisions and had not raised any issues.

Decision

The Committee approve the revised Recruitment and Selection Policy.

PE/23/9 Recruitment to the role of Director of Population Health and Wellbeing

The Committee considered a report of the Director of Human Resources, Organisational Development and Transformation, which outlined the approach for recruitment to the upcoming vacant post of Director of Population Health and Wellbeing, in line with the guidance from the Department of Health and Social Care.

The Director of Population Health and Wellbeing carried out the statutory functions of the Director of Public Health under Section 73A(1) of the National Health Service Act 2006. The current substantive grading level was SS4 (£105,566 to £116,346). As a result of the imminent departure of the postholder, benchmarking had been undertaken against core cities and regional comparators, to ensure the Council positioned the role appropriately for a successful recruitment episode. On the basis of the benchmarking, it was proposed to retain the salary of the post in line with its current substantive grading level of SS4, with an optional static market rate supplement of up to £5000. This would be applied at the discretion of the Director of Human Resources, Organisational Development and Transformation (in discussion with the Chief Executive) based on the calibre of the candidate selected by the panel.

There was a standard national appointment process which must be followed for all appointments to roles with the statutory functions of the Director of Public Health. This would operate alongside the stipulations within the Council's Constitution in relation to the appointment of Statutory Chief Officer posts. The recruitment process would also be supported by an Executive Search Company, on which a recommendation had been made and authorised by the Chief Executive.

In compliance with the National Health Service (Appointment of Consultants) Regulations 1996 on recruiting to roles with the statutory responsibility of the Director of Public Health, an Advisory Appointment Committee would also be set up as the final panel to make recommendations on the appointment to the Leader of the Local Authority. All members of the Advisory Appointment Committee would be required to participate in all elements of the recruitment process, including shortlisting and the core make up of the Advisory Appointment Committee was set out in legislation.

In addition, the Personnel Committee was required to establish a sub-committee to act as the appointment panel for the appointment to any Statutory Chief Officer. To comply with the stipulations set out in the Council's Constitution, it was proposed that the Personnel Sub-Committee formed part of the required Advisory Appointment Committee

Whilst it was mandatory for the Advisory Appointment Committee to be the final panel, it was proposed that there was an additional panel with stakeholders as part of the process. The Faculty of Public Health Assessor would check the technical and professional expertise of the candidates at this stage.

Decisions

The Committee:-

- (1) Places on record its most sincere thanks and appreciation to the Director of Population Health and Wellbeing, David Regan, for his contribution to the city of Manchester across the past 23 years and his strong and inspiring leadership that has enabled Manchester to navigate through some difficult times, including the COVID-19 pandemic, and to embark on new programmes to reduce inequalities and improve the lives of Manchester residents.
- (2) Agree to establish a Personnel Sub-Committee for the purposes of this appointment and invite nominations from Personnel Committee members to determine its membership.
- (3) To request Council agree the recruitment for the role to be at its current substantive grading level of SS4 (£105,566 to £116,346), with the optional inclusion of a market rate supplement up to a fixed maximum of £5,000 to be applied at the discretion of the Director of HROD and Transformation (in discussion with the Chief Executive).
- (4) Endorse the outlined approach to the recruitment of the Director of Population Health and Wellbeing for Manchester City Council.

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**Manchester City Council
Report for Resolution**

Report to: Personnel Committee – 14 February 2024

Subject: Draft Pay Policy Statement 2024-25

Report of: Director of HR, OD and Transformation

Summary

This report introduces the draft Manchester City Council Pay Policy Statement for 2024/25 and seeks approval of the statement by the Committee prior to its agreement by Council.

The statement is cognisant of the organisational context and the impact of the 202/25 budget. It sets out the direction of travel in relation to pay for Manchester's officers for the year ahead in line with the organisational priorities.

The statement has been developed to comply with the legal requirement set out under section 38 (1) of the Localism Act 2011 and takes account of other relevant legislative requirements.

The Statement also includes information on the Council's 'Gender Pay Gap' and work to proactively promote workforce equality, in accordance with the requirement to carry out Gender Pay Reporting set out within The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

For the first time, the Council has voluntarily included information on its Ethnicity Pay Gap in line with the government guidance published in 2023.

Recommendations

The Committee is requested to:

1. Note the content of the draft Pay Policy Statement 2024-25 and commend it for approval by the Council at its meeting on 20 March 2024.
 2. Note the organisation's Pay and Grading Structure for the financial year 2024/2 appended to the draft Pay Policy Statement and commend it for approval by the Council at its meeting on 20 March 2024.
-

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

This report covers the remuneration of all employees. Fairness and equitable treatment in relation to pay is an important component of attracting and retaining staff all of whom are engaged and essential to achieving this target.

| Our Manchester Strategy outcomes | Summary of how this report aligns to the OMS |
|---|--|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | The Council is a major employer in the City and the Pay Policy Statement proposed sets out arrangements which seek to balance the need for the proper remuneration of its employees, existing and prospective, to attract and retain the skills needed to deliver the organisation and the City's objectives (Our Manchester) and the cost of this to the communities it serves. The Council's most senior managers drive the work of the organisation to transform and deliver its obligations and objectives. The Pay Policy Statement is based on the principles of fairness, equality and value for money and in line with both relevant legislative requirements and the framework set by the Council's Constitution. |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | |
| A liveable and low carbon city: a destination of choice to live, visit, work | |
| A connected city: world class infrastructure and connectivity to drive growth | |

Contact Officers:

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Report to Personnel Committee, 11 March 2020: *Pay Policy Statement*

Report to Personnel Committee, 17 March 2021: *Pay Policy Statement*

Report to Personnel Committee, 16 March 2022: *Pay Policy Statement*

Report to Personnel Committee, 22 March 2023: *Pay Policy Statement*

1.0 Introduction

1.1 Under section 38 of the Localism Act 2011, local authorities are required to publish a 'Pay Policy Statement' on an annual basis, focused mainly on senior employees. Approval of the Statement cannot be delegated. The Act sets out that a Pay Policy Statement must include:

- A local authority's policy on the level and elements of remuneration for each Chief Officer¹
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition)
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other officers
- A local authority's policy on other specific aspects of Chief Officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.

