Stockport Metropolitan Borough Council

Annual Pay Policy Statement 2022/23

1. Introduction

1.1 This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The statement also has due regard for the associated statutory guidance including supplementary guidance issued in February 2013 and the Local Government Transparency code 2014. The statement also incorporates the Councils Gender Pay Gap (GPG) information as the Council is now required to publish this on an annual basis under the GPG reporting requirements.

1.2 The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding teaching staff working in local authority schools) by confirming the methods by which salaries of all employees are determined; the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation; the responsibility of the Appointments Committee to ensure the provisions set out in this statement relating to the Chief Executive, Deputy Chief Executive, Corporate Directors and Service Directors are applied consistently throughout the Council and recommend any amendments to the Council.

1.3 Once approved by the full Council, this policy statement will come into effect from the following April and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31 March each year.

2. Other legislation relevant to pay and remuneration

2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings Protection of Earnings) Regulations [TUPE].

3. Background

3.1 Despite the volatile, complex and uncertain environment the Council remains committed to developing its Medium-Term Financial Plan (MTFP) Strategy to address the financial challenge over the medium

term period. It is important that whilst dealing with the uncertainty at a national level, the Council ensures its financial planning for the medium to long term is robust. Key to this is the MTFP Strategy which focuses on five themes which are being used to frame the choices the Council has to make over the medium-term period to address the identified savings requirement.

3.2 It is recognised the decisions that need to be made about the services the Council delivers and how it delivers them in the future will be difficult. However, the Council must balance its ambitions for Stockport against the immediate financial and demand pressures. To support this approach, it is important that the MTFP Strategy continues to link to the priorities set out in the Council Plan to ensure the Council continues to deliver the desired outcomes for residents.

3.3 Whilst the Council remains committed to the ongoing transformational change needed to service delivery models to move the Council to a self-sustainable funding model, it recognises this will be a long-term process. Alongside this, to address the immediate savings requirement, the Council will bring forward a savings programme which will complement the transformational change plans to address the medium-term financial challenge. The Council has already delivered over £100 million savings since 2011/12.

3.4 The financial challenge presented by the impact of the Covid-19 pandemic is unprecedented and the Council will continue to assess and refine the financial impact forecasts as a result. The financial landscape is increasingly uncertain, complex and incredibly volatile. There is a recognition across Greater Manchester that the financial legacy of the pandemic will continue beyond 2020/21. The Council will ensure that the financial impact of the pandemic is factored in to the MTFP to provide a robust basis on which future financial decisions can be made.

3.5 Stockport Council clearly recognises the complex, challenging and competing drivers underpinning public sector remuneration, especially at a senior level, including:

- The financial constraints of the public purse and imperative to demonstrate value for money at all times
- The organisation's obligations under equal pay legislation
- The importance of attractive terms and conditions to enable the Council to recruit and retain quality staff

3.6 The Council has reviewed elements of its pay and grading arrangements which relate to terms and conditions of employment in order to ensure these are fit for purpose and meet the current needs of the Council. This has resulted in the following changes:

- Removal of the subsidised car leasing scheme by 30 September 2014

- Increase in employee car parking charges which was initially linked to the introduction of a salary sacrifice arrangement to help minimise the impact on employees (although salary sacrifice can no longer be used for this purpose from April 2018)
- As a result of a Council wide review of additional allowances such as home working, broadband and fuel, these allowances have been removed
- Introduction of control procedures, through the workforce deployment panel, in order to scrutinise and monitor recruitment and other employee related expenditure across the Council
- A review of employee car allowances and car parking was completed in 2015/16. This ensures car allowances are only paid where this is appropriate to the current job role and that car park passes are allocated on the basis of usage in current job role. Robust criteria on qualification for both are now in place and this has been kept under review, (however it should be noted that some car parking charges were temporarily suspended at the start of the pandemic in April 2020)
- Implementation of the new national pay spine from 1 April 2019

4. Pay Structure

4.1 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". The Council's pay and grading structures were determined following a comprehensive pay and grading review. The Council uses the Greater London Provincial Council job evaluation scheme for job roles up to senior officer level and the HAY job evaluation scheme for management roles. This ensures that there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of the grades of posts according to the requirements, demands and responsibilities of the job role. The Council's pay and grading structures are subject to ongoing review.

4.2 The Council uses the nationally negotiated pay spine(s) (i.e. a defined list of salary points) as the basis for its local pay structure, which determines the salaries of the large majority of its (non-teaching) workforce together with the use of locally determined rates where these do not apply. To view the Council's current National Joint Council (NJC) pay structure follow this link.

