

<b>Report to:</b>	Council		
<b>Date of meeting:</b>	15 <sup>th</sup> March 2023		
<b>Report of:</b>	Lee Fallows, Director of Corporate Resources	<b>Report number:</b>	CEX
<b>Contact officer:</b>	Jayne King, Assistant Director HR &OD	<b>Telephone number</b>	2050
<b>Report title:</b>	Pay Policy Statement		
<b>Not confidential</b>			
This report does not contain information which warrants its consideration in the absence of the press or members of the public.			
<b>Purpose:</b>	Since 2011, under the provisions of the Localism Act, the council has been required to publish an annual pay policy statement. The statement includes information including: <ul style="list-style-type: none"> <li>• Salary scales</li> <li>• Chief Officer pay information</li> <li>• Gender pay gap figures (since 2018).</li> </ul>		
<b>Recommendations:</b>	Full Council is recommended to approve the updated Pay Policy Statement		
<b>Decision:</b>			
<b>Background documents:</b>			
<b>Signed:</b>	Leader/Executive Cabinet Member	Monitoring Officer	
<b>Date:</b>			

<b>Consultation with other officers</b>		
Finance	Yes	Tony Glennon
Legal	Yes	Helen Gorman
HR	Yes	Jayne King
<b>(a) Pre-consultation reports</b> Is there a need to consult on the proposals?		No
<b>Vision outcomes</b> Please identify the appropriate Vision outcome(s) that this report relates or contributes to by putting a cross in the relevant box.	1. Start Well	X
	2.Live Well	X
	3.Age Well	X
	4.Prosporous	X
	5. Clean and Green	X
	6.Strong and Distinctive	X

# Bolton Council Pay Policy Statement 2022/23

## Introduction

This document sets out Bolton Council's pay policy principles for the period 2022/23.

The policy has been produced in response to the Localism Act 2011, which requires each authority to produce an annual pay policy statement and supporting detail. The statement does not reflect the arrangements for teachers or pay to staff in schools.

## Background

Bolton Council recognises the complex and competing drivers underpinning public sector remuneration, especially at a senior level, including:

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

Within Bolton Council, all decisions relating to pay and reward of senior staff are made by elected members, via the Chief Officer Appointments Panel. The role of this committee is to ensure that the complex considerations related to public sector pay are made.

Since 2009/10, the Chief Officer Appointments Panel has overseen a significant reduction in the cost and numbers of Chief Officer posts delivering substantial savings to date. These reductions have been achieved by significant increases in the span of control and responsibility of Chief Officer posts.

## Pay and grading structures

The Council's pay and grading structures for NJC and Chief Officers were determined following comprehensive pay and grading reviews implemented in 2009. These involved:

- The evaluation of all posts in scope using analytical job evaluation schemes to capture the full range of responsibilities for each post.
- Determination of pay structures with the assistance of independent experts and approval of these pay structures through the Cabinet and Appointments Panel for NJC and JNC structures respectively.

The Council's pay and grading structures are subject to ongoing reviews for effectiveness and value for money. In previous years a series of improvements to the values of Grade A and B have been made, to take account of an increase in value expressed by the national campaign for a Living Wage and to maintain the gap between minimum council earnings and the value of the National Minimum Wage. This year the nationally negotiated NJC pay offer for 2022/23 does not now cover the increase in the new Living Wage Foundation rate applicable from April and a small supplement is to be applied, pending the national pay award confirmation for 2023/24.

It should be noted that the Council also employs staff on Teachers, Soulbury and JNC for Youth Workers pay structures, whose terms, conditions and pay rates are determined by the relevant national negotiating body in accordance with the agreed collective bargaining machinery.

## General remuneration policy principles

The Council agreed the principles of a core Pay Policy in 2004, which determined that pay levels should be based on analytical job evaluation outcomes and remuneration levels should be set with regard to the following criteria:

- To enable us to attract and retain the quantity and quality of staff we require to achieve our strategic and operational objectives.
- To achieve value for money, having regard to market forces and the Council's financial constraints

- To recognise the responsibility and accountability borne by employees and encourage the delegation of decision making to the lowest level, commensurate with effective service delivery.
- To recognise employee contribution and performance in achieving their objectives, including the acquisition of relevant skills and competencies, and displaying the knowledge, ability and commitment required.
- To be transparent and fair ensuring that all employees receive equal pay for work of equal value having particular regard to gender, race, age and disability.
- To support cost-effective flexible working, in meeting both customer/service requirements and work/life balance for employees.

### **Annual cost of living pay awards**

All grades are subject to annual review and cost of living awards, as determined by the relevant national negotiating body.

The NJC pay offer at Bolton affects 3,460 departmental staff and 1800 staff in community and voluntary controlled schools. The 2022/23 NJC pay award, confirmed in November 2022, increased all pay points (scps) by £1,925 per annum.

