

# PAY POLICY STATEMENT 2022/23

## Introduction & Purpose

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'. This Pay Policy Statement (the 'Statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011.
2. The purpose of the Statement is to provide transparency and accountability with regard to the Council's approach to setting the pay of its employees (excluding teaching and other school staff working for the Local Authority under the purview of the School Governing Body) by identifying;
  - the methods by which salaries of employees are determined;
  - the detail and level of remuneration of its most senior staff, i.e. 'chief officers', as defined by the relevant legislation; and
  - the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

## Publication

3. This statement will be reviewed and prepared for each financial year then approved by full Council, usually by the end of March each year, or at the earliest Council in the financial year for which it applies. It will be published on the Council's website as soon as it is reasonably practical following any amendment and approval. For 2022/23 the approval will be at the Budget Council meeting of 02 March 2022.
4. Alongside this statement will be full details of all senior employees of the Council (excluding teachers and school-based staff) that have a salary over the threshold outlined in the Localism Act 2011 and any associated Codes of Practice, including the Local Government Transparency Code 2015. This Statement is linked to Council's Annual Statement of Accounts where we are required to publish the full-time equivalent salaries which are at least £50,000 per annum. It should be noted that an updated version of the appendices attached to this Statement may be published during 2022/23 to allow for any pay award that is agreed at a national level and therefore, other roles across the organisation may be subject to inclusion at a later stage.

## Other Legislation Relevant To Pay And Remuneration

5. In determining the pay and remuneration for all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, inclusive of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which specifies Gender Pay Gap Reporting for public bodies with 250 employees or more, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).
6. The Council is committed to the principles of equal pay for all employees, and to ensure consistency and fairness within its pay structures. Differentials in grades can be objectively justified using analytical job evaluation mechanisms, which determine the relativities between posts according to the requirements, demands, skills and responsibilities of the role.

## Pay Structure

7. The Council uses nationally negotiated pay spines with a defined list of salary points as the basis for its local pay structure. These salary scales determine the salaries of the majority of its non-schools workforce, together with the use of locally determined grades where these do not apply. The current salary scales in use by the Council are available to view on the Council's website.
8. The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spines. 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 collective bargaining machinery.
9. Most staff at Oldham Council are employed under the National Joint Council (NJC) terms and conditions (Green Book) and salaries for job roles are determined by the points score associated with the job role through the appropriate job evaluation scheme. For employees within grades 1 to 10, the NJC Job Evaluation Scheme is used, created specifically for jobs within Local Government. Employees on senior management grades are evaluated through the HAY Scheme, widely used for evaluating senior jobs, in both the private and public sector, nationally and internationally. Single Status, harmonising former officers and former manual workers, was implemented by the Council on 1 January 2011.
10. In determining its grading structure and setting remuneration levels for any posts which fall outside this 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 when those services are required.

11. New appointments will normally be made at the minimum of the grade for the relevant pay scale, although this can be varied where the successful candidate is currently on a spinal column point/salary that is higher than minimum of the grade/salary of the job being recruited to. Where this occurs, there is guidance in the Council's Starting Salary Policy to ensure consistency of application across the organisation.
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 capability. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators and benchmark information, using data sources available from within the Local Government sector and outside, as appropriate. The past year has shown a rise in demand for certain skills and expertise in a variety of public sector roles and so it is important that we understand how best to respond to that in order to attract and retain the expertise we need to be competitive with comparable organisations. The pandemic has also created more opportunities for staff to look for roles across a broader geography because of hybrid working and so we need to ensure our working arrangements reflect this.

## Pension Contributions

13. Where employees have exercised their statutory right to membership of the Local Government Pension Scheme, the Council is required to contribute to the scheme representing a percentage of the pensionable remuneration due under the contract of employment for that employee. The rate of contribution is set by Actuaries advising the Greater Manchester Pension Fund and is reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current triennial period started on 1 April 2020, and rates for employer's contributions can be found in the Actuarial Valuation Reports on the Greater Manchester Pensions Fund (GMPF) website. The employee contribution rates are banded at 5.5% to 12.5%, depending on the level of annual salary.
14. Oldham Council has a flexible retirement scheme which is run in accordance with the Local Government Pension Scheme and Regulation 18 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (SI 2007/1166) as amended by the Local Government Pension Scheme (Miscellaneous) Regulations 2012 (SI 2012/1989).
15. There are other pension schemes which are in operation at the Council. There is a separate pension scheme for Teachers and a separate pension scheme for transferred NHS staff that still remain on their existing TUPE terms and conditions.