1.2 The scope of the Pay Policy Statement excludes all staff employed in schools.

1.3 The Council's current Pay Policy Statement was commended by this Committee on 22 March 2023 and approved by Council on 29 March 2023.

1.4 The 2024/2 Pay Policy Statement aligns to the overall priorities, activities and context of the organisation and wider public sector and seeks to provide transparency around decisions affecting pay and remuneration in this context.

1.5 The Pay Policy Statement forms a key component of the organisation's approach to managing its workforce in general and recognition and reward and is a key contributor to the priorities set out within the Council strategy.

1.6 The statement also includes information on the Council's 'Gender Pay Gap' which, as a public sector organisation, the Council is required to publish annually. Alongside the required tables, a supporting narrative has been included which details ongoing work by the organisation to proactively promote workforce equality in general and gender equality.

1.7 For the first time, the Council has voluntarily chosen to include the Ethnicity Pay Gap in the Statement, following the government guidance issued in May 2023 on how to voluntarily analyse and report on ethnicity pay.

1.8 The Statement is one element of the organisation's overarching approach to transparency and accountability. It is supported by comprehensive

¹ It should be noted that Manchester currently does not use the term 'Chief Officer' when describing posts. The statutory definition for the purposes of the statement is set out in the Glossary of Terms within the Pay Policy Statement for background.

information on the organisation's structure and the salary for senior posts as well as the equality make-up of the workforce which is available on the Council's website and updated on at least an annual basis.

2.0 The Pay Policy Statement

- 2.1 The draft Pay Policy Statement for 2024/25 is appended to this report. The statement summarises the organisation's approach to pay and remuneration for the year ahead.
- 2.2 The Statement does not set policy, but rather summarises the approaches already endorsed by this Committee and seeks to bring together key information in one place for clarity. It will act to help this Committee and the wider public hold the organisation to account for its pay-related decisions for the year ahead.
- 2.3 The draft Pay Policy Statement includes information on the Authority's salary multiple, the ratio between the highest paid officer (the Chief Executive) and the median rate for all officers within the scope of the Statement. As of November 2023, the salary multiple between the highest paid officer (the Chief Executive) and the median rate for all officers within the scope of this policy is 6.9:1. This represents a slight decrease on the multiple as set out within the 2023/24 statement (7.08:1). This ratio results from the detailed implementation of the pay policies set out in this document and will vary marginally with time as the shape of the organisation and roles change.
- 2.4 The Localism Act is clear that the statement must be approved by the Council and approval is sought to present the draft statement to Council for endorsement next month.
- 2.5 Once approved, the Pay Policy Statement will come into effect on 1 April 2024, being subject to review at least annually through this Committee and, ultimately, Council.
- 2.6 The Council remains committed to the national pay structure and the relevant national agreements including those for the National Joint Council (NJC) for local government services, the Joint National Council for Chief Executives and the Joint National Council for Chief Officers. Pay awards for 2023/24 have been agreed for all Council employees as follows:

For employees within the scope of the National Joint Council (NJC) for local government services

1. An increase of £1,925 on NJC pay points up to and including SCP 43.
2. An increase of 3.88% on pay points from SCP 44 to SCP 51.
3. An increase of 3.88% for SS Grades 1 and 2 (SCP 11 to 24 inclusive)

For officers falling within the scope of the Joint National Council for Chief Officers and for Chief Executives, a pay award of 3.5% on individual basic salaries.

2.7 Discussions with all national negotiating bodies have yet to begin for the 2024/25 period. When national agreement is reached, this will be reflected in the Council's pay and grading structure appended to this statement.

3.0 Gender Pay Gap Reporting

3.1 The Council is required by law to carry out Gender Pay Reporting on an annual basis in line with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.

3.2 The headline figure is a mean gap of 3.6% and median gap of 1.1%². This represents a reduction in the gap between the average pay of men and women from the previous year. This is significantly below the mean and median gap for the UK of 13.2% and 14.93³ respectively. The Council is committed to continuing to reduce this differential. Further detail in relation to this is contained within the Pay Policy Statement.

3.2 Although not a subject of this report, members may be interested to know that for the first time a report has been produced and shared with the Trade Unions on the Ethnicity Pay Gap and further work will take place to refine that report.

4.0 Ethnicity Pay Gap Reporting

4.1 There is no legal requirement for employers in the UK to publish Ethnicity Pay Gap Reports, but the Council believes that publishing this data will help to build transparency and trust. It is worth noting that as at March 2023, 89% of Council officers had shared their ethnicity; any employees with undisclosed ethnicities have been excluded from the calculations.

4.2 The headline figures are a mean gap of 9.6% and median gap of 10.8% and this is further broken down into different ethnic groups to show:

- the mean and median difference in hourly pay for different groups;
- pay quarters that measure the representation of employees in different ethnic groups at different levels of pay in an organisation.

4.3 The Council has worked through many of the actions in its Workforce Equality Strategy and this is currently being refreshed to make further progress in increasing the representation of Black, Asian and Minority Ethnic employees particularly in the upper quartile pay band and to reduce the Ethnicity Pay Gap. Further detail in relation to this is contained within the Draft Pay Policy Statement 2024-2025.

5.0 Manchester Living Wage

5.1 Manchester City Council is an accredited 'Living Wage Employer' and as such is committed to paying the Living Wage Foundation's 'real' living wage (also

² The difference between the mean and median hourly rate of pay of male employees and female employees.

³ All employees as per ONS, Gender Pay Gap in the UK: November 2023 - Provisional

known as the Foundation living wage). In October 2023, the Living Wage Foundation announced the new real living wage hourly rate for the coming year of £12.00 per hour, an increase of £1.10 per hour. Accredited Living Wage Employers are required to implement the rise by 1 May 2024. The Manchester Living Wage (MLW) will therefore be aligned to the new real living wage rate from 1 April 2024.

