

# Pay Policy Statement: 2020/21

## 1. Introduction and Purpose

Under section 112 of the Local Government Act 1972, the Council has the 'power to appoint officers on such reasonable terms and conditions as the authority thinks fit'. This Pay Policy Statement (The 'Statement') sets out the Council's policy with regard to remuneration in accordance with the requirements of Section 38 of the Localism Act 2011 (The 'Act') and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013.

This document provides Manchester's statement for the 2020/21 financial year in response to the Act within sections 3 and 4. This is set within the current national, local and organisational context in section 2 and linked to relevant information published on the Council's website and within the Annual Statement of Accounts in section 5. 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, is also included within Section 3 of the statement in the sub-section 'Equality and Pay'. The Council's intention is to work to enhance transparency and clarity with regards to its people related policies and further background information will be made available when possible.

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. They will recommend any amendments they consider appropriate to the full Council for consideration. The Personnel Committee will also refer to Council any decisions affecting the remuneration of any post whose remuneration is or is proposed to be or would become £100,000 p.a. 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 Policy Statement will come into effect on 1<sup>st</sup> April 2020. It will be subject to review at least annually, the policy for the following financial year being approved by 31<sup>st</sup> March each year.

### ***Legislation and Other Matters Relevant to Remuneration***

In determining the remuneration of all of its employees, 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 Favorable Treatment) Regulations 2000, the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended, 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 supercede 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.

During 2019/20, the Council has continued to respond to legislative and regulatory changes affecting the workforce as well as to monitor proposed changes. Over the coming year the Council will ensure that it is cognisant of future planned and potential legislative changes and will make the necessary arrangements to comply with the associated requirements.

## **2. Context**

Manchester City Council serves and supports the citizens, businesses and visitors to the City of Manchester, and works to develop and promote the interests of the City and the wider City Region. Manchester was the fastest growing authority outside London between 2001 and 2011 and continues to grow rapidly. In 2018, it served a population of over 547,500 according to estimates from the Office for National Statistics, with in-house estimates for mid-2020 putting the population at around 586,100.

The Council provides and commissions a range of services in line with its statutory obligations and stated objectives; supporting the vision of Our Manchester and driving the ambitions of the Greater Manchester City Region.

The Council's gross budget for 2020/21 is outlined in the reports considered by Executive on 12 February 2020. As of December 2019, approximately 6,316 full time equivalent employees (FTE) work for the Council.

Since 2010/11 the organisation has undergone a period of unprecedented change. Between 2010/11 and 2019/20 there have been budget reductions of £372M, after taking into account inflation and rising demand with over £100M in savings coming directly from the workforce and associated staffing reductions of almost 4,000 FTE. The workforce reductions for 2020/21 are more manageable however, the scale of organisational change required will be significant as we continue to closely collaborate with other public sector organisations and embed the Our Manchester way of working.

As an organisation, there is a focus on driving forward a clear set of corporate priorities as outlined within Our Corporate Plan. This includes work to deliver the Our Manchester Strategy by making the Our Manchester approach ‘the way we do things’, driving forward work on Our People Strategy, making health and social care integration a reality and reaping the benefits for our residents, meeting the key priority to achieve carbon neutrality, and ensuring excellence in our core service provision including highways, children’s services, education and waste, and making inclusive growth a reality for all Manchester residents including through tackling homelessness.

### ***Our Manchester and Our People***

The Our Manchester Strategy sets out a shared ambition for the city to 2025. In order to achieve the Strategy’s high-level goals, a radically different way of working is needed across the city. This radical change is the Our Manchester approach. This approach puts people at the centre, recognising that people are more important than processes, procedures or organisational boundaries. This requires fundamental changes across and within organisations.

There are four central principles of what it means to work in an Our Manchester way. These are:

- **Better lives** – it’s about people
- **Listening** – we listen, learn and respond
- **Recognising strengths of individuals and communities** – we start from strengths
- **Working together** – we build relationships and create conversations.

The City’s public service workforce is the driving force behind Our Manchester. In order to empower and equip this workforce to realise the Our Manchester ambition a significant programme of work is in progress. Through this, cultures, operating practices and skills are changing to be part of Our Manchester.

This represents a significant and long term objective which requires continued focus and strong leadership from the most senior level.