## Senior Salaries

16. Under the Accounts and Audit Regulations 2015 (Statutory Instrument 2015/234), the Council already publishes the number of employees where their remuneration was at least £50,000 over the year, in brackets of £5,000. In line with the Local Government Transparency Code 2015, Table 1 states for Directors and above; their grade, type of contract, salary, allowances, services directed and the approximate number of staff they are responsible for. An overview of budget responsibilities can be found in the Council's 'Budget Book', which is published on its website.
17. For other senior managers covered in the scope of this Pay Policy Statement, Table 1 gives details of their pay in brackets of £5,000, grade, services managed and their contract type. Chart 1 shows the organisational chart of the job roles set out in Table 1, which are linked using common job titles.
18. In recognition of the competitive market and demand for experienced senior officers as well as a need to rationalise the salary scales for senior managers the Appointments Committee of the Council are proposing a new banding for posts at Director level within the range £95-£105k and on a spot salary. Any current posts falling beneath this scale will be amended to reflect this new banding as of 1<sup>st</sup> April 2022. New appointments will be made to a spot salary within this banding. Future pay awards will be added as for all other posts to reflect the national agreements. This change does not affect the Chief Officer salary range. All new Director appointments over £100k will require Council approval.

## Chief Officer Remuneration

19. For the purposes of this statement, senior management means 'chief officers' as defined within the Localism Act. This includes the Chief Executive, as Head of Paid Service, Deputy Chief Executives, statutory chief officers, plus chief officers reporting directly to the Chief Executive.
20. It is the policy of the Council to establish a salary for each chief officer post that is sufficient to attract and retain an employee with the appropriate knowledge, experience, skills and abilities that are needed, at that time, by the Council.
21. The arrangements and factors considered in determining, where appropriate, an individual's progression through the relevant grade pay scale are set out at the time of appointment, with the individual 'chief officer'. The level of remuneration does not vary depending on the achievement of defined targets, although progression through the incremental scale of the relevant grade is subject to satisfactory performance, which is assessed on an annual basis. Oldham Council does not pay bonus payments.
22. To meet specific operational requirements, it may be necessary for an individual chief officer to temporarily take on additional duties to their identified role. The Council authorises such additional payments which may be relevant to those duties through the Selection Committee, or other constitutionally approved mechanism.

23. Some chief officer posts carry additional payments. These additional payments are supplementary to basic salary and may represent a contractual obligation. The amounts and types of additional payments are shown in Table 1.
24. The Chief Executive's salary does include payment for local election duties and no additional remuneration is made for those duties. Separate payments are received for any returning officer duties arising from parliamentary elections, regional elections and referendums. It should be noted that payments for such elections are not funded by the Council.
25. The Chief Executive is employed on JNC Chief Executive terms and conditions. Other chief officers are employed on JNC Chief Officer terms and conditions, as are other senior management posts within the Council. These conditions of service have national collective bargaining to determine their pay rise for the cost of living, which is applied when awarded.

## Recruitment Of Chief Officers

26. The Council's procedure with regard to the recruitment of chief officers is outlined within Part 4, Officer Employment Procedure Rules within the Council's Constitution and is undertaken by a Selection Committee, or other constitutionally approved body. There is a copy of the Council's Constitution on the Council's website to view for further details.
27. When recruiting to all posts, the Council will take full and proper account of all provisions of relevant employment and equality law and its own Recruitment and Redeployment Policies.
28. When recruiting to a chief officer vacancy the Council may engage a recruitment agency to provide external objectivity to the process. In that event, the agency may be used to: determine the market rate for the role, in the market quartile the Council is seeking to compete in at that time; generate interest in the role from potential applicants from inside and outside the sector; conduct the long listing exercise; co-ordinate any personality assessment, group and technical exercises; conduct the short listing exercise with members of the Selection Committee, or other constitutionally approved mechanism, and facilitate the interview sessions, providing a technical advisor to the interview panel when necessary.
29. The selection of a chief officer is made by a panel of Elected Members operating as the Selection Committee, or other constitutionally approved mechanism, and has delegated authority to appoint through the Council's Scheme of Delegation. The only exception to this is the appointment of the Chief Executive (Head of Paid Service) whose appointment must be recommended to and approved by full Council. The Selection Committee, or other constitutionally approved mechanism, is supported by the line manager of the post being recruited to and supported /or by the Director of Workforce & Organisational Design as the technical adviser in all matters relating to recruitment.