6.0 Comments from the Trade Unions

- 6.1 UNISON welcomes the extension of information from the council in its reporting on pay gaps and looks forward to working with the council on their commitment to reduce them.
- 6.2 Unite the Unions would like to thank the authors for such a detailed report. Unite the Union welcomes that council has agreed to report on the ethnicity pay gap and notes the commitment to reduce both the gender and ethnicity pay gaps.
- 6.3 GMB: none.

7.0 Conclusion

- 7.1 The development of a Pay Policy Statement and its approval by the Council is a requirement under the Localism Act 2011. The statement appended below will support a continued understanding of the organisation's approach to remuneration set within the context of the overall direction of the organisation to improve services and, ultimately, deliver better outcomes for Manchester residents.
- 7.2 Members are asked to note the content of the draft Pay Policy Statement 2024/25 and commend it for approval by the Council at its meeting on 20 March 2024.



Pay Policy Statement:

2024/25

1. Introduction and Purpose

The Pay Policy Statement sets out the Council's policy regarding remuneration in accordance with the requirements of Section 38 of the Localism Act 2011 (The 'Act') and associated statutory guidance. The purpose of the statement is to provide transparency regarding the Council's approach to setting the pay of its employees and includes:

- The methods by which salaries of all employees are identified
- The detail and level of remuneration of the most senior employees
- The detail and level of remuneration of the lowest paid employees
- The relationship between the remuneration of the highest paid and other employees
- Information in response to the requirement to provide 'Gender Pay Reporting' information in line with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

The Personnel Committee of the Council is responsible, on behalf of the full Council, for ensuring the provisions set out in this Statement are applied consistently throughout the Council. The Personnel Committee will also refer to Council any decisions affecting newly graded posts or regraded posts where the salary becomes £100,000 or more.

Scope of this Policy

This Pay Policy Statement relates to staff employed by Manchester 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:

- Staff employed by a third party contracted to work for the authority (although the comments under the sections below on *interim support* and *preventing tax avoidance* should be noted).
- Staff on secondment to or from the authority, where their rates of pay or terms and conditions are not determined by the Authority. The Authority's approach to secondments sets how pay with regard to individuals in this group is managed.
- All staff employed in schools, including temporary teaching staff, support staff and agency staff.
- Staff employed through the authority on behalf of a third party where remuneration and some or all of the other conditions of employment are not determined by the authority.
- Unpaid volunteers or individuals on work experience placements. Such placements are intended to give students and and/or individuals from the Council's social value priority groups experience of working in the public sector. These roles would not normally be expected to last longer than six weeks.

Once approved by the full Council, the Pay Policy Statement will come into effect on 1st April 2024 and will be subject to annual review.

Legislative framework

In determining pay the Council will comply with all relevant employment legislation. The Council is also bound by collective agreements and contractual arrangements which cannot be unilaterally altered.

Relevant legislation includes the Employment Rights Act 1996, Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended), Agency Workers Regulations 2010, and the Children & Families Act 2014.

The Council has taken steps to ensure there is no discrimination within its pay structures and that all pay differentials can be objectively justified. Where relevant, legislative obligation will supersede the approach and principles outlined in this statement, for example where terms and conditions are preserved as a result of contracts of employment transferring under TUPE.

2. Determining pay

Salary levels for the workforce are set via analytical mechanisms. The Council operates a job evaluation scheme for officers at Grade 12 and below and a senior job evaluation scheme for roles at Grades SS1 – SS5 including Deputy Chief Executive (DCX) and Chief Executive (CEX) spot points. The pay and main contractual conditions of all employees of the Council are linked to a national pay bargaining structure relevant to the role (see *Collective Bargaining* below).

Pay can include elements applicable only to a specific group of employees, for example contractual arrangements and terms of the relevant national agreement. This includes, for example, specific allowances and additions to pay (e.g. overtime, flexibility payments, honoraria, which can be time limited and are subject to approval). In limited circumstances, time and cash limited pay protection may be applicable, arrangements for which have been agreed in accordance with relevant local negotiating arrangements.

Other additions to the salary of officers may be made in accordance with the Council's Constitution and stated policies (e.g. car user allowance). Such payments will be made in accordance with the principles of this statement and with approval by the delegated budget holder or approver. All such payments are made in order to support the delivery of effective services and adhere to the principle of value for money.

Collective Bargaining

The Council has a strong commitment to collective bargaining based on national salary structures and to full and open engagement with its workforce.

There is a continuing challenge to ensure the NJC pay spine can absorb the impact of significant annual increases to the statutory National Living Wage which are forecast to continue. The organisation's overarching strategy will continue to ensure the cost of its workforce falls within the budget allocation agreed by the Council in March 2024 as part of the organisation's overall budget for 2024/25 whilst working to ensure the pay structure is able to absorb National Living Wage increases in future years.

The Council remains committed to the national pay structure and the relevant national agreements including those for the National Joint Council (NJC) for local government services, the Joint National Council for Chief Executives and the Joint National Council for Chief Officers. Details of the pay awards agreed to date for 2023/24 are provided below.

For employees within the scope of the National Joint Council (NJC) for local government services, the following pay agreement has been reached, with effect from 1 April 2023:

1. An increase of £1,925 on NJC pay points up to and including SCP 43.
2. An increase of 3.88% on pay points from SCP 44 to SCP 51.
3. An increase of 3.88% for SS Grades 1 and 2 (SCP 11 to 24 inclusive)

Appendix A sets out the new pay and grading structure for 2024/25 (subject to the agreement of the pay award).

For officers falling within the scope of the Joint National Council for Chief Officers, and for Chief Executives a pay award of 3.5% on individual basic salaries has been agreed with effect from 1 April 2023.

Discussions with all national negotiating bodies are yet to begin for the 2024/25 period. However, as and when any national agreement is reached, this will be reflected in the Council's pay and grading structure appended to this statement.

The Authority will continue to consult with the trade unions representing its workforce on the impact of any changes in pay.

Policy on Remunerating Chief Officers

The Council's Chief Officers are the Strategic Management Team which includes the Chief Executive and those officers directly responsible for the key functions of the organisation. This information is currently available on the *Open Data* pages of the Council's website and will be updated on at least an annual basis to reflect changes to pay and the organisational structure and to support the Council's aim of enhancing transparency and clarity. Additional information, in accordance with the [Accounts and Audit \(England\) Regulations 2015](#), is also included within the Council's Annual Statement of Accounts.