Other pay awards confirmed for the 2022/23 period are:

- Chief Executive's pay by £1,925 per annum.
- Chief Officers pay by £1,925 per annum.
- Soulbury pay is still to be confirmed following the final offer of £1,925 per annum in October 2022.
- Youth JNC rates by £1,925 per annum.
- STPCD increase of 5% for most teachers and leaders, and an 8.9 per cent increase in starting salaries.

### **NJC pay and grading arrangements**

All NJC posts have been assimilated on to a single pay spine. The NJC pay and grading structure covers the vast majority of posts within the Council and extends from Grade A (scp 1) posts such as Cleaners and General Assistants through to very senior management posts, largely Heads of Services for large and complex areas, which are paid up to Senior Head of Service Grade (scp 62).

Bolton Council's pay and grading structure for NJC staff is available on the Council website.

As part of the Pay and Grading Review, the Council also reviewed the other terms and conditions where there is flexibility for local review, as prescribed in Part 3 of the National Green Book. The Part 3 local provisions for Bolton are published on our website and are summarised as follows:

- Standard payments for unsociable hours, including shift working, weekend and night work.
- A defined process for determining the value of any honoraria and additional duties payments.
- Robust criteria for market rate supplements. At present the Council is not paying any market rate supplements.
- Clear criteria for allocation of essential car user allowance and regular review of all payments.
- The Council does not pay for staff car parking fees within the Borough.

Employees who incur additional charges following an imposed relocation of their work base can claim an allowance which is payable for 4 years, in line with the provisions of the former Purple Book.

Relocation allowances at appointment can be paid by the Council. Any requests would be considered on a case-by-case basis up to a maximum amount of £3000.

## JNC (Chief Officer) Pay and Grading Arrangements

### Context

A review of Chief Officer pay for all staff employed on JNC terms and conditions, including the Chief Executive, was undertaken in 2009 and overseen and approved by the Appointment's Panel, with technical advice from the Hay Group.

The current Chief Officer Structure chart is shown on the Council website. Any changes to the Chief Officer structure are approved by the Appointments Panel.

### Remuneration for the Chief Executive

A review of pay for the post of Chief Executive was undertaken in 2006 and was included in the review of all Chief Officer remuneration in 2009, with advice from an independent advisor.

The basic grade of Chief Executive is based on 5 pay points (£179,022 - £190,090). Progression is conditional on satisfactory performance against objectives and the post-holder not being subject to any disciplinary or capability procedures.

### Chief Officer Pay Grades

The Chief Officer pay structure is as follows. At some levels there is both an upper and lower tier, dependent upon the scope and scale of particular roles:

Grade	Min	Bar	Titles	Number
5	£75,310	£87,164	Assistant Director, Consultant in Public Health	11
4	£87,164	£97,890	Deputy Director, Assistant Director, Borough Solicitor	4
Special	£121,859	n/a	Managing Director - Bolton Integrated Care Partnership	1
3	£97,890	£103,534	Deputy Director/Director	0
2	£112,611	£123,679	Director	1
1	£123,679	£134,748	Director	4
Chief Executive	£179,022	£190,090	Chief Executive	1

The grades described above are complete remuneration and inclusive of all former additional allowances, including:

- Essential car user allowance
- Mileage

Actual remuneration for individuals may be accessed via the information posted on the Council website.

The legal basis for publishing this personal data information is provided in Article 6 (1) (c) of the General Data Protection Regulation in that it is a legal obligation for a Local Authority to comply with transparency rules concerning pay policies which must be open to public scrutiny.

### Incremental progression and extended grades for Chief Officers

All Chief Officer grades are incremental. Incremental progression within the basic grade is subject to satisfactory performance over the previous twelve months, which is determined with regard to the following criteria:

- Satisfactory performance against objectives set as part of the annual appraisal process.
- No disciplinary action undertaken in the past 12 months including any relating to managing absence. Increments would be withheld until any pending disciplinary action was concluded.

- Not being subject to formal capability procedures.

### **Performance related pay for Chief Officers and access to extended grades**

All Chief Officers have a fixed salary. At present there is no additional remuneration which is subject to performance, e.g. performance related pay or bonuses of any kind. This is because the nature of most Chief Officer roles would make the determination of outcome objectives, dependent upon their personal performance, difficult to articulate.