The Strategy seeks to embed the approach through a focus on four Our Manchester behaviours:

- We’re proud and passionate about Manchester
- We take time to listen and understand
- We ‘own it’ and are not afraid to try new things.
- We work together and trust each other

Embedding the Our Manchester approach and behaviours continues to be at the core of Our People Strategy, ensuring that staff have the skills, knowledge and support to be able to work in different ways ensuring Our Manchester becomes ‘the way we do things, not a thing we do’. There is a clear recognition that the City Council needs to continuously invest in skills for our existing staff and attract, develop and retain new talent to enhance the Council’s capabilities for the challenges ahead. This is being supported by a strengthened focus on workforce development of all staff.

Working in partnership with the workforce to embed the Our Manchester behaviours across the organisation and support all employees to develop and hone their skills as part of Our People Strategy is critical to the overall success of Our Manchester.

Equally the Our Transformation programme aims to modernise and digitise how the council operates and is focused on how we streamline decision making across the council as a whole and empower managers to make effective decisions, changing how we work and the technology and tools used to deliver, streamlining processes, and providing a more effective way of engaging with residents through the systems that we use. This aligns to the priority of 'a well managed council' as a key element of the Corporate Plan and supports the wider ambitions of delivering Our Manchester and the Our People strategy.

### ***Health & Social Care Integration***

We continue to see further integration of health and social care as new models of delivery start to be implemented across the locality.

Manchester Health & Care Commissioning (MHCC) has implemented a further stage of its development with the change of deployment of a number of MCC and CCG roles from MHCC to the Manchester Local Care Organisation (MLCO). This supports the partnership to have a strategic commissioning focus.

MLCO now has its Integrated Neighbourhood Teams, and model for Manchester Community Response in place, and is working to further establish the benefits of this integration. These new ways of working still require significant changes in skills, behaviours and cultures.

All deployed Council staff continue to remain employees of the Council.

The City Council has also signed the GM Continuity of Service Protocol which will support the movement of skills and talent across the health and social care sectors within Greater Manchester.

### ***Devolution***

Devolution will continue to offer new opportunities at both a City and City Region level and the organisation will have a key role to play in ensuring these opportunities are maximised.

## **3. Remuneration Strategy and Salary Structure**

### ***Strategy for 2020 to 2021***

As a major employer within the City of Manchester, and a significant employer of Manchester residents, the Council is cognisant of the link between its employment and remuneration policies and practices and the local economy and communities. The Council's employment policies and practices support the City through mechanisms including:

- Delivery of its People Strategy, Our People, and, in particular:

- Work to reduce worklessness across the City through both direct action as an employer and influence over other major employers across the City aligned to the organisation's Social Value priorities.
- Supporting the skills development and flexibility of the workforce and promoting opportunities across the City to the Council workforce.
- The promotion and development of the Our Manchester behaviors in order to ensure a workforce which is aligned to supporting the City's growth and the development of people and place irrespective of individual roles and responsibilities.

The organisation remains committed to being seen as an employer of choice for high calibre employees at all levels (see also *Recruitment and Retention* below).

The Council's strategy for remuneration seeks to balance the need for the proper remuneration of its employees to attract and retain the skills needed to deliver the organisation's objectives and the cost of this to the communities it serves. It 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.

The Council will make best use of its employment practice to deliver against the City's agreed objectives whilst supporting the development of skills and capacity and offering opportunities for development and progression. This will, in turn, create entry level opportunities and supports the Council's priority to reduce worklessness.

The Council's approach to the setting of both salary and overall remuneration (see below) is designed to support this employment strategy within the available budget for the workforce. For many years it has sought to manage remuneration for its whole workforce against common principles and in an open and transparent manner. This will continue to be the approach taken for the coming year.

### ***Collective Bargaining and Pay Levels***

The Council has a strong commitment to collective bargaining based on national salary structures and to full and open engagement with its workforce. It links the employment arrangements for all its employees directly to relevant national bargaining arrangements. It will maintain this commitment for the coming year to the extent that this is consistent with principles already agreed and with the need to maintain the direction of travel.

The continued requirement for cost reduction by the organisation will mean that in 2020/21 a balance will need to be struck between any proposed increases in individual remuneration and the need to ensure that workforce expenditure remains in line with the agreed budget for the workforce set in the context of the real Living Wage and market conditions.

