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# **Pay Policy Statement**

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**January 2015**

## **1. Introduction and Purpose**

- 1.1. The Localism Act received Royal Assent on 15<sup>th</sup> November 2011. Different parts of the Act will come into force at different times and will be affected by further government statements and guidance. Chapter 8 of the Act refers to “Pay Accountability” and sets out the requirements for Councils and Fire and Rescue Authorities to determine and publish annual Pay Policy Statements. The Pay Policy Statement must be approved by the Authority, i.e. not delegated as an executive or committee function, in advance of the financial year to which it relates.
- 1.2. Under Section 112 of the Local Government Act (1972), the Council is permitted to employ staff on such reasonable terms and conditions as the Authority deems fit. This Pay Policy Statement (PPS) outlines the Council’s pay strategy method in line with what is required under Section 38 of the Localism Act (2011).
- 1.3. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees (excluding those working in local authority schools) by identifying;
  - ◆ The methods applied to determine salaries for all employees.
  - ◆ The remuneration packages of senior level staff. For the purposes of the PPS this includes senior managers and those employed on salaries on or in excess of £58,200 per annum.
  - ◆ Those responsible for ensuring that the PPS and its provisions are applied accordingly across the Council.
  - ◆ Those responsible for reviewing and accessing the PPS’s validity and effectiveness and making recommendations for change to full Council.
- 1.4. The PPS must be approved by full Council before it can come into effect and should be reviewed on an annual basis as a minimum. The PPS must be approved for the following financial year by 31<sup>st</sup> March each year.

## **2. Legislation Covering 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 Favorable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Council ensures 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 posts in grades according to the requirements, demands and responsibilities of the role.

## **3. Pay and Grading Structure**

- 3.1. The Council currently operates a pay structure in line with that agreed nationally for staff employed under National Joint Council (NJC) terms and conditions. A

locally agreed 14 level grading structure is also in place which assigns spines to specific grades.

- 3.2. Nationally agreed pay and grading structures are followed for staff employed under Soulbury terms and conditions.
- 3.3. Senior management are employed under a locally agreed pay and grading structure consisting of two grades for Assistant Directors, one grade for Directors, a grade for the Deputy Chief Executive and a grade for the Chief Executive. The salaries are spot salaries with no incremental progression through each grade. There is also an additional spot salary for the role of Director of Public Health.
- 3.4. The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of all the above pay structures. For example, through any agreed annual pay increases negotiated with joint trade unions.
- 3.5. The rates of all paid allowances have either been agreed nationally or locally and have been determined through collective bargaining. Please refer to Section 5 of the Local Conditions of Service for further information about locally agreed allowance rates and the appropriate national conditions document for nationally agreed rates.
- 3.6. Council policy states that new appointments should usually be made to the minimum of the appropriate grade or pay scale as highlighted within the Local Conditions of Service. There is however scope to appoint at a higher rate of pay to secure the best candidate should the appointee have a number of years relevant experience and/or a qualification relevant to the position.
- 3.7. The Council has in place a Market Enhancement Policy, which determines the mechanisms for increasing the salary associated with a post should there be difficulties recruiting to and/or retaining people in that post.

#### 4. **Senior Management Remuneration**

- 4.1. Details of senior management remuneration are included below:

<b>Job Title</b>	<b>Points</b>	<b>Spot Salary</b>
Chief Executive	1	£165,000
Director (Deputy CE)	1	£140,000
Director	1	£120,000
Assistant Director (2)	1	£80,000
Assistant Director (1)	1	£66,303
Director of Public Health	1	£95,860

- 4.2. Where the Council is unable to