

Appendix 19 Pay Policy Statement 2020/21

Pay Policy Statement 2020/21

Pay Policy Statement for the Year 2020/21

The Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The Pay Policy Statement has also been revised to take into account the Council's approach to approval by Full Council for severance payments in excess of £95K in line with guidance received from the Department for Communities and Local Government (DCLG). This pay policy applies for the year 2020/21 unless replaced or varied by Full Council.

It does not cover teaching staff whose salaries and terms and conditions of employment are set by the Secretary of State. Academy Schools are an entirely separate legal entity from the Council and are covered by Academies Act 2010 and as a separate employer are responsible for setting salaries for their employees.

The purpose of the Pay Policy Statement is to ensure transparency and accountability with regard to the Council's approach to setting pay. The Pay Policy Statement has been approved by Council and is publicised on the Council's website in accordance with the requirements of the Localism Act 2011 in March each year.

Underlying Principles

The Council is committed to and supports the principle of equal pay for all our employees. Equal pay between men and women is a legal right under both United Kingdom and European Law. The Equality Act 2010 requires employers not to discriminate on grounds of the nine protected characteristics.

The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment.

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The Pay Policy Statement identifies:

- The method by which salaries and severance payment are determined.
- The detail and level of remuneration of the Council's most senior managers i.e. Chief Executive and Leadership Team, which accords with the requirements of the Localism Act 2011.
- The process for ensuring that the Pay Policy Statement is applied consistently, including the Staffing Panel which has delegated powers in relation to senior manager pay and employment.
- The detail and level of remuneration for the lowest level of employee.
- The ratio of pay of the top earner and that of the median earner.

It should be noted that the Pay Policy Statement does not include information relating to the pay of Teachers or Support Staff in schools who are outside the scope of the Localism Act 2011.

This Statement complies with all statutory and legal requirements.

In this policy we use the term "Senior Manager" to mean the same as "chief officer" as described in the Localism Act 2011. The Council already separately publishes information about pay and average pay, which is also set out here.

Highest Pay (per annum)	£177,164.00 p.a. (fte)
Average Pay (per annum)	£26,311.23 p.a. (fte) (based on mean) £23,981.76 p.a. (fte) (based on median)
Pay difference (between average & highest pay)	£150,852.77 (based on mean) £153,182.24 (based on median)
Pay Multiple (ratio between the average and the highest pay)	6.7:1 (based on mean) 7.4:1 (based on median)
Pay Multiple (ratio between the lowest and the highest pay)	10.2:1

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1. Policy on the remuneration of its Senior Managers

Chief Executive and Chief Officers conditions of service are in line with the Joint Negotiating Committees for Chief Executives and Chief Officers. The pay levels for the Chief Executive and Directors are determined by the Council's Senior Staffing Panel on appointment, having regard to the Council's duty to ensure best value and after taking professional advice on pay levels, market conditions and other relevant employment factors.

Assistant Director pay is determined by a job evaluation process, which was undertaken in 2011. The scheme used was one designed by the Local Authority Employers Organisation, which advises Councils at a national and regional level on employment and pay issues.

There is an intention to undertake an external review of Senior Managers salaries in 2020/21 to ensure salaries remain competitive and equal pay compliant. Any remuneration package in excess of £100K will be determined by Council.

Other than allowable out of pocket expenses, the Council does not make other payments to Senior Managers in addition to basic salary for undertaking their core role. Overtime is not payable to Senior Managers.

2. Policy on the remuneration of its lowest paid employees

In this policy, we use the definition of lowest paid employee as being those paid on spinal column point (SCP) 1 of the National Joint Council for Local Government Services, plus the Living Wage (LW) supplement payment where SCP 1 is below the LW rate, which was introduced within the Council pay structure in September 2016. We use this because it is the lowest substantive pay grade used for local authority employees.

Our policy is that an employee would normally only be paid at this rate if they were in the first year of appointment to a post which has been evaluated under the national scheme for evaluating local authority jobs. The Council uses the nationally agreed job evaluation scheme for employees of local authorities which is used by a large proportion of other local authorities.

Once someone has been in post a year they will, subject to satisfactory performance, move to the next increment in the pay scale. Increments are payable each year on 1 April, until the maximum point of the grade is reached.

The Council's pay structure is available on the website at <http://www.tameside.gov.uk/paystructure>

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3. **Policy on the relationship between -**
 - (i) **the remuneration of its Senior Managers, and**
 - (ii) **the remuneration of its employees who are not Senior Managers**

The Council has no formal policy on the relationship between the remuneration of Senior Managers. The Hutton review entitled Fair Pay in the Public Sector considered the multiple should be no greater than 20 to 1 (lower is better) and based on the current situation the Council falls well below this threshold. The authority does not have a policy on maintaining or reaching a specific 'pay multiple', however, the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority. These pay rates may increase in accordance with any pay settlements which are reached through their respective national negotiating bodies.

At Tameside, the pay multiple between the Chief Executive's pay and the lowest paid employee in the organisation is 10.2:1 and is therefore well within this recommended range.