Pay/NJC20April202020-21

4.3 The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with joint trade unions.

4.4 In September 2020 the NJC agreed the national pay award of 2.75% for 2020/21. This award was effective from 1 April 2020 and was paid in October 2020 salaries.

4.5 At the Council meeting on 25 April 2013 a decision was supported by all members of political parties to approve the implementation of the Living Wage, for Stockport Council and Schools employees, as determined by the Living Wage Foundation. The Living Wage was therefore introduced across the Council and Schools from 1 April 2014. This is paid to employees as a supplement to their salary in order to preserve the integrity of the Councils pay and grading arrangements. The Council and Schools continued to pay a living wage supplement to lower paid employees up to 31 March 2019.

4.6 The immediate impact of implementing the new 2019 pay spine in Stockport was to negate the need for the Council and Schools to pay a Living Wage supplement to employees as the minimum hourly rate in the new pay spine is £9.00 per hour which matched the Living Wage Foundation rate. We have recently applied for formal accreditation as a living wage employer to the Living Wage Foundation and are working to complete this accreditation as soon as possible.

4.7 The NJC pay award of 2.75% for Local Government Services increased the lowest spinal point on the pay scale, point 1, from £9.00 to £9.25 per hour. However, this was below the Living Wage Foundation rate of £9.30 per hour. Therefore, to ensure the previous Council decision is applied and employees, across the Council and in Schools, are paid a minimum rate equivalent to the LWF rate a living wage supplement was applied to spinal point 1 to bring this rate to £9.30 per hour, from 1 April 2020. The national negotiations on the April 2021 are not yet concluded. The national employers made a final offer of 1.75% which has been rejected by the trade unions who are currently balloting on strike action.

4.8 The new Living Wage Foundation rate was announced in November 2021 at £9.90 per hour. Employers are required to implement the rise as soon as possible and within 6 months.

4.9 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with the collective bargaining machinery.

4.10 In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

4.11 It should be noted that the Council employs Apprentices [or other such categories of workers] who are not considered within the definition of ‘lowest paid employees’ and to whom the Living Wage supplement doesn’t not apply as they are employed under a separate training contract which impacts on their pay, recruitment and training. There are also separate levies on employers for the support and training of

apprentices. The Council has a strong track record of supporting the apprenticeship agenda, is consistently able to recruit high numbers of good caliber apprentices and has been able to offer ongoing employment to a number of apprentices in Council job roles.

4.11 New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied where necessary to secure the best candidate. For posts at Chief Executive, Deputy Chief Executive, Corporate Director and Service Director level, the Appointments Committee must approve commencing salaries above the minimum of the pay scale.

4.12 From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate.

4.13 Any supplement to the salary scale for the grade must have appropriate senior management and elected member approval, in line with the Council policy.

5. Senior Management Remuneration

5.1 Employment arrangements for chief officers are linked to the relevant national agreements including the National Joint Council for Chief Executives and National Joint Council for Chief Officers. It should be noted that pay awards are determined through these national negotiating arrangements and there were no pay increases awarded nationally to these groups from 1 April 2008 to 31 December 2014. From 1 January 2015 a 2% pay award was agreed, for these groups, although this only applied to salaries of £99,999 or less. Salaries above this amount were therefore unchanged. From 1 April 2016 a 1% pay award was agreed for these groups and a 1% increase was also agreed from 1 April 2017. The pay award from 1 April 2018 was agreed at 2% and 2% was also agreed for 2019. The national pay award for 2020 was agreed at 2.75% which is in line with other NJC pay awards. The national negotiations on the April 2021 are not yet concluded. The national employers made a final offer of 1.75% which has been rejected by the trade unions who are currently balloting on strike action.

5.2 In accordance with the Constitution of the Council, the Appointments Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to the Chief Executive, Deputy Chief Executive, Corporate and Service Directors of the Council.

5.3 For the purposes of this statement, senior management means ‘chief officers’ as defined within the Localism Act. The posts falling within the statutory definition are set out below, with details of their current basic salary:

5.3.1 Chief Executive

The salary falls within a range of 10 incremental points between £153,945.62 rising to a maximum of £185,440.30. The salary is inclusive of responsibility as Returning Officer for local elections and Electoral Registration Officer. Additional fees, determined by the Electoral Commission, are payable in the event of Parliamentary or European elections. The pay rate quoted was effective from 1st April 2020 as no agreement has yet been made on pay increases in local government from 1st April 2021.

5.3.2 Corporate Director and Deputy Chief Executive

The salary of posts designated as Corporate Director and Deputy Chief Executive falls within a range of 10 incremental points between £110,086.88 rising to a maximum of £130,413.76. Again, this pay rate was effective from 1st April 2020 as no agreement has yet been made on pay increases in local government from 1st April 2021.