The Personnel Committee is responsible for making appropriate recommendations to Council in relation to decisions affecting the remuneration of any newly established or upwardly regraded post whose remuneration is or is proposed to be or would become £100,000 p.a.

Relevant Chief Officers are responsible for determining pay for senior roles alongside the Director of HR, OD & T. Salary levels are proposed in accordance with an analytical job evaluation process within four pay bandings for SS1-3 and SS5, five bandings for SS4 and additional spot salary levels for the Deputy Chief Executive and City Treasurer, and Chief Executive as set out within the appendix to this Statement.

Since 2018/19 progression through the incremental points within these grades has been dependent upon individuals demonstrating overall annual improvements in performance, measured by delivery against a set of corporate and directorate objectives which is set at the start of each year and covers a range of operational and strategic indicators which are monitored throughout the year.

Employment arrangements for Chief Officers are linked to the relevant national agreements including the Joint National Council for Chief Executives and the Joint National Council for Chief Officers, and salary values are increased in accordance with any nationally agreed pay awards as determined by the appropriate national Joint Negotiating Committee.

Bonus, Performance and Earn Back

The Council does not pay bonuses for Chief Officers within the scope of this statement (notwithstanding the link between incremental progression and pay noted above) as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.

The detail of any bonus payments will also be published in accordance with the [Accounts and Audit Regulations 2015](#) and the [Local Government Transparency Code 2015](#) respectively.

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 will make payments to those officers who undertake specific duties in relation to the elections (including to chief officers) in accordance with their role. The Chief Executive does not receive any additional payment for the role of Returning Officer for local government elections.

It should be noted that any fees which may be payable for duties undertaken in connection with national elections and referenda (such as Parliamentary General Elections or national referenda) or elections undertaken on a regional basis (Greater Manchester Combined Authority Mayoral Election) are not funded by the Council.

Recruitment and Retention

The Council's policy regarding the recruitment of all officers including senior officers is set out within the Recruitment and Selection Policy (this includes information relating to re-engagement). As indicated above, the Council aims to set appropriate pay levels, balancing costs with the need to attract and retain employees who contribute the appropriate skills, behaviours and experience needed to deliver its functions. From time to time, it is necessary to make additional payments within the Council's remuneration framework in order to secure or retain staff, with the appropriate skills, notably in roles where there is a national or regional shortage of such skills. Payments will be made in line with the Market Rate Supplement Policy.

Statutory posts including the Chief Executive and Chief Officers can only be appointed to by a sub-committee of the Personnel Committee.

Non statutory posts are appointments by officers of the Council. In some cases, consultation with relevant Executive Members may be appropriate.

When an individual is appointed to a role remunerated at a higher grade with multiple scale points, whether through internal or external recruitment, the individual will be appointed to the

bottom point of the relevant grade. In exceptional circumstances, appointment at a higher scale point can be considered and agreed by the relevant Chief Officer.

Interim Support

Where the Council is unable to recruit officers, or there is a need for interim support to undertake essential work or provide cover for a substantive post, the Council will engage individuals on a temporary basis.

Such individuals will be sourced through a relevant procurement process in line with legal requirements, financial regulations and standards and the Council's agreed processes. This will ensure the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service and full compliance with legal requirements. The Council has made and implemented all the necessary adjustments required to assure compliance with the changes in relation to off-payroll working in the public sector (IR35).

Preventing Tax Evasion and Tax Avoidance

The Council is fully compliant with the rules governing the prevention of tax evasion. In addition to this, the Council is committed to taking no part in the aiding of any form of tax avoidance. Council employees must take care not to engage in contractual arrangements which could be perceived as being primarily designed to reduce the rate of tax paid by any person or company.

Living Wage Employer

The Council aims to ensure that wages (salaries) in the City can sustain families and individuals and underpin a thriving economy. In 2015 the Council adopted a Living Wage Policy with the overarching aim to:

Ensure that Manchester City Council employees, current and potential contractors and suppliers, and Manchester based employers are fully aware of the City Council's commitment to the Living Wage. The City Council firmly believes that increasing the number of people being paid at least the Living Wage will make a significant contribution to supporting residents out of poverty and reducing dependence on in-work benefits.

The Manchester Living Wage (MLW) embodies the Council's commitment to the Living Wage Policy noted above. The Council is formally accredited by the Living Wage Foundation as a 'Living Wage Employer' and the Manchester Living Wage aligns to Living Wage Foundation's real living wage – referred to as the Foundation Living Wage in the remainder of this statement.

In October 2023, the Living Wage Foundation announced the new Foundation Living Wage hourly rate for the coming year of £12.00 per hour, an increase of £1.10 per hour. Accredited Living Wage Employers are required to implement the rise by 1 May 2024. The Manchester Living Wage will therefore be aligned to the new Foundation Living Wage rate from 1 April 2024.

Lowest Paid Employees

The lowest hourly rate of pay for a Council employee will be £12.26 per hour from 1 April 2024 following implementation of the NJC pay award for 2023/24.

Pay Award for 2024/25

Pay awards have been agreed for 2023/24 for Chief Executives, Chief Officers and all officers covered by National Joint Council (NJC) terms and conditions as detailed above. Discussions with all national negotiating bodies are also yet to begin for the 2024/25 period. As and when any national agreement is reached, this will be reflected in the Council's pay and grading structure appended to this statement.

3. Employee Cost and Salary 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, accepting the judgement 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.

As of November 2023, the salary multiple between the highest paid officer (the Chief Executive) and the median rate for all officers within the scope of this policy is 6.9:1.

This ratio results from the detailed implementation of the pay policies set out in this document and will vary with time dependent on the structure of nationally agreed pay awards and as the shape of the organisation and roles change.

4. Payments on Termination

The Council's approach to severance and discretionary payments on termination of employment is set out within its policy on [the Local Government \(Early Termination of Employment\) \(Discretionary Compensation\) Regulations 2000 and 2006 and the Local Government Pension Scheme Regulations 2007](#) as agreed by the Council's Personnel Committee. The Council applies this policy to all employees and in all cases. Any changes to this policy, whether permanent or time limited, will be agreed by the Personnel Committee.