4. **Policy relating to the remuneration of Senior Managers on recruitment**

All posts are subject to the Council's recruitment and selection process for job appointments, including promotion. Appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied if it is necessary to secure the best candidate. When recruiting to all posts the Council will take full and proper account of all provisions of relevant local government, employment and equalities legislation.

On occasions, the Council may need to consider market forces supplements for employees, which might include Senior Management posts. Authorisation arrangements for market forces supplements would be subject to approval by the Senior Staffing Panel. No such supplements are currently in place.

The Council will ensure that before an offer of appointment is made, any salary package for any post that is in excess of £100,000 is considered by full Council.

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5. Policy relating to increases and additions to remuneration for each Senior Manager

Senior Managers are paid at a spot rate salary. The majority of Council staff receive nationally agreed pay awards when they are applied. These do not apply to Senior Managers at Assistant Director level and above. The Senior Staffing Panel make the determination as to whether and when there is to be an increase in the current spot rate salaries. Assistant Director's and Directors received a 2% pay increase to reflect the national pay award in 2019/20. The Chief Executive has received a 2% pay award in 2019/20 to reflect the national pay award.

6. Policy relating to the use of performance related pay for Senior Managers

The Council does not pay performance related pay to Senior Managers or any other member of the workforce. The Council believes that it has sufficiently strong performance management arrangements in place to ensure high performance. Any areas of under-performance would be addressed through the capability/disciplinary procedure as appropriate.

7. Policy relating to the use of bonuses for Senior Managers

The Council does not pay bonuses to Senior Managers or any other member of the workforce and does not intend to introduce any bonus schemes.

8. The approach to payment of Senior Managers on their ceasing to hold office under or to be employed by the Authority

The approach to payment of Senior Managers is the same as those which apply to all Council employees.

Currently, the Council operates a scheme where employees may apply for voluntary severance. Payments under the scheme are capped at a maximum of 30 weeks' pay (based on the rate of pay set in 2013) for all employees, including Senior Managers. Any applications within this scheme are subject to approval by Director (Governance & Pensions). As indicated within the Voluntary Severance Scheme, the Director (Governance & Pensions) is authorised to consider any exceptions where a robust business case exists to do so in the interests of the organisation.

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Employees who take severance under the scheme are advised that they do so on the basis that the Council will not re-employ them and they contractually commit to returning any severance costs should they apply for any jobs with the Council, including any Community School or Voluntary Controlled School, within 12 months of their leaving date.

Compensation payments for loss of office are considered in situations where an employee's post becomes at risk and/or the employment relationship is no longer tenable. A maximum payment of 12 weeks applies to all employees, including Senior Managers.

The Council's approach is to treat each case on its individual merits, taking professional advice on the appropriateness, and ensuring that all payments represent value for money to the taxpayer.

Employees who are 'at risk', having been displaced from their role, currently have a 4 week period from the date they are notified to access the Voluntary Severance Scheme, with the additional loss of office payment in some circumstances. If an employee does not choose to access the Voluntary Severance Scheme they will be supported in securing alternative employment. If the secured employment is at a grade lower than their previous post they will be assimilated to the new grade at the top spinal column point and receive pay protection up to their previous salary rate for a maximum period of 6 months.

No severance package will be made in excess of £95K. The components of any such package will be clearly set out and will include pay in lieu of notice, redundancy payment, pension release costs, settlement payments, holiday pay and any fees or allowances paid.

9. Transparency

The Council meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.

Senior Managers' pay is published on the Council's website each year. The current pay rates for senior managers are available at: <http://www.tameside.gov.uk/transparency>

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10. Gender Pay Gap

From April 2017, gender pay legislation requires employers (public, private or voluntary sector) with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

There are two sets of regulations which impose the mandatory gender pay gap reporting obligations on employers:

- The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017
- The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

The legislation requires the following 6 measures to be reported:

1	Mean gender pay gap	The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
2	Median gender pay gap	The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
3	Mean bonus gap*	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
4	Median bonus gap*	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
5	Bonus proportions*	The proportions of male and female relevant employees who were paid bonus pay during the relevant period
6	Quartile pay bands	The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

*Measures 3, 4 and 5 are not reportable at Tameside Council as there are no bonus payments.

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As at 31 March 2018 a snapshot of the Council's workforce (including all employees, apprentices and casual staff in post) provides:

Mean gender pay gap	+2.37%																										
Median gender pay gap	-8.92%																										
Mean bonus gap	N/a																										
Median bonus gap	N/a																										
Bonus proportions	N/a																										
Quartile Pay Bands	<table border="1"> <thead> <tr> <th>Quartile</th><th>Male</th><th>Female</th><th>Grand Total</th></tr> </thead> <tbody> <tr> <td>Lower (0–25% of full-pay relevant employees)</td><td>264 (42.2%)</td><td>361 (57.8%)</td><td>625 (100%)</td></tr> <tr> <td>Lower Middle (25–50% of full-pay relevant employees)</td><td>231 (36.9%)</td><td>395 (63.1%)</td><td>626 (100%)</td></tr> <tr> <td>Upper Middle (50–75% of full-pay relevant employees)</td><td>177 (28.3%)</td><td>448 (71.7%)</td><td>625 (100%)</td></tr> <tr> <td>Upper (75–100% of full-pay relevant employees)</td><td>246 (39.4%)</td><td>379 (60.6%)</td><td>625 (100%)</td></tr> <tr> <td>Grand Total</td><td>918 (36.7%)</td><td>1583 (63.3%)</td><td>2501 (100%)</td></tr> </tbody> </table>			Quartile	Male	Female	Grand Total	Lower (0–25% of full-pay relevant employees)	264 (42.2%)	361 (57.8%)	625 (100%)	Lower Middle (25–50% of full-pay relevant employees)	231 (36.9%)	395 (63.1%)	626 (100%)	Upper Middle (50–75% of full-pay relevant employees)	177 (28.3%)	448 (71.7%)	625 (100%)	Upper (75–100% of full-pay relevant employees)	246 (39.4%)	379 (60.6%)	625 (100%)	Grand Total	918 (36.7%)	1583 (63.3%)	2501 (100%)
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Tameside's mean gender pay gap is +2.37% meaning that overall females have lower pay than males. Whereas, Tameside's median gender pay gap is -8.92% meaning that overall females have higher pay than males.

The mean gender pay gap has reduced marginally from +2.59% in 2018, whilst the median gender pay gap has increased marginally from -8.47% in 2017, demonstrating that the Council is continuing to support women to achieve higher pay.

Tameside's negative median gender pay gap shows that females are paid more than males, due to the high percentage of females in the middle quartiles. Over half (50%) of females are in the middle quartiles.

However, overall there is a higher percentage of males in the highest paid jobs (27%), compared to 24% of females which results in a positive mean gender pay gap where men are paid more, with women earning 2.37% less per hour than their male counterparts.

The Council is committed to reducing the gender pay gap and will continue monitor and review recruitment and reward processes, develop career pathways to enable and support career progression and continue to support flexible working and family friendly policies to enable both men and women to progress within the workforce.

11. Commitment to The Living Wage

The Council is committed to becoming an accredited Living Wage Foundation Employer. The Living Wage is a rate of pay per hour, which is enough to make sure workers and their families can live free from poverty.

The Council implemented the Living Wage Foundation rate of pay in September 2016 for all employees (excluding apprentices, work placements and traineeships, which have been created to enable access to the work place training and job opportunities). This is paid by means of a supplement to Council employees whose hourly rate of pay falls below the nationally set rate, as required annually.

This rate will continue to be reviewed in line with the nationally negotiated NJC pay award.

The Council will encourage and promote all employers, both directly and through their subcontractors, to pay a Living Wage, and promote the Living Wage principles when there are opportunities to do so in the Borough.

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The Council strives to make Tameside a better place and is of the view that payment of a Living Wage can have a positive impact on the delivery of services as well as economic and social benefits in the Borough.

The Council is committed to providing better quality value for money services and feels the payment of the Living Wage Foundation will contribute to this goal.

12. Pension Enhancement

The Council has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. It is not Council policy to apply the available discretions to award additional pension to any members of the pension scheme (regulation 31).

13. Re-employment of Staff

The Council is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.

In recent years significant numbers of individuals have left the Council voluntarily on enhanced exit payments owing to the significant reduction in its budget. These exit payments have helped unlock substantial reductions in staff costs in the medium to longer term and have helped in meeting the challenge of reducing the deficit. However, given the scale of the costs associated with exit payments it is vital that they offer value for money to the taxpayer who funds them.

As it would be reputationally damaging to the Council to use public funds for employees to receive exit payments and then quickly returned to public sector roles, the Council has a policy that any employee who returns to the Tameside public sector or on public sector contracts or agency work within 12 months of exit are required to repay their exit payment. This is in line with government guidance to ensure that the taxpayer is not unduly compensating an individual for loss of employment only for them to return to the public sector after a short period of time hence getting a windfall. Employees who have received an enhanced exit package can accept employment with the Council but where they do this within 12 months of signing a compromise agreement they are will be obliged to repay their exit package.

If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the Council. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist.

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The Council will also apply the provisions of the Statutory Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant and appropriate. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

The authority will apply the provisions of the Recovery of Public Sector exit payments in accordance with any regulations made under The Enterprise Act 2016 and any other applicable legislation and guidance.

14. Policy Amendment

The Council may seek to change elements within the pay policy as part of any necessary efficiency review or as other circumstances dictate.

This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

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15. Pay Policy References

- Agency workers directive 2011
- Hutton Fair Pay in the Public Sector Final Report (March 2011)
- Joint Negotiating Committee for Local Authority Chief Executives
- Joint Negotiating Committee for Chief Officers of Local Authorities
- Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006
- Local Government Pension Scheme (Benefits, Membership Contributions) Regulations 2007
- Localism Act 2011
- National Joint Council for Local Government Services
- Tameside Borough Council Scheme of Delegation
- The Accounts and Audit (England) Regulations (2011)
- The Equality Act 2010
- The Secretary of State for CLG Code of Recommended Practice for Local Authorities on Data Transparency
- Local Government Transparency Code 2014
- HM Treasury Recovery of Public Sector exit payments consultation response