

Stockport Metropolitan Borough Council

Annual Pay Policy Statement 2024/25

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 Council's Gender Pay Gap (GPG) information in order to fulfill the Council's obligation 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 Council 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, Executive Director and 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, including 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 The economic environment continues to be challenging and the Council remains committed to developing its Medium-Term Financial Plan (MTFP) Strategy to address the financial challenges.

- 3.2 The financial consequences presented by the UK economic situation and the cost of living crisis, local government financial settlements and the costs associated with the Covid-19 pandemic means that the financial landscape remains uncertain with the Council continuing to adapt in order to provide a robust basis on which future financial decisions can be made.
- 3.3 In addition to on-going financial challenges, the recruitment difficulties experienced in the immediate aftermath of the pandemic have largely continued with recruitment difficulties in many occupational areas. This is particularly prevalent in the social care arena currently in both adults and children's services. Recruitment difficulties remain an area of identified risk for the Council and the Council has been striving hard to introduce new and innovative recruitment responses, including increasing use of social media and jobs fairs. Financial pressures mean that recruitment proceeds for business critical roles only and there is a drive to decrease reliance on agency workers.
- 3.4 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 the need to always demonstrate value for money.
 - The obligations under equal pay legislation.
 - The importance of attractive terms and conditions to enable the Council to recruit and retain high quality staff.
- 3.5 The Council regularly reviews its pay, grading and benefits arrangements and during the summer of 2022 it was determined that a more flexible and robust approach was needed for the pay arrangements of senior leadership posts with new pay arrangements implemented for senior leaders from 1st April 2023.
- 3.6 Previous reviews have ensured the Council's terms and conditions of employment are fit for purpose and meet the current needs of the Council. This has resulted in the following changes over recent years:
- Removal of the subsidised car leasing scheme in 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 the ability to use salary sacrifice for this purpose has not been possible since 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 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 appropriate to the current job role. Car parking charges were temporarily suspended at the start of the pandemic in 2020 but were reintroduced with the option of a daily or monthly charge.
- Implementation of the new national pay spine from 1 April 2019.
- Withdrawal of the voluntary redundancy enhancement in late 2022.

3.7 The Council has continued to expand its non-pay benefits package for employees and offers a range of benefits, including a car lease scheme and a home electronics scheme to support colleagues in the cost of living crisis, via salary sacrifice schemes. These benefits provide discounts for employees at no cost to the Council and the nature of the salary sacrifice schemes provides both a saving and an income stream for the Council.

3.8 The Council has been accepted as a member of the Greater Manchester Good Employment Charter. The Good Employment Charter recognises organisations who are committed to the wellbeing of their colleagues, by pledging to pay the real living wage, engaging staff in key decisions and endorsing fair and flexible working conditions. Membership of the Charter means that the Council has demonstrated it is a great place to work for all colleagues.

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 uses the Greater London Provincial Council job evaluation scheme for job roles up to and including senior officer level and the HAY job evaluation scheme for management roles. The use of job evaluation schemes ensures as far as possible that there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified as the use of job evaluation outcomes directly establishes the relative levels of the grades of posts according to the requirements, demands and responsibilities of the job role.

4.2 In October 2022 Appointments Committee approved a new pay and grading structure which matched salaries to market rates whilst also providing a greater degree of flexibility to appropriately reward differing levels of responsibility. This flexibility is necessary to provide the Chief Executive with a senior leadership framework which is fit for purpose and able to support the Council’s aspirations for future talent, succession and attraction.

4.3 For posts not within the scope of Appointments Committee 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. The Council’s current National

Joint Council (NJC) pay structure is at Appendix 2.

- 4.4 The Council adopts the national pay bargaining arrangements in respect of revisions to the national pay spine, for example through any agreed annual pay increases negotiated with the joint trade unions.
- 4.5 Directors and Assistant Directors pay is determined by the NJC for Chief Officers and they agreed a pay award of 3.5% effective from 1 April 2023 with the uplift and backpay paid in June 2023. The NJC for Chief Executives and the NJC for Local Government Services agreed their pay awards in early November 2023. Chief Executives received 3.5% and NJC for Local Government Services received a flat rate of £1,925 on all pay points up to scp 43 and 3.8% on scp 44 and above. The award was effective from 1 April 2023 with the uplift and backpay paid in November 2023.
- 4.6 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 Council's pay and grading arrangements.
- 4.7 In April 2016 the government introduced a higher minimum wage rate (National Living Wage) for all staff over 25 years of age. This is based on a target to reach 66% of median earnings by 2024. From 2021 this was adjusted to include those over 23 years of age.
- 4.8 The 'Real' Living Wage rates are higher because they are independently calculated based on what people need to get by. The Living Wage Foundation encourage all employers to apply the Real Living Wage to ensure their employees earn a wage that meets the cost of living, not just the government minimum. Stockport Council apply the Real Living Wage rates as announced each year by the Living Wage Foundation.
- 4.9 Typically, Living Wage rates are announced annually by the Living Wage Foundation and the Council applies the increase from the following April. The Council and Schools continued to pay a living wage supplement to lower paid employees up to 31 March 2022. However, the NJC pay award for 2022/23 increased the lowest spinal point above the Living Wage Foundation rate and removed the need for the Council to apply a living wage supplement from April 2022. The most recent pay award also means that the lowest local government pay rate is above the Living Wage Foundation rate.
- 4.10 Living Wage rates applied by the Council since 2014 are shown in the following table, including the new Living Wage Foundation rates that the Council will apply from April 2024, which were announced on the 24 October 2023.