In addition to the Council's Severance and Early Retirement (Efficiency) Policy Statement the City Solicitor has the authority to settle, if appropriate and in the interests of the Council, any actual or threatened legal proceedings as set out in Part 3 Section F of the Council's Constitution.

Any severance packages with a value in excess of £100,000 (including any Pension Strain costs) will be approved by Council before they are agreed. This policy applies to severance packages pursuant to a settlement agreement. However, it does not apply in relation to the cost of early access to, and/or enhancement of a retirement pension, where the employee's employment is terminated on grounds of ill health.

The Council has adopted [the statutory guidance on Special Severance Payments](#) where non-contractual exit payments above certain thresholds are subject to additional scrutiny,

approval and disclosure processes. This is to comply with our best value duty as set out in [section 3 of the Local Government Act 1999](#). Further details will be set out in the Special Severance Payments Guidance.

Provisions in the Finance (No.2) Act 2017 changed the rules on the taxation of termination payments to remove the distinction between contractual and non-contractual payments in lieu of notice, effective from April 2018. The Council continues to comply with these requirements.

Employers are liable to pay Class 1A national insurance contributions on termination payments above £30,000 that are subject to income tax by the employee. The Council is fully compliant with this requirement.

Exit Pay Cap and Pension Reforms

Following revoke of the Restrictions of Public Sector Exit Payments Regulations 2020, it has been expected that further changes will be presented for consultation. There remains no timeframe for this at present, and requirements will be incorporated into this statement at the appropriate time.

5. Gender Pay Reporting

The Council is required by law to carry out Gender Pay Reporting on an annual basis in line with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. Reporting is based on a 'snapshot' date of 31 March 2023 and must include:

- the difference between the mean and median hourly rate of pay of male and female employees.
- the difference between the mean and median bonus pay received by male and female employees.
- the proportions of male and female employees who were paid a bonus, and
- the proportions of male and female employees in the lower, lower middle, upper middle, and upper quartile.

It is worth emphasising that a 'Gender Pay Gap' is not the same as an issue of 'Equal Pay'. The Council has a long-standing commitment to equality and a sound analytical approach to pay and grading in line with the Single Status Agreement as well as an analytical approach to the evaluation of senior roles. As a result, the Council is confident employees receive remuneration within the same grade when carrying out the same or equivalent work. The gender pay gap therefore does not stem from paying men and women differently. Rather, it is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

The tables below provide the information the Council is required to publish in line with the legislation cited above and is based on the snapshot date of 31 March 2023.

Table A: Gender Pay Gap

| |
|---|
| Gender Pay Gap (difference in hourly pay) |
|---|

| | Mean | Median |
|------------|------|--------|
| Hourly Pay | 3.6% | 1.1% |

The table above shows the percentage difference between the mean (average) and median (middle value) hourly rate of pay of male and female employees. A positive percentage shows that, on average, female employees are paid less than male employees. The closer to 0 the lower the Gender Pay Gap.

Table B: Bonus Pay

| |
|---|
| The Council does not make any Bonus Payments which fall within the definition of Bonus for the purpose of Gender Pay Gap reporting. |
|---|

Table C: Pay Quartiles by Gender

| Gender Split within each Pay Quartile | | |
|---------------------------------------|-------|--------|
| Hourly Pay Quartile | Male | Female |
| Upper Quartile | 38.0% | 62.0% |
| Upper Middle Quartile | 34.0% | 66.0% |
| Lower Middle Quartile | 36.7% | 63.3% |
| Lower Quartile | 32.7% | 67.3% |

The table above shows the percentage of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands. These quartiles have been calculated by working out the hourly pay for each employee and then ranking them in order from lowest to highest paid. This list is then divided (as equally as possible) into four sections to provide the above.

The Council's mean gap of 3.6% (*previous year: 4.6%*) and median gap of 1.1% (*previous year: 3.1%*) remains significantly below the mean and median gap for the UK of 13.2% and 14.3%¹ respectively. However, the Council is committed to reducing its pay gap even further.

The gender pay gap within the Council reflects the disproportionately high level of female employees within the lower quartile pay band. Roles within this quartile are often part-time or term-time-only and follow the national trend of being predominantly female. Female employees account for c.65% of the overall employees falling within the scope of the gender pay calculations but this increases to 67% of employees falling within the lower quartile pay band. Conversely, there is a disproportionately low level of female employees within the upper quartile pay band where 62% of employees are female.

Whilst, as noted above, the key factors here align with the national trend, the Council is committed to undertaking action which will support a positive reduction in the gender pay gap (i.e. through increasing the average pay of women and not reducing overall pay or removing lower paid roles from the organisational structure). Key activities in support of this include:

- The Women's Equality Network have identified the Gender Pay Gap as their key priority – HR, OD & T will work with the Network to produce a plan which sets out how we will continue to reduce the Gender Pay Gap.

¹ All employees as per ONS, Gender Pay Gap in the UK: November 2023 - Provisional

- Developing a mentoring programme for women and working with the Pregnancy and Parenting Network to focus particularly on those returning from maternity leave.
- To review our Senior Recruitment offer to ensure that we are attracting women to leadership posts and identify any barriers that women face.
- The Health & Wellbeing Plan has a focus on improving Women's Health and is aligned to the Government's Women's Health Strategy.
- All workforce policies are subject to Equality Impact Assessment as part of the review process. This ensures that any potential impacts relating to gender are identified at an early stage and addressed to ensure employment approaches are fair for all and specific requirements are built into policy and guidance.
- The review of ways of working (Our Ways of Working programme) across the organisation to identify and promote increased flexibility is ongoing, supporting employees to more effectively balance home and work commitments, and driving increased flexibility as the norm in roles at all levels of the organisation.
- Apprenticeships are available to new and existing employees with qualifications starting from level 2 (NVQ/GCSE equivalent) to level 7 (post-graduate degree). They are available to people at any stage of their career looking to further develop skills and knowledge.