30. Full Council will consider the case for any salary in excess of £100,000, prior to any appointment to the 'chief officer' post to which it relates. The salary package will be defined as basic salary, any performance related pay, fees, routinely payable allowances and benefits in kind, that are due under the contract.
31. Where the Council is unable to recruit to a Chief Officer position, 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 services' rather than making a temporary appointment. These individuals will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money in securing the relevant expertise. In assessing such it should be noted that in respect of such engagements the Council will be fully compliant with the 'off payroll' working rules and will only engage such workers where an arrangement is in place to deduct tax and national insurance contributions in line with 'off payroll' working rules. The contractual arrangements for each of our chief officers are highlighted within Table 1.

### Payments On Termination

32. The Council's approach to statutory and discretionary payments on termination of employment of chief officers and its other employees, prior to reaching normal retirement age, and is covered within the Redundancy Policy, in accordance with regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. This excludes teachers where there are different pension arrangements. The Council's current Redundancy Policy is available to view on the Council's website.
33. Any payments falling outside these provisions or the relevant periods of notice within the contract of employment shall be subject to a rigorous risk assessment, as they would be for any member of staff within the Council, and a formal decision will be made by the Director of Workforce and Organisational Design and the Director of Legal Services of the Council. The Council is fully compliant on regulations and frameworks regarding exit payments, which ensures a fair and appropriate level of compensation is provided for employees who are required to leave public sector jobs. Payments on termination in relation to a severance package that would exceed £100,000 are subject to approval of full Council.

### Lowest Paid Employees

34. Oldham Council is committed to tackling positively the socio-economic and health inequalities associated with low pay. The Council has chosen to pay the Living Wage since April 2015 and is accredited as a Living Wage Employer by the Living Wage Foundation. Increases in the Foundation Living Wage are announced each November, in line with the latest research, and the Council implements the rise in its minimum hourly rate (if required) within six months.

35. Full time hours at Oldham Council are 36 hours and 40 minutes per week for employees on NJC terms and conditions.
36. The relationship between the rate of pay for the lowest paid and the Chief Executive is determined by the processes used for determining pay and grading structures, as set out earlier in this policy statement. The Council runs a successful apprenticeship and paid traineeship programme, offering opportunities in a number of different careers across the Council, and these roles are not considered to be within the definition of the 'lowest paid' employees. This relationship is expressed as a ratio in Table 2, which also shows the multiple between the median full-time equivalent earnings and the earnings of the Chief Executive. Oldham Council has a commitment that the ratio between its highest earner, the Chief Executive, and those who are the lowest paid, will not exceed 1:11.

### Accountability And Decision Making

37. In accordance with the constitution of the Council, the Selection Committee, or other constitutionally approved mechanism, is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to chief officers. Accountability and decision making for all other employees of the Council is the responsibility of the Chief Executive, Deputy Chief Executives, Managing Directors and Director of Workforce and Organisational Design as set out in the Council's Scheme of Delegation.

### Re-Employment / Re-Engagement Of Former Employees

38. Oldham Council has an obligation to ensure that it is managing public monies responsibly against any requirements to achieve savings and reductions in posts through voluntary or compulsory redundancy, efficiency release or employer consent retirement which results in a cost to the Council.
39. The Council will not re-engage ex-employees who have left their prime employment with the Council on the grounds of voluntary or compulsory redundancy, efficiency release or employer consent retirement (where there is a cost to the Council) for a period of 12 months with effect from the date of leaving. This policy does not cover those employees who access their pension via the Council's Flexible Retirement Scheme, as those employees remain employed by the Council, or to employees who early retire where there is no cost to the Council.
40. The Council permits the practice of recruitment of experienced talent who are in receipt of a public service pension, although their total remuneration will be taken into account when determining their individual salary. This is to optimise the allocation of resources to underpin excellence in service delivery, balanced with value for public finances. Then, following their departure, the remuneration for the role when re-advertised would revert back to the original package.