5.3.3 Service Directors

The salary of the post designated as Service Director falls within a range of 10 incremental points between £83,737.17 rising to a maximum of £104,989.89. As above this pay rate was effective from 1st April 2020 as no agreement has yet been made on pay increases in local government from 1st April 2021.

5.4 The arrangements and factors considered in determining an individual's progression through the relevant pay scale are set out in the Performance Development Review policy document for senior officers.

5.5 Where the Council is unable to recruit chief officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council may, where necessary, consider engaging individuals under a 'contract for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any chief officers engaged under these arrangements.

5.6 The Council will take care when engaging people essentially to perform the role of an employee to avoid, contractual arrangements which could be perceived as being primarily designed to reduce significantly the rate of tax paid by the person. The Council does not have any such arrangements, nor will it enter in to any such arrangements.

5.7 Details of senior pay can be found on the Council Transparency pages https://data.gov.uk/dataset/stockport-council-senior-salaries

6. Recruitment and Remuneration of Chief Officers

6.1 The Council's policy and procedures with regard to recruitment of chief officers are in accordance with Parts 3 and 4 of the Constitution.

6.2 When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own equality and HR Policies as approved by Council.

6.3 The determination of the remuneration to be offered to any newly appointed Chief Executive, Deputy Chief Executive, Corporate or Service Director will be in accordance with the pay structure and relevant policies in place at the time of recruitment. In accordance with the Localism Act, where the proposed annual salary package is £100,000 or more the Council offers the decision to a meeting of the full Council, before the appointment is confirmed. Currently this only applies to the posts of Chief Executive, Deputy Chief Executive, Corporate Directors and Service Directors. The requirement to approve salary packages above £100,000 only applies to new appointments and does not apply to existing senior managers.

6.4 The Council continues to review annually the delegation of Appointment Committee to act as the responsible group of elected members to fulfil the responsibility for the application of the pay policy for senior managers. Any changes in policy developed by the Appointments Committee must be agreed by full Council, in accordance with the legislation.

7. Additions to Salary of Chief Officers

7.1 With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, which is assessed on an annual basis, the level of remuneration is not variable dependent upon the achievement of defined targets except that progression to the upper range is subject to exceptional performance. The Council does not operate a bonus related pay scheme.

7.2 To meet specific operational requirements, it may be necessary for an individual to temporarily take on additional duties to their identified role. Any additional remuneration will be in accordance with Council's HR policies.

7.3 In addition to basic salary Chief Officers are entitled to receive certain allowances in accordance with their terms and conditions of service and the relevant Council policies where appropriate. The Corporate Directors with DCS (Director of Children's Services) and DASS (Director of Adult responsibilities receive a payment in recognition of their Statutory Officer responsibilities as does the Corporate Director with Section 151 financial responsibilities.

8. Payments on Termination

8.1 The Council's approach to statutory and discretionary payments on termination of employment of the Chief Executive, Deputy Chief Executive, Corporate and Service Directors, prior to reaching normal retirement age, has previously been in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 [and if adopted] Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

8.2 However from 4 November 2020 the government introduced the Restriction of Public Sector Exit Payments Regulations 2020 to force the exit payment cap, set at £95k, legislated for in the Small Business, Enterprise and Employment Act 2015. The timing of these regulations presented an issue both for councils and for employees. The cap came into force ahead of the Ministry of Housing, Communities and Local Government (MHCLG) changing the rules of the Local Government Pension Scheme (LGPS) which meant that the two sets of regulations were in conflict. The government later withdrew the legislation because of 'unintended consequences' but made clear that they still intend to introduce legislation in line with the principle of restricting exit payments and it is anticipated that the replacement legislation will be introduced shortly.

8.3 In accordance with corporate policy the Council will not re-employ or re- engage on a contract for service chief officers who have taken an enhanced severance package for a period of three years from their date of termination.

8.4 The Council will also have regard to the Local Government Modification Order where a severance payment has been made and the individual is re-employed.

9 Pay Multiples

9.1 At 1 October 2021 the median full time equivalent salary within the Council is £28,672. The pay multiples for the current policy are set out below, as at 1 October 2021. Two calculations are provided:

- the ratio between the highest paid salary (£160,944.44) and the median salary of the whole of the workforce (£27,878). This multiple is 1:5.77, which is slightly higher than last year's figure of 1:5.61

- the ratio between the highest paid salary (£160,944.44) and the current lowest salary (£17842). This multiple for 2021/22 is 1:9.02. This multiple is a slightly higher than the 20/21 figure of 1:8.97.

9.2 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the council will use available benchmark information as appropriate.