A Government consultation took place which closed on 8th April 2022 and aimed to inform how we approach disability pay gap reporting in future. The outcomes of the consultation are yet to be published.

6. Ethnicity Pay Gap Reporting

There is no legal requirement for employers in the UK to publish ethnicity pay gap information – it remains a voluntary disclosure. Ethnicity pay gap reporting is much more complex than gender pay gap reporting. While gender pay analysis only involves a comparison between 2 groups, ethnicity pay analysis involves a number of ethnic groups. However, the government issued guidance in May 2023 on how to voluntarily analyse and report on ethnicity pay and the Council believes that publishing this data will help to build transparency and trust.

In preparation for the reporting, we have realigned equalities classifications and resurveyed all staff. However, unlike gender, the Council's ethnicity disclosure rate is not 100% (as at March 2023, it was 89%) as not all employees have provided us with this data. Therefore, any employees with undisclosed ethnicities are excluded from the calculations.

The tables below are again based on the snapshot date of 31 March 2023.

Table D: Ethnicity Pay Gap

| Ethnicity Pay Gap (difference in hourly pay) | | |
|---|-------------|---------------|
| | Mean | Median |
| Black | 12.1% | 13.0% |
| Asian | 7.4% | 9.8% |
| Mixed | 4.6% | 2.8% |
| Other Ethnic Groups | 12.1% | 12.4% |
| Overall Ethnicity Pay Gap | 9.6% | 10.8% |

The table above shows the percentage difference between the mean (average) and median (middle value) hourly rate of pay of White and Black, Asian and Minority Ethnic employees. A positive percentage shows that, on average, Black, Asian and Minority Ethnic employees are paid less than White employees. The closer to 0 the lower the Ethnicity Pay Gap.

Table E: Bonus Pay

The Council does not make any Bonus Payments which fall within the definition of Bonus for the purpose of Ethnicity Pay Gap reporting.

Table F: Pay Quartiles by Ethnicity

| Ethnicity Split within each Pay Quartile | | | | | | | |
|--|--------------|--------------|-------------|-------------|--------------------|-------------------|-------------|
| Hourly Pay Quartile | White | Black | Asian | Mixed | Other Ethnic Group | Prefer not to say | Undisclosed |
| Upper Quartile | 74.4% | 6.9% | 5.1% | 3.3% | 0.3% | 2.6% | 7.4% |
| Upper Middle Quartile | 67.1% | 10.4% | 6.8% | 3.4% | 0.4% | 3.3% | 8.6% |
| Lower Middle Quartile | 66.3% | 13.6% | 6.8% | 3.2% | 0.8% | 3.5% | 5.8% |
| Lower Quartile | 60.8% | 15.2% | 7.2% | 3.2% | 0.7% | 4.7% | 8.2% |
| Council Wide | 67.2% | 11.5% | 6.5% | 3.3% | 0.5% | 3.5% | 7.5% |

The table above shows the percentage of White and Black, Asian and Minority Ethnic employees in the lower, lower middle, upper middle and upper quartile pay bands. These quartiles have been calculated by working out the hourly pay for each employee and then ranking them in order from lowest to highest paid. This list is then divided (as equally as possible) into four sections to provide the above.

The overall percentage of Black, Asian and Minority Ethnic employees within the population under consideration for the purposes of the ethnicity pay gap calculations is 21.8% when “prefer not to say” and “undisclosed” responses are included (24.5% when they are excluded). The table demonstrates that the relative proportion of Black employees in particular but also Asian employees notably decreases as the pay bands increase and that they are therefore relatively under-represented in higher pay bands. The notable under representation of Black, Asian and Minority Ethnic employees as a whole, within the upper quartile pay band is a significant factor driving the Council’s current ethnicity pay gap. Work, such as the Leadership Pathway programme for Black, Asian and Minority Ethnic employees, is underway to start to address this. Updates will be included in future reports for completeness.

The Council is committed to reducing the ethnicity pay gap and increasing the representation of Black, Asian and Minority Ethnic employees at all levels which is reflected in the Workforce Equality Strategy (which includes the Race Review Action Plan) and Talent Plan. Key activities to support this include:

- Positive action leadership development programmes for Black, Asian and Minority Ethnic employees

- Leadership pathway programme – delivered 4 programmes. 54 employees attended. 20% have secured promotions.
- The six-month LeadHERship Development coaching programme has been designed specifically to better equip Black, Asian, and Minority Ethnic women to develop their critical skills and confidence to lead, influence and achieve their ambitions. The wider Leadership Development programme also aims to support all employees to develop into leadership positions.
 - LeadHERship programme – delivered 2 programmes. 38 women have attended. 37% have secured a promotion.
- Inclusive leadership training - Inclusive leadership is designed to equip our leaders with the confidence and skills to enhance inclusion in the workplace, as well as role model inclusive behaviours in their everyday interactions.
- Let's Talk About Race which is a race awareness tool and is designed to show learners that racism is not just about explicit racist language, or individual abuse or discrimination. The programme forms part of the Council's ambition to improve race equality and build an inclusive workplace. The programme covers: understanding the nature of systemic racism, racial micro-aggressions, tokenism, white privilege.
- Mentoring and reverse mentoring programmes for Black, Asian and Minority Ethnic employees and senior leaders.
- New Recruitment & Selection Training which is designed to equip line managers with the knowledge and tools to develop inclusive recruitment processes which enable candidates to be their best selves.
- Diverse recruitment panels – all recruitment panels should be diverse in terms of Race & Gender.
- Talent Plan sets out that we will attract, develop and retain diverse talent at all levels of the Council and has a specific focus on increasing the representation of Black, Asian & Minority Ethnic employees.
- Introduced and socialised our zero tolerance statement which makes clear that we do not tolerate any form of discrimination or unwanted behaviour.

7. Publication

This Statement will be published on the *Open Data* pages of the Council's Website once it has been approved by Council.

In addition, details of senior posts are available on the Council's website together with information on the organisation's structure and the roles and responsibilities of individual officers. This information will be updated on at least an annual basis.