Applied From	Hourly Rate
1 April 2014	7.65
1 April 2015	7.85
1 April 2016	8.25
1 April 2017	8.45
1 April 2018	8.75
1 April 2019	9.00
1 April 2020	9.30
1 April 2021	9.50
1 April 2022	9.90
1 April 2023	10.90
1 April 2024	12.00

- 4.11 The Council's application for formal accreditation as a living wage employer to the Living Wage Foundation was successful in early 2023.
- 4.12 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.
- 4.13 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.
- 4.14 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 does 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 calibre apprentices and has been able to offer

ongoing employment to a number of apprentices in Council job roles.

- 4.15 For posts at Deputy Chief Executive, Executive Director, Director and Assistant Director level, the Chief Executive determines the appointment salary within the salary range, based on a number of factors including external market information. All appointing salaries at these levels must be reported by Appointments Committee.
- 4.16 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.
- 4.17 Any supplement to the salary scale for the grade must have appropriate senior management and/or elected member approval, in line with the Council policy.

5 Senior Leadership 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. 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 was in line with other NJC pay awards and 1.5% was agreed from April 2021, which was less than the NJC award for Local Government Services which agreed a 1.75% increase. The increase effective from April 2022 for Chief Executives and Chief Officers were agreed late in 2022 at a flat rate of £1,925, the same as the NJC for Local Government Services. For April 2023 cost of living increases, Chief Executives and Chief Officers received 3.5% and the NJC pay award was £1925 for most employees and 3.88% for those paid at and above scp 44.
- 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, Executive Directors (formerly Corporate Directors) and Directors (formerly 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:

Chief Executive: The salary falls within a range of 10 incremental points between £163,716 rising to a maximum of £196,802. The salary is inclusive of responsibility as Returning Officer for local elections and Electoral Registration Officer. Additional fees, as determined by appropriate bodies such as the Electoral Commission, are payable in the event of elections (other than local elections). The pay rate quoted was effective from 1st April 2023. In addition a 10% allowance is paid in respect of Place Based health responsibilities.

Executive Director and Deputy Chief Executive: the pay range for Deputy Chief Executive is £162,204 to £179,279 and the range for Executive Director is £149,603 to £175,620. Individual pay is a spot salary, the pay ranges do not contain incremental points; spot salaries are within the specified range, except where the NJC agreed annual cost of living uplift extends the individual salary beyond the range.

Directors: The pay range for Directors is £94,795 to £142,192. Individual pay is a spot salary, the pay ranges do not contain incremental points; spot salaries are within the specified range, except where the NJC agreed annual cost of living uplift extends the individual salary beyond the range.

5.4 Whilst not employed on Chief Officer conditions of service, the pay for Assistant Directors is part of the senior leadership pay arrangements, with a pay range of £80,203 to £111,281. Individual pay is a spot salary, the pay ranges do not contain incremental points; spot salaries are within the specified range, except where the NJC agreed annual cost of living uplift extends the individual salary beyond the range.

5.5 The principles to be considered in determining an individual's remuneration within the relevant pay range are set out in the Senior Leadership Pay Framework and is at the discretion of the Chief Executive and confirmed by Appointments Committee.

5.6 Details of senior pay can be found on the Council's Transparency pages [here](#).

5.7 Recruitment and Remuneration of Chief Officers

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

5.9 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.