Where necessary, new or redesigned roles may be required to support delivery of the organisation's priorities. Remuneration packages agreed will need to align with the available budget and agreed principles whilst supporting the appointment of the most effective candidate in the current economic context, either internally or externally.

The organisation's overarching strategy will be to ensure the cost of its workforce falls within the budget allocation agreed by the Council in March 2020 as part of the organisation's overall budget for 2020/21.

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. At the time of writing national discussions are ongoing in relation to a pay award for the 2020/21 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.

### ***Equality and Pay***

The Council is committed to equality and diversity in the workplace and to ensuring that remuneration of employees is fair and equitable. The organisation has been rated as 'Excellent' under the Equalities Framework for Local Government (EFLG) which included a review of arrangements in relation to employment. The Council has an agreed Equal Opportunity in Employment policy statement with any changes to this policy statement agreed by the Personnel Committee. This is supported by a programme of work to increase the diversity of the workforce at all levels and address those areas for improvement identified by the EFLG.

### ***Gender Pay Reporting***

The Council is required by law to carry out Gender Pay Reporting on an annual basis in line with the the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. Reporting is based on a 'snapshot' date of 31 March 2019 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 solid 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 2019.

Table A: Gender Pay Gap

Gender Pay Gap (difference in hourly pay)		
	Mean	Median
Hourly Pay	8.1%	9.8%

The table above shows the percentage difference between the mean (average) and median (middle value) hourly rate of pay of male and female 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.
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Table C: Pay quartiles by gender

Gender Split with each Pay Quartile		
Hourly Pay Quartile	Male	Female
Upper Quartile	40.7%	59.3%
Upper Middle Quartile	33.5%	66.5%
Lower Middle Quartile	36.3%	63.7%
Lower Quartile	23.9%	76.1%

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.

Table D: Pay quartiles by mean gender pay gap

Mean Hourly Pay within each Pay Quartile			Mean GPG by Quartile
Hourly Pay Quartile	Male	Female	
Upper Quartile	£23.10	£22.68	1.78%
Upper Middle Quartile	£15.61	£15.77	-1.02%
Lower Middle Quartile	£12.36	£12.25	0.91%
Lower Quartile	£9.74	£9.46	2.91%

The above table takes the four quartiles (as per Table C) and provides the mean (average) hourly pay for Male and Female employees within each quartile. The Gender Pay Gap for each quartile is then calculated against the mean hourly pay. Any negative figures show that, on average, Females are paid more than males.



The Council's mean gap of 8.1% and median gap of 9.8% (as per Table A) is significantly below the mean and median gap for the UK of 16.2% and 17.3%<sup>1</sup> respectively. However, the Council is committed to further reducing its pay gap.

As Table D above shows, gaps in pay are more pronounced in the bottom and top quartile and align closely with national trends<sup>2</sup>.

The proportion of low paid staff in the workforce (21% of the workforce - over 1,500 employees - in Grades 1 to 3 roles) has a disproportionately high impact on the overall Gender Pay Gap. These roles are often part-time and many of these are term-time-only. Employment in these positions follows the national trend of being predominantly female and has a significant impact on our overall pay gap.

The gap in the top quartile of pay again follows the national trend.

The Council also has an aging workforce with a high proportion of female employees. Nationally, the pay gap widens with age: older women experience a larger pay gap compared to their male peers than younger women compared to their male peers.

This data needs to be set against a negative gender pay gap across the middle portion of the organisation (i.e. women, on average, are paid more than men); an overall workforce which is approximately two thirds female and one third male; and a Strategic Management Team (SMT) which has a higher number of women than men (5 out of 8).

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 review of ways of working across the organisation to identify and promote increased flexibility in working practices has continued, supporting people to more effectively balance home and work commitments; and driving increased flexibility as the norm in roles at all levels of the organisation. The Our Ways of Working programme provides the means with which to take this work forwards. The Council's overarching plan has been reviewed and endorsed by Timewise, with Manchester now formally recognised as a 'Timewise Council'.
- Ongoing work as part of the Our People Strategy to enhance the Council's core learning and development offer and approach to supporting development and progression, with a particular emphasis on strengthening development opportunities for frontline staff.
- 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 in their current role. In addition to this offer further work is ongoing at a regional level around promoting part-time and flexible apprenticeships with a particular focus on single parent families affected by the introduction of Universal Credit as well as

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<sup>1</sup> ONS, Gender pay gap in the UK: 2019

<sup>2</sup> Source: Equality and Human Rights Commission, 2017 *The Gender Pay Gap*

others with caring responsibilities or disabilities that make full time employment problematic.