10 Gender Pay Gap (GPG) reporting

10.1 From 2017 public sector organisations including government departments, the armed forces, local authorities and NHS bodies and most schools with 250 employees or more must publish and report specific figures about their gender pay gap. The GPG is the difference between the average earnings of men and women, expressed relative to the men's earnings e.g. women earn 15% less than men per hour. The figures are calculated using a specific reference date or "snapshot date." This date is the 31 March each year and organisations must publish this information on their public facing web site within 12 months.

10.2 Schools with 250 or more employees must report and publish their own information and will not be included in the local education authority's GPG reporting. In Stockport there are currently no schools with 250 or more employees and are not therefore required to report on their GPG.

10.3 The information which must be published is: mean gender pay gap in hourly pay: median gender pay gap in hourly pay: mean bonus gender pay gap: median bonus gender pay gap: promotion of males and females receiving a bonus payment: promotion of males and females in each pay quartile. A point to note is that Stockport Council does not have any pay bonus schemes.

10.4 The Council agreed to include the GPG information in the Annual Pay Policy Statement. In order to ensure compliance with the requirements and that data included is consistent AGMA Councils have agreed a common data set. The majority of other AGMA Councils will also publish their GPG information as part of their Pay Policy Statement and therefore AGMA comparative figures will be published by 31 March 2022.

10.5 Stockport is a supportive and flexible employer with a range of flexible working patterns and models available to employees, these include, flexible working, term time, part time, job share, agile and home working along with a "blind" recruitment process. The flexibility agreed with employees in terms of working patterns has also increased during the pandemic to reflect difficulties with childcare and homeschooling and many employees working from home. Stockport also has a number of female role models in senior leadership and management positions. The Council's GPG is low with only small percentage differences. The mean difference in the 2021 hourly rate is 1.32% which is lower than the 2020 figure of 1.86%. The median hourly rate difference for 2020 is -0.36% which changed from 2.57% in 2019, this shows that for the first time in Stockport the median hourly rate is higher the female workforce. Full details are shown in appendix one. Work will continue to improve the GPG including: identifying areas where it is difficult for female workers to access, improving career development opportunities

and continuing to work with AGMA colleagues to learn from good practice.

11 Future Legislation

11.1 The Council will fully comply with changes to legislation in relation to remuneration should legislation change.

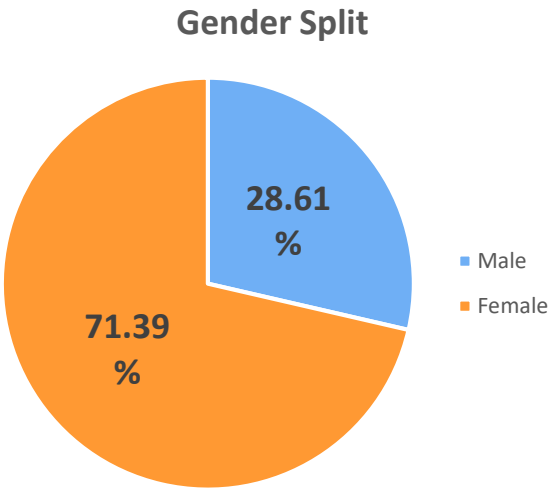
12 Publication

12.1 Upon approval by the full council meeting, this Pay Policy Statement will be published on the council website.

Appendix 1

Stockport Council Gender Pay Gap Reporting 31st March 2021

Headcount (number of occupancies)		
Male	897	28. 61%
Female	2238	71.39%
Total	**3135**	



Difference in Mean Hourly Rate of Pay

Male £15.89

Female £15.68

(£15.89 - £15.68) x 100 = 1.32%
£15.89

Difference in Median Hourly Rate of Pay

Male £14.01

Female £14.06

(£14.01 - £14.06) x 100 = -0.36%
£14.01

Gender Pay Gap difference in hourly rate

Women's hourly rate is:

1.32%	**0.36%**
Lower (Mean)	**Higher (Median)**

Proportion of Male and Female Employees According to Quartile Pay Bands

Quartile	Hourly Rate Range	Male	Female	Men	Women
Upper	£17.99 - £85.17	245	538	31.29%	68.71%
Upper Middle	£14.02 - £17.99	193	591	24.62%	75.38%
Lower Middle	£11.27 - £14.01	231	553	29.46%	70.54%
Lower	£4.55 - £11.27	228	556	29.08%	70.92%
Total		**897**	**2238**		

*additional information not required to be reported

Gender Split within each Pay Quartile

Upper Quartile

31.29% **Men** | **68.71%** **Women**

Upper Middle Quartile

24.62% **Men** | **75.38%** **Women**

Lower Middle Quartile

29.46% **Men** | **70.54%** **Women**

Lower Quartile

29.08% **Men** | **70.92%** **Women**