- 5.10 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, source a suitable temporary individual via an agency after following the relevant procurement process. This will ensure the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council is not currently engaging any Directors via an agency.
- 5.11 The determination of the remuneration to be offered to any newly appointed Chief Executive, Deputy Chief Executive, Executive Director or 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 decision on the level of the salary for the appointment is to be approved by a meeting of the full Council, or the Appointments Committee if the decision has been delegated to it by the council meeting, before the appointment is confirmed. The requirement to approve salary packages above £100,000 only applies to new appointments and does not apply to existing senior leaders.
- 5.12 The Council continues to review annually the delegation to the Appointments Committee to exercise this function of the council meeting in relation to the application of the pay policy for senior leaders. Any changes in policy developed by the Appointments Committee must be agreed by full Council, in accordance with the legislation.

6 Additions to Salaries of Senior Leaders

- 6.1 The changes to senior leader salaries which were agreed in the autumn of 2022 means that from April 2023 there was no longer any incremental progression within the Deputy Chief Executive, Executive Director or Director pay scales. The Council does not operate a bonus related pay scheme.
- 6.2 By having a wider pay range, the new Leadership pay framework seeks to replace the need for additional allowances. This means the previously paid statutory officer allowances have been subsumed into the new spot salaries. Any allowances which are paid will be in accordance with Council HR policies.
- 6.3 The Returning Officer will make payments to officers who undertake specific duties in relation to the elections (including to chief officers) in accordance with their role.

7 Payments on Termination

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment of the Chief Executive, Deputy Chief

Executive, Executive Directors and Directors, 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. The Council exercises its discretion to use actual weekly pay rather than the statutory cap when calculating redundancy pay. No other enhancement is made to the redundancy payment.

- 7.2 Following the withdrawal of the Restriction of Public Sector Exit Payments Regulations 2020 which aimed to force an exit payment cap, set at £95k, legislated for in the Small Business, Enterprise and Employment Act 2015, the government introduced Statutory Guidance on Special Severance Payments in May 2022. The guidance sets out the levels of authorisation required for exit payments and provides a definition of what constitutes a Special Severance Payment. The effect of the guidance is that any exit payment which provides a non-contractual payment below £20k must be authorised by the Chief Executive; a payment of £20K and above but below £100k must be authorised by the Chief Executive and Council Leader; Full Council approval must be obtained for Special Severance Payments of £100k or above.
- 7.3 The Council will have regard to the Local Government Modification Order where a severance payment has been made and the individual is re-employed.

8 Pay Multiples

- 8.1 At 1st October 2023 the median full time equivalent salary within the Council is £33,945. Two calculations for pay multiples are provided:
- The ratio of pay of the top earner (Chief Executive) and the median earner is 5.47:1. In other words for every £1 earned by the median earner, the Chief Executive earns £5.47. In 2022 the ratio was 5.91:1.
 - The ratio of pay of the top earner (Chief Executive) and the lowest salary (scale 1 on the pay spine) is 8.30:1. In other words for every £1 earned by someone on the lowest spinal column point, the Chief Executive earns £8.30. In 2022 the ratio was 8.86:1.
- 8.2 The Hutton review of fair pay which established the reporting requirements for pay policy statements recommended a ratio for highest and lowest earnings of no more than 20:1.
- 8.3 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

9 Gender Pay Gap (GPG) Reporting

- 9.1 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.
- 9.2 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 maintained schools with 250 or more employees and are not therefore required to report on their GPG.
- 9.3 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.
- 9.4 The Council agreed to include the GPG information in the Annual Pay Policy Statement and to ensure compliance and consistency with the requirements, Greater Manchester (GM) Councils have agreed a common data set. The majority of other GM Councils will also publish their GPG information as part of their Pay Policy Statement and therefore GM comparative figures are available on-line.
- 9.5 Stockport is a supportive and flexible employer with a range of flexible working patterns available including flexi time, term time, part time, job share, agile, hybrid and home working, dependent on job roles. The flexibility agreed with employees in terms of working patterns increased during the pandemic and has had a lasting effect, which together with a reduction in office space has led to a majority of employees voluntarily working on a hybrid basis of part home working and part office working.
- 9.6 Stockport has many female role models in senior leadership and management positions. The Council's GPG is low with only small percentage differences. For the third year running the median hourly rate is higher for the female workforce in Stockport Council than for males and for the first time the mean hourly rate is higher for females. This is therefore the first time the GPG data shows that women receive higher hourly rates of pay than men when calculated by either the mean or median hourly rate. The mean difference for 2023 is -0.56% compared to 0.69% in 2022. The median hourly rate difference for 2023 is -3.58% compared to -1.79% in 2022 (2022 was the first time the data showed a negative percentage). A negative percentage shows that on average

females are paid more than makes whereas a positive percentage shows that on average females in the workforce are paid less than males. The closer to zero the lower the gender pay gap. Full details are shown in Appendix 1. Work will continue to identify barriers to employment and to improve career development opportunities, whilst work with GM colleagues to learn from and share good practice is on-going.