At the top of the grade there is, however, an extension to provide the flexibility to manage recruitment and retention issues and reward exceptional performance, subject to the agreement of the Chief Officer Appointments Panel. The value of the extension is as follows and may be applied as a series of up to 4 additional increments or a % payment:

- (a) Chief Executive and CO Grades 1 and 2 – up to £16,604
- (b) CO Grades 3-4 – up to £5,646
- (c) CO Grade 5 – up to £7,903

The following criteria and processes apply to give access to this payment:

- The additional payment could be used as part of the recruitment to a vacant post along the lines of “more” available for an exceptional candidate. Any decision to apply a payment in this regard would need to be agreed by the Chief Officer Appointments Panel both prior to recruitment in respect of the principle that this was an option and to then agree this for a specific candidate.
- That if retention of a member of staff was deemed to be critical, evidence would usually need to be provided of an alternative job offer or similar. If agreed by the Chief Executive and relevant Director a report would be prepared on this basis, for approval by the Appointments Panel.
- If agreed by the relevant Director and Chief Executive that performance by a Chief Officer had been particularly outstanding and clearly evidenced, a report would be prepared on this basis for approval by the Chief Officer Appointments Panel.
- For all three categories: recruitment, retention and exceptional performance, the additional payment above the basic grade is paid as a “retention allowance”. This means that at the end of the 12-month period the agreed payment (up to a maximum of the additional grade) would be paid on the condition that the member of staff was in post and not serving notice. This would then apply to each subsequent year in the same way.

### **New appointments above £100,000**

In line with Section 40 of the Localism Act, proposed new appointments to posts with remuneration exceeding £100,000 will be subject to a vote by Members.

### **Other allowances for additional responsibilities**

An additional payment is made to the Chief Executive for Returning Officer Duties in accordance with the Representation of the People Act (1983)

The Returning Officer will make payments to those officers who undertake specific duties in relation to the elections, in accordance with their role.

It should be noted that normally any fees payable for duties undertaken in connection with elections are funded by central government in accordance with Fees and Charges Orders made by Parliament.

### **Pay multiples (31 March 2022)**

The pay multiples for the period are set out below. Two calculations are provided:

- The ratio between the highest paid salary (£188,165) and the median salary of the whole of the workforce (£22,129). This multiple is 1:8.50
- The ratio between the highest paid salary (£188,165) and the lowest salary (£18,333). The pay multiple for 2021/22 is 1:10.26

## Gender Pay Gap (GPG)

The Equality Act 2010 (GPG Information) Regulations will require the Council to publish its 2022 gender pay gap data by April 2023. The regulations require 3 sets of data to be produced for the workforce as at 31<sup>st</sup> March 2022.

**Mean GPG** -this is the difference in average hourly rates and the figure used most frequently used:

Women's average hourly rate is **4.8%** lower than men.

This is equivalent to **71p**. The average hourly rate for women being **£14.20** and for men **£14.91**.

**Median GPG** -this is calculated by finding the midpoint in all employees' hourly pay which is aimed to avoid any distortion of average rates by extremely high or low (following deduction of salary sacrifice) rates.

Women's median pay is **7.3%** lower than men. This is equivalent to **95p**. The median hourly rate for women being **£11.96** and for men **£12.91**.

The bonus data required does not apply at Bolton Council as bonus payments are not paid.

## Quartile analysis

The council must show the proportion of male and female full-pay relevant employees in four pay bands. To do this, employees have been ranked from the highest to the lowest paid, divided them into 4 equal parts (known as quartiles), the percentage of male and female employees in each of the 4 parts then calculated:

- Lower quartile: Female 80.5%, Male 19.5%
- Lower middle quartile: Female 66.9%, Male 33.1%
- Upper middle quartile: Female 67.3%, Male 32.7%
- Upper quartile: Female 71.3%, Male 28.7%

The figures remain static compared to last years and the organisation's explanatory narrative can be seen on the Council website.

## Pay for the lowest earners

The Council is committed to being a good employer and as part of this paying our lowest earners at the highest affordable hourly rate. The Council defines the lowest paid workers as those paid on the lowest pay points in use.

The Council's strategy to pay for the lowest paid takes account of:

- The Council's approach to anti-poverty and cost of living challenges.
- The established intention to maintain a "gap" in earnings between the value of the National Minimum Wage and minimum pay at Bolton Council.
- The continued commitment to ensure all staff are paid a living wage.

Between 2013 and 2017 the Council made a number of improvements to its pay rates to take account of the above. In April 2015, changes were approved to remove the bottom spinal column points of the existing Grade 1 to make it a spot point grade at the highest point, scp 11.

In April 2017, the Council introduced a Living Wage Supplement (LWS) to any pay point paid less than £8.45 per hour, which increased the value of the bottom two scale points of the pay structure and meant that the lowest starting salary for any Council worker was £8.45 per hour. In April 2019, the LWS was no longer necessary because the increased pay rates were above the Living Wage rates. In 2020, a Living Wage Supplement of 5p per hour was again applied to point 1 to match the Living Wage Foundation rate of £9.30. In 2021/22 the supplement was no longer necessary as the lowest point of the pay structure was the same value as the Living Wage Foundation rate. Due to the increase in the Living Wage Foundation Rate in 2022, to £10.90 (applicable from April 2023), a supplement will be required on SCP's 1, 2 and 3 from April 2023, to ensure a minimum pay rate of £10.90 per hour, as the pay award is still pending for 2023/24.