The Council's mean gender pay gap of 8.1% demonstrates a decrease from last year's figure of 9.0%. It is worth noting that all the available data indicates no significant change in the gender composition of our workforce in comparison to last year, and as such the analysis of the Council's gender pay gap remains much the same.

### *Ethnicity Pay Gap Reporting*

In October 2018, the Government launched its public consultation to bring forward its manifesto commitment to "ask large employers to publish information on the pay gap for people from different ethnic backgrounds". The consultation paper does not specify when the obligation might be introduced, however once this emerges and is ratified, the Council will amend its approach accordingly to ensure it is compliant.

### **Employment and the City**

As a major employer in the City and the wider City Region, the Council is committed to reflecting its broad social and economic policies in its employment strategy. It does so through the Manchester Living Wage (see below), its policy on recruitment and selection, the responsibility to achieve social value through procurement and commissioning frameworks, and its continued commitment to reducing worklessness.

The proportion of Council employees who live in the City as of December 2019 is circa 48%, 3,551 individuals. This means that they not only serve the people of Manchester but are also direct recipients of Council services and contribute their spending to the wider economy. The proportion of Council employees living in the wider Greater Manchester area is circa 91%, 6,687 individuals

### **Living Wage Employer**

The Council is concerned to ensure that wages (salaries) in the City can sustain families and individuals and underpin a thriving economy. In 2008 the Council adopted the Manchester Minimum Wage Agreement which defined and sets out the Council's policy with regard to its lowest paid employees.

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 City Council is also committed to the responsible management of its resources and is clear that the payment of the Living Wage by its suppliers and contractors must not result in any increased costs.*

On 11 November 2019 Manchester City Council was formally accredited by the Living Wage Foundation as a 'Living Wage Employer'. Also on 11 November, the Living Wage Foundation

announced the new real living wage hourly rate for the coming year of £9.30 per hour, an increase of 30p per hour. Accredited Living Wage Employers are required to implement the rise within six months. The Manchester Living Wage (MLW) will therefore be aligned to the new real living wage rate from 1 April 2020.

In April 2016 a new (statutory) National Living Wage was introduced by the Government which provides a supplement to the National Minimum Wage for those aged 25 and over. This rate of pay (£8.72 from 1 April 2020) is distinct from and currently below the current real Living Wage (£9.30).

The lowest rate of hourly rate of pay for a Council employee is currently £9.51 (SCP1) which is 21 pence per hour higher than the real living wage, reflecting the implementation of the NJC pay and grading structure. The Council is committed to paying a fair wage. It should also be noted that discussions are ongoing in relation to a national pay award for the period 2020/21 - any agreed pay award will increase the lowest hourly rate of pay accordingly.

### ***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 January 2020, 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 7.86:1. This represents a 3.8% reduction in the multiple as set out within the 2019/20 statement (8.17:1).

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.

### ***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, where necessary, consider engaging 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) which came into effect from 6 April 2017, and will conform to the changes proposed to take effect from April 2020.

### ***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.

#### **4. Remuneration**

Salary levels for the workforce are set via analytical mechanisms in accordance with the Council's Pay Policy. The Personnel Committee is ultimately responsible for setting remuneration for all roles within the Council's organisational structures up to £100,000 and for making appropriate recommendations to Council, at and above that level. For roles up to Grade 12, SCP 51 (circa. £55,000), salary levels are set under the delegated authority of the Council's Constitution, whilst for more senior roles the Council's Personnel Committee will approve, or commend to Council, salary levels on an individual basis in line with the policy on remunerating chief officers set out below.

For the purposes of this Pay Policy Statement remuneration of employees consists of their salary, additions to salary, and additional allowances. It does not include reimbursement of non-taxable expenses, which are paid on the basis of actual reasonable costs incurred.

The remuneration and main contractual conditions of all employees of the Council are linked to a national pay bargaining structure relevant to their role and status. All employees receive a salary set in accordance with the structures and the principles set out above.