10 Future Legislation

- 10.1 The Council will fully comply with changes to the law in relation to remuneration should legislation change.

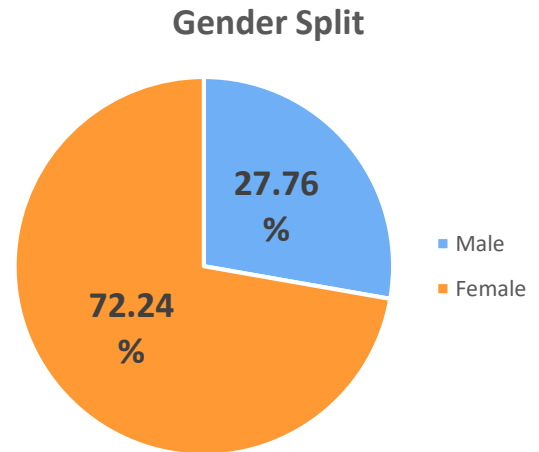
11 Publication

- 11.1 Upon approval by the full council meeting, this Pay Policy Statement will be published on the Stockport Council website.

Appendix 1

Stockport Council Gender Pay Gap Reporting 31st March 2023

<u>Headcount (number of occupancies)</u>		
Male	899	27.76%
Female	2339	72.24%
Total	3238	



Difference in Mean Hourly Rate of Pay

Male £17.84

Female £17.94

$$\frac{(\pounds 17.84 - \pounds 17.94)}{\pounds 17.84} \times 100 = -0.56\%$$

Difference in Median Hourly Rate of Pay

Male £15.65

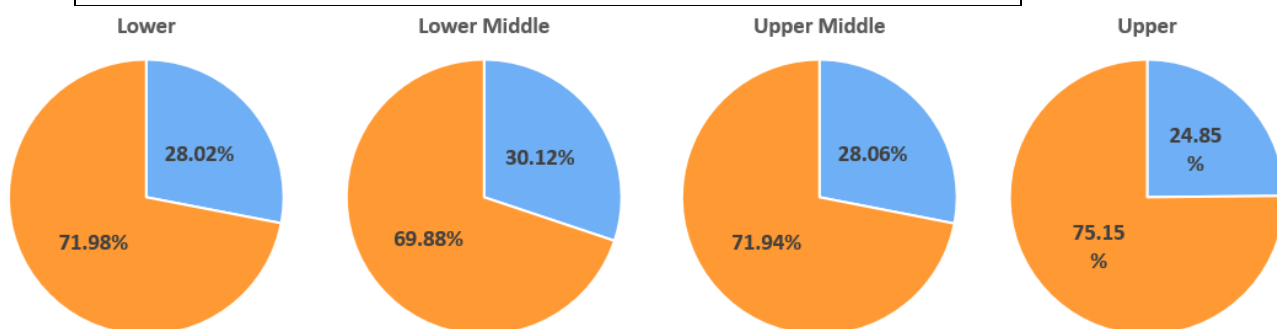
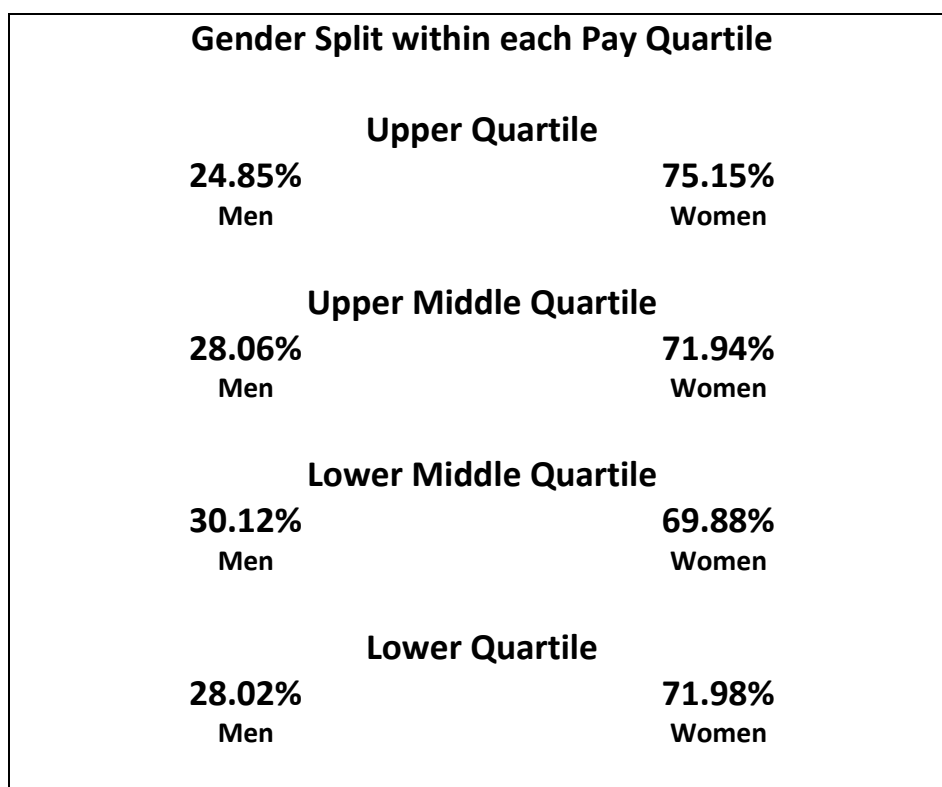
Female £16.21