In order to comply with the regulations in relation to gender pay gap reporting, the Council figures will, in addition to publication in this Statement, also be submitted via the dedicated government portal for publication on the designated government website.

Additional information on the organisation's workforce expenditure is set out in the [Council's Annual Statement of Accounts](#).

Detailed information on the [equality make-up of the organisation's workforce](#) is also available on the Council's website.

Glossary of Terms

Chief Officer (statutory definition)

Section 43(2) of the Localism Act defines a 'Chief Officer' for the purposes of the Pay Policy Statement as meaning the following:-

- (a) the Authority's Head of Paid Service
- (b) the Authority's Monitoring Officer
- (c) the Authority's Director of Children's Services
- (d) the Authority's Director of Social Services
- (e) the officer having responsibility for the administration of the Authority's financial affairs
- (f) any officer for whom the Authority's Head of Paid Service is directly responsible; or who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the Authority's Head of Paid Service; or who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the Authority itself or any committee or sub-committee of the Authority.
- (g) any officer who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to one or more of the officers listed at points (a) to (f) above.

The definition of 'Chief Officers' excludes any officer 'whose duties are solely secretarial or clerical or are otherwise in the nature of support services'.

Employer Pension Contributions

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. 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 17.2% but will be subject to revision at the direction of the pension fund.

Flexibility Payment

A flexibility payment is paid for roles where an employee is contractually required to work a regular pattern involving a non-standard rota, working 'over and beyond' normal working hours on a regular five, six or seven days out of seven pattern which includes late and weekend working. A graduated allowance will be included as part of the basic salary for the job, depending on the degree of inconvenience.

Foundation Living Wage

Also known as the 'real' Living Wage. This is a voluntary rate of pay announced annually by the Living Wage Foundation and is based on an independent assessment of the real cost of living based on a number of indicators, including goods and services, which represent what people need to meet their basic everyday needs.

FTE - Full Time Equivalent

This term stands for full-time equivalent (not full-time employee) and translates the total hours worked by part-time employees into the number of equivalent full-time employees.

Honorarium

An honorarium is a payment made to an individual in a structured, funded role for specific, time-limited additional duties undertaken on top of their substantive role. This can be a way of developing staff whilst maintaining service delivery. An approval process is in place for any payments made. Any honorarium payment made to an employee at Grade 12, SCP 51 or above, or where the honorarium is ongoing for over 12 months, requires approval by the relevant Chief Officer and the Director of HR, OD and T.

Manchester Living Wage

The Council's commitment to paying a living wage is reflected by the Manchester Living Wage. The Council is formally accredited by the Living Wage Foundation as a 'Living Wage Employer' and the Manchester Living Wage aligns to the Foundation's 'real' Living wage (also known as the Foundation living wage).

Median Salary

The authority's median salary is based on the salary which is the numerical 'mid-point' when the organisations salaries are arranged from top to bottom in order of size. It is based purely on the actual salary assigned to the post (assuming the post is worked at 1 FTE). Salaries of vacant posts, casual members of staff, contractors, and other non-employees are not used for the purposes of this calculation. The current median salary is £32,076.

National Living Wage

The National Living Wage is the statutory hourly rate of pay for those aged 21 and over.

On costs

These are the additional costs of employment, over and above what is paid (or provided) to the employee by way of remuneration. There are two types of on cost, *direct*, which for the purpose of this Statement is deemed to be employer's National Insurance and pension costs and *indirect* which include items such as premises costs, the cost of support functions etc and are not applicable to this Statement.

Pay / Remuneration

For the purpose of this Statement 'pay' is referred to as remuneration and is consistent within the definition contained within the Localism Act.

Pay Bill

The total sum paid by the organisation inclusive of salary and on-costs.

Salary / Spot Salary

For the purpose of this Pay Statement, salary refers to its normally accepted meaning i.e. monetary pay.

A spot salary is a salary set at a specific sum, does not form a part of a pay band or contain increments to which the employee is entitled. Spot salaries are normally subject to increase in line with contractual provisions with regard to inflation.

Senior Manager (Senior Officer)

Any Officer in receipt of a basic salary in **excess** of Spinal Column Point 51.

Severance Package

Severance packages can comprise of a number of different payments or benefits made in relation to the termination of a person's employment, which include (but are not limited to):

- lump sum severance payments
- redundancy compensation
- termination payments on grounds of business efficiency
- early access to, and/or enhancement of, pension benefits (in respect of this the value is defined as the capital cost to the Council of the early release / enhancement).
- salary paid in lieu of notice

Special Severance Payment

Special Severance Payments are payments made to employees, officeholders, workers, contractors, and others outside of statutory, contractual or other requirements when leaving employment in public service.

Appendix A: Pay & Grading Structure 2024/25 (subject to pay award)

| Grade | SCP | Basic Pay | Grade | SCP | Basic Pay | Grade | SCP | Basic Pay |
|---------|-----|-----------|----------|-----|-----------|-------|----------|-----------|
| Grade 1 | 2 | £22,366 | Grade 8 | 31 | £39,186 | SS2** | 21 | £76,422 |
| Grade 2 | 3 | £22,737 | | 32 | £40,221 | | 22 | £77,913 |
| Grade 3 | 4 | £23,114 | | 33 | £41,418 | | 23 | £79,430 |
| | 5 | £23,500 | | 34 | £42,403 | | 24 | £82,558 |
| | 6* | £23,893 | | 35* | £43,421 | 31 | £86,959 | |
| Grade 4 | 7 | £24,294 | Grade 9 | 36 | £44,428 | SS3** | 32 | £88,658 |
| | 8 | £24,702 | | 37 | £45,441 | | 33 | £90,391 |
| | 9 | £25,119 | | 38 | £46,464 | | 34 | £96,135 |
| | 10 | £25,545 | | 39 | £47,420 | SS4** | 41 | £105,566 |
| | 11* | £25,979 | | 40* | £48,474 | | 42 | £107,636 |
| Grade 5 | 13 | £26,873 | Grade 10 | 41 | £49,498 | SS4** | 43 | £109,750 |
| | 14 | £27,334 | | 42 | £50,512 | | 44 | £111,906 |
| | 15 | £27,803 | | 43* | £51,515 | | 45 | £116,346 |
| | 17 | £28,770 | Grade 11 | 44 | £52,882 | SS5* | 51 | £135,976 |
| | 19* | £29,777 | | 45 | £53,977 | | 52 | £139,464 |
| Grade 6 | 21 | £30,825 | Grade 12 | 46 | £55,301 | | 53 | £145,192 |
| | 22 | £31,364 | | 47* | £56,451 | | 54 | £155,898 |
| | 23 | £32,076 | | 48 | £57,720 | DCX | £167,144 | |
| | 24 | £33,024 | | 49 | £58,919 | CEX | £220,982 | |
| | 25* | £33,945 | | 50 | £60,142 | | | |
| Grade 7 | 26 | £34,834 | SS1** | 51* | £61,379 | | | |
| | 27 | £35,745 | | 11 | £68,094 | | | |
| | 28 | £36,648 | | 12 | £69,407 | | | |
| | 29 | £37,336 | | 13 | £70,754 | | | |
| | 30* | £38,223 | | 14 | £73,532 | | | |