Remuneration can include a number of other 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 and honoraria, which are time limited and 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 and relocation expenses). 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 with regard to the principle of value for money.

#### ***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. Information regarding salaries paid to senior roles is available within the information published on the Council's website. 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 2011, is also included within the Council's Annual Statement of Accounts.

Remuneration for this group as well as all those roles which have salaries higher than Grade 12, Spinal Column Point 51 in the Council's pay and grading structure is set or recommended by the Council's Personnel Committee<sup>3</sup>. Salary levels are proposed or agreed in accordance with an analytical 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 generally 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.

Where specific circumstances warrant consideration of a bonus payment to be included in a salary package, this would be subject to the approval processes detailed above and subject to Personnel Committee approval for roles above Grade 12, SCP 51 (and full Council where the total remuneration package exceeds £100,000). 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.

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<sup>3</sup> In addition to Manchester's chief officers, this group includes all those who fall under the statutory definition of 'Chief Officer' as set out in the Act.

## ***Recruitment and Retention***

The Council's policy with regard to recruitment, including the recruitment of senior officers and chief officers is set out within the Recruitment and Selection Policy agreed by the Personnel Committee. Any changes to the Recruitment and Selection Policy will be subject to a resolution of the Personnel Committee.

As indicated above, the Council aims to set appropriate remuneration 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 capacity (skills, qualifications, experience), notably in roles where there is a national or regional shortage of such capacity.

Where an addition to normal remuneration levels is set for a senior officer, to address specific market conditions or a specific need, in line with Market Rates Policy the Council will ensure the proposed remuneration for such a role, or group of roles, is objectively justified and either i) time limit the variation or ii) ensure that the requirement is kept under review.

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.

## ***Continuity of Service***

The GM Continuity of Service Protocol (the Protocol) was developed by the Greater Manchester Workforce Engagement Board during 2017 and was subsequently endorsed by the Greater Manchester Combined Authority and Greater Manchester Health and Social Care Partnership. The purpose of the commitment was to provide a collective commitment to, and common framework for, recognition of continuity of service for the purposes of access to contractual benefits. Its principal aim is to support and encourage recruitment and retention of staff within the GM Health and Social Care system, thereby helping to minimise gaps in workforce and avoid delays and costs of recruitment into core services.

At that meeting it was agreed that the Council would adopt the Protocol on a discretionary basis to allow continuity of service (across in scope organisations) for individuals in respect of service-based workforce terms, conditions and policies to support flexibility of movement and/or recruitment to difficult to fill posts.

The Protocol has now been fully adopted for relevant new starters with effect from 1st January 2020. Service with the following organisations will now count towards continuity of service:

- GM CCG organisations
- GM NHS bodies
- GM Councils (but initially excluding staff employed by schools)
- GM Combined Authority and its constituent bodies
- Greater Manchester Health & Social Care Partnership

- Transport for Greater Manchester (TfGM)

Statutory continuity of service, used for the purposes of determining access to statutory entitlements (including statutory redundancy pay) is outside the scope of the Protocol, as are pension arrangements. However, contractual continuity of service which determines access to a number of contractual benefits (including contractual redundancy pay, annual leave and occupational sick pay entitlement) is within scope.

### ***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 will be approved by Council before they are agreed. This policy applies to severance packages whether or not made 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.

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.

From April 2020 employers will be 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 will fully comply with this requirement.

### ***Exit Payment Cap and Pension Reforms***

The government has proposed various reforms to exit payments in the public sector which include:

- Recovery of exit payments made to high earners who leave the public sector on or after the implementation date if they return to the public sector within 12 months of leaving.
- The fixing of a cap on exit payments made to employees departing public sector employers.

Consultation on draft legislation closed on 3 July 2019; we continue to await the Government's response on this and any associated reform of redundancy payment limits and related pension scheme provisions.

Alongside the above measures the government is introducing a new framework to ensure that a fair and appropriate level of compensation is provided for employees who are required to leave public sector jobs, whether on a mutually agreed or voluntary basis, or through compulsory redundancy. These reforms will apply to the majority of the public sector workforce, including civil servants, teachers, NHS workers, local government workers, armed forces personnel, police officers and firefighters.