$$\frac{(\pounds 15.65 - \pounds 16.21)}{\pounds 15.65} \times 100 = -3.58\%$$

Gender Pay Gap difference in hourly rate	
Women's hourly rate is:	
0.56% Higher (Mean)	3.58% Higher (Median)

Proportion of Male and Female Employees According to Quartile Pay Bands

Quartile	Hourly Rate Range	Male	Female	Men	Women
Upper	£21.02 - £99.35	201	608	24.85%	75.15%
Upper Middle	£16.13 - £21.02	227	582	28.06%	71.94%
Lower Middle	£12.69 - £16.13	244	566	30.12%	69.88%
Lower	£4.80 - £12.69	227	583	28.02%	71.98%
Total		899	2339		



Appendix 2

NJC for Local Government, Stockport Salary Scales (01/04/2023)

Point	Annual Salary	Hourly Rate	Grade/Scale			Point	
2	£ 22,366	£ 11.59	Scale 1			2	
3	£ 22,737	£ 11.79			Scale 2		3
4	£ 23,114	£ 11.98					4
5	£ 23,500	£ 12.18	Scale 3			5	
6	£ 23,893	£ 12.38					6
7	£ 24,294	£ 12.59	Scale 4			7	
8	£ 24,702	£ 12.80					8
9	£ 25,119	£ 13.02					9
10	£ 25,545	£ 13.24					10
11	£ 25,979	£ 13.47					11
12	£ 26,421	£ 13.69	Scale 5			12	
13	£ 26,873	£ 13.93					13
14	£ 27,334	£ 14.17					14
15	£ 27,803	£ 14.41					15
16	£ 28,282	£ 14.66					16
17	£ 28,770	£ 14.91					17
18	£ 29,269	£ 15.17	Scale 6			18	
19	£ 29,777	£ 15.43					19
20	£ 30,296	£ 15.70					20
21	£ 30,825	£ 15.98					21
22	£ 31,364	£ 16.26	SO1			22	
23	£ 32,076	£ 16.63					23
24	£ 33,024	£ 17.12					24
25	£ 33,945	£ 17.59					25
26	£ 34,834	£ 18.06			SO2		26
27	£ 35,745	£ 18.53					27
28	£ 36,648	£ 19.00					28
29	£ 37,336	£ 19.35			SO3	29	
30	£ 38,223	£ 19.81					30
31	£ 39,186	£ 20.31					31
32	£ 40,221	£ 20.85				32	

33	£ 41,418	£ 21.47				33
34	£ 42,403	£ 21.98	MB4			34
35	£ 43,421	£ 22.51				35
36	£ 44,428	£ 23.03				36
37	£ 45,441	£ 23.55				37
38	£ 46,464	£ 24.08				38
39	£ 47,420	£ 24.58				39
40	£ 48,474	£ 25.13			MB3	40
41	£ 49,498	£ 25.66				41
42	£ 50,512	£ 26.18				42
43	£ 51,515	£ 26.70				43
44	£ 52,689	£ 27.31				44
45	£ 53,833	£ 27.90				45
46	£ 54,986	£ 28.50				46
47	£ 56,149	£ 29.10	MB2			47
48	£ 57,316	£ 29.71				48
49	£ 58,475	£ 30.31				49
50	£ 59,636	£ 30.91				50
51	£ 60,793	£ 31.51				51
52	£ 61,962	£ 32.12				52
53	£ 63,112	£ 32.71			MB1	53
54	£ 64,275	£ 33.32				54
55	£ 65,494	£ 33.95				55
56	£ 66,701	£ 34.57				56
57	£ 67,925	£ 35.21				57
58	£ 69,143	£ 35.84				58
59	£ 70,358	£ 36.47				59
60	£ 71,574	£ 37.10				60