* Progression subject to competency review

** Progression dependent on individuals demonstrating overall annual improvements in performance

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**Manchester City Council
Report for Information**

Report to: Personnel Committee – 14 February 2024
Subject: Market Rate Supplement Report
Report of: Director of HR, OD and Transformation

Summary

This report provides a summary of Market Rate Supplements currently in place in the Council.

Recommendations

The Committee is requested to note the Market Rate Supplements currently in place in the Council as detailed in the report.

Wards Affected: All

| |
|---|
| Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city |
| This report covers how we attract and retain staff in hard-to-fill roles where other organisations' salary offer exceeds the Council's pay structure. Offering a competitive salary in this market is an important component of attracting and retaining staff, all of whom are engaged and essential to achieving this target. |

| Our Manchester Strategy outcomes | Summary of how this report aligns to the OMS |
|---|--|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | The Council is a major employer in the City and Market Rate Supplements seek to balance the need for the competitive remuneration of employees in hard-to-fill roles or business-critical roles, both existing and prospective, to attract and retain the skills needed to deliver the organisational and the City's objectives (Our Manchester) and the cost of this to the communities it serves. Market Rate Supplements are reviewed periodically to ensure they remain necessary, fair and value for money. |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | |
| A liveable and low carbon city: a destination of choice to live, visit, work | |

| | |
|---|--|
| A connected city: world class infrastructure and connectivity to drive growth | |
|---|--|

Contact Officers:

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Position: Director of HR, OD & Transformation
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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Market Rate Supplement Policy

1.0 Introduction

- 1.1 The Council has a formal policy on the use of Market Rate Supplements (MRS) and any decisions are taken in line with that policy.
- 1.2 A Market Rate Supplement is a time limited additional payment to the basic salary of a role that has been subject to job evaluation. Payments are entirely discretionary and limited to a restricted number of jobs and are agreed on an exceptional basis where there is clear evidence that the position of the role on the new pay structure is, in monetary terms, significantly lower than the market rate *and* there are recruitment *and/or* retention difficulties.
- 1.3 There are two types of Market Rate Supplements:

A Market Rate Recruitment Supplement is a temporary payment applied to a post by enhancing the salary, bringing the overall reward up to the market rate.

A Market Rate Retention Supplement is a temporary payment made to retain an individual in a business-critical role over and above their basic salary in order to retain their services, bringing their total reward package up to a competitive Market Rate.
- 1.4 Market Rate Supplements are determined by the relevant Strategic Director in conjunction with the Director of HR, OD & T and must be justified with reference to clear supporting evidence. Consideration must also be given to alternative solutions. MRS are ultimately approved by the Director of HR, OD & T following consideration of the evidence provided.
- 1.5 Reports are provided to the relevant Strategic Directors on a monthly basis three months prior to the end date of the MRS so that the MRS can be reviewed in a timely manner. The review results in either a decision to end the MRS in line with the original end date or for it to be extended for an additional 12-month period. Any proposed extensions require a further full market analysis exercise to ensure there is a high degree of rigour applied to the process and must be approved by the Director of HR, OD & T. In the event that there is evidence that the market dictates ongoing payment of the supplement is necessary, this must be reviewed every 12 months.

2.0 Current details

- 2.1 As of 1st November 2023, there are a total 196 of MRS attached to 26 different roles in the Council within the following directorates:

| Directorate | Number of individuals receiving a MRS | Number of discrete roles carried out by those individuals receiving a MRS | Reduction /increase in last 6 months |
|----------------------|---------------------------------------|---|--------------------------------------|
| Children Services | 180 | 15 | increase of 13 |
| Chief Executives | 0 | 0 | decrease of 19 |
| Corporate Core | 12 | 7 | increase of 1 |
| Neighbourhoods | 2 | 2 | increase of 1 |
| Growth & Development | 2 | 2 | decrease of 15 |
| Adult Services | 0 | 0 | 0 |

- 2.2 There is an overall reduction of 19 market rate supplements, this has been mainly due to service redesigns.
- 2.3 The total number of roles which received a market rate supplement has decreased by 13, with only 26 roles now attracting market rate supplements.
- 2.4 No analysis by gender, ethnicity or any other protected characteristic has been undertaken because the MRS relates to posts rather than individual postholders.

3.0 Rationale for use of Market Rate Supplements

3.1 Children Services

- 97% due to recruitment challenges and competitive job market primarily in terms of those roles where Registered Social Worker qualification is required and where there is a national shortage of skills/ hard to recruit
- 3% due to the need to retain existing skills and experience in a competitive job market.

3.2 Corporate Core

- 25% due to retention of skills & experience / competitive market
- 75% based on retention of existing skills and experience in a competitive job market, service redesign is underway that is expected to remove the need for the MRS.

3.3 Neighbourhoods

- Both MRS in place are based on retention of existing skills and experience in a competitive market.

3.4 Growth & Development

- Both MRS in place are based on retention of existing skills and experience in a competitive market.

4.0 Recommendation

- 4.1 Personnel Committee are requested to note the Market Rate Supplements currently in place in the Council.

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