The option to adopt the new framework across the sector on a voluntary basis has been available since summer 2017. However, much of the detail is still emerging, including how these areas will be incorporated into specific pension schemes, such as the Local Government Pension Scheme (LGPS). Once this emerges and is ratified, the Council will amend its approach accordingly to ensure it is compliant.

### ***Re-engagement***

The Council has an existing policy on the re-engagement of employees who have left the Council under voluntary early retirement or voluntary severance. This policy sets out that those employees who have left under such terms will not be re-engaged by the Council for a minimum period of 2 years from the date they left employment on these grounds. Changes to this policy will be subject to agreement by the Personnel Committee.

On 26 November 2014 the Personnel Committee agreed an amendment to this re-engagement policy to allow staff who have left the organisation through voluntary early retirement or voluntary severance to fulfil any role that is required by the Electoral Registration Officer in respect of electoral registration or the delivery of a local or general election, provided that the return is on a time-limited basis and is confined to duties in connection with the election or electoral registration within a two year time period after the termination of their employment.

The Council will also have regard to the Local Government Redundancy Modification Order, where a severance payment has been made and the employee is re-employed by another local authority or prescribed body within four weeks of leaving the Council. The Council does not extend its non re-engagement policy to the wider public sector. The Council will have regard to the proposed changes affecting public sector exit payments referred to above.

### ***Flexible Retirement***

The Council's approach to flexible retirement is set in accordance with the Local Government Pension Scheme (LGPS) (Amendment) Regulation 2006, Section 17.

Any employee of the Council who is a member of the LGPS and who is aged 55 or over can reduce their hours or grade and draw their pension benefits whilst continuing in employment. Approval for this must be sought from the appropriate senior officer, which will be the Deputy Chief Executive and City Treasurer and Executive Member for Finance and Human Resources where there is a cost to the Authority. Where there is no cost to the authority approval will be via the Deputy City Treasurer. In accordance with scheme regulations, Pension benefits may be actuarially reduced if they are paid before an individual's normal retirement age.



## **5. 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 19.8% 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.

### **FTE - Full Time Equivalent**

This term relates terms of employment (e.g. part time hours) to that applying to an employee who is full time.

## **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 making sure the service is working effectively. An approval process is in place for any payments made.

Any honorarium payment made to an employee above Grade 12 (currently £54,674) and beyond a 12 month period must be approved by Personnel Committee.

## **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 empty posts, casual members of staff, contractors, and other non-employees are not used for the purposes of this calculation. The current median salary is £25,801.

## **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 ground 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

## Appendix A: Pay & Grading Structure 2020/21

Grade	SCP	Basic Pay	Grade	SCP	Basic Pay	Grade	SCP	Basic Pay		
Grade 1	1	£17,364	Grade 7	26	£29,636	SS1**	11	60,857		
	1A*	£17,520		27	£30,507		12	62,066		
Grade 2	2	£17,711		28	£31,371		13	63,307		
	3*	£18,065		29	£32,029		14	65,865		
Grade 3	4	£18,426		30*	£32,878		SS2**	21	68,526	
	5	£18,795		31	£33,799			22	69,898	
	6*	£19,171		32	£34,788			23	71,295	
Grade 4	7	£19,554		Grade 8	33		£35,934	SS3**	24	74,175
	8	£19,945			34		£36,876		31	78,715
	9	£20,344			35*		£37,849		32	80,289
	10	£20,751	Grade 9		36	£38,813	33		81,895	
11*	£21,166	37		£39,782	34	87,217				
Grade 5	13	£22,021		38	£40,760	41	95,953			
	14	£22,462		39	£41,675	42	97,872			
	15	£22,911	40*	£42,683	43	99,829				
	17	£23,836	Grade 10	41	£43,662	44	101,827			
19*	£24,799	42		£44,632	45	105,940				
Grade 6	21	£25,801	Grade 11	43*	£45,591	SS4**	51	124,126		
	22	£26,317		44	£46,851		52	127,357		
	23	£26,999		45	£47,858		53	132,664		
	24	£27,905		46	£49,078		SS5**	54	142,582	
	25*	£28,785		47*	£50,136			DCX	153,000	
				Grade 12	48		£51,305	CEX	202,878	
		49	£52,410							
		50	£53,535							
		51*	£54,674							

\* Progression subject to competency review

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