## **Our wider reward package**

The Council is committed to providing a comprehensive employment package. In addition to salary, any associated allowances, leave entitlement and pension contributions, the Council also offers a number of optional opportunities\* to staff:

- Occupational Health provision including access to physiotherapy, an EAP advice line and wellbeing support options.
- Salary sacrifice schemes –cycle to work, home & electronics and car lease.
- Discounted staff parking scheme.
- Healthcare cost options to be taken directly from wages.
- Other local discounts including preferential rates for gym membership.
- Lifestyle discounts via the Vivup app
- Flexible and hybrid working options.
- Training and development programmes including access to the Apprenticeship Scheme for existing staff.

*\*Some of these benefits are subject to eligibility and some subject to service requirements.*

In 2018 the council also signed up to the Greater Manchester Continuous Service Commitment which allows employees to transfer their continuous service between certain Local Authorities and GM NHS bodies.

## **Voluntary severance**

The council does not currently have a voluntary severance offer.

Redundancy payments are paid in line with the HR policy framework.

## **Voluntary early retirement (VER)**

Staff aged 55 or over who are members of the Local Government Pension Scheme may apply to take voluntary early retirement. Under this scheme staff may apply for the early release of their existing pension benefits. Unless in exceptional circumstances pensions will not be enhanced (i.e. additional pension).

## **Flexible retirement**

Staff aged 55 or over who are members of the Local Government Pension Scheme may apply to take a minimum of a 20% reduction in hours or grade and access their pension. The cost of the strain must be mitigated by the salary saving over a period determined by the council or an alternative means of meeting the cost must be identified by the service or department.

## **Pensions contributions**

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Greater Manchester Pension Fund. This rate is reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current rate, set at 1st April 2020 is 20.8% for the LGPS. The employee contribution rates, which are defined by statute (as at 1st April 2020), are:

- **LGPS Main Scheme:** 5.5% for the LGPS for yearly pay between £0 and £14,600 and 5.8% for yearly pay between £14,601 and £22,900, and 6.5% for yearly pay between £22,901 and £37,200 and 6.8% for yearly pay between £37,201 and £47,100, and 8.5% for yearly pay between £47,101 and £65,900, and 9.9% for yearly pay between £65,901 and £93,400, and 10.5% for yearly pay between £93,401 and £110,000, and 11.4% for yearly pay between £110,001 and £165,000, and 12.5% for yearly pay of £165,001 and over.
- **LGPS 50/50 Option:** 2.75% for the LGPS for yearly pay between £0 and £14,600 and 2.9% for yearly pay between £14,601 and £22,900, and 3.25% for yearly pay between £22,901 and £37,200 and 3.4% for yearly pay between £37,201 and £47,100, and 4.25% for yearly pay between £47,101 and £65,900, and 4.95% for yearly pay between £65,901 and £93,400, and 5.25% for yearly pay between £93,401 and £110,000, and 5.7% for yearly pay between £110,001 and £165,000, and 6.25% for yearly pay of £165,001 and over.

## **Policy of re-hire following termination**

It is the council's policy that staff who have left under a severance arrangement or VER should not normally be re-hired or contracted by the Council. Any situation involving re-engagement, including as an employee, worker or as a provider of a service under a contract must be approved by the relevant Director and Chief Executive.

**Tax avoidance**

The Council is aware of arrangements whereby employees may be paid through a personal service company. In view of the value for money implications for the public sector as a whole, the council would not normally intend to implement such arrangements for the payment of its employees. The council has processes to ensure compliance with those providing services through an intermediary (the IR35 regulations).

**Tax on termination payments - employee changes**

The Council is compliant with the changes introduced in April 2018 whereby the difference in the tax treatment of contractual and non-contractual payments in lieu of notice (PILON) has been removed. Any unworked periods of notice are now subject to Tax and NI and the practice of applying the £30,000 tax exemption to non-contractual payments has ended. This change makes the tax and NI treatment of all post-employment payments consistent. Statutory redundancy payments remain exempt from Tax up to £30,000.

**Annual review of this policy**

Under the terms of the Localism Act this document will be reviewed annually and approved by Full Council each year. The policy and supporting detail will also be published on the Bolton Council website

**Links provided to the downloads published on the website at the following:**

- [Part 3 Local Terms and Conditions Document](#)
- [NJC Pay Spine](#)
- [Chief Officer Structure](#)

*All website links to be updated following the pay policy statement being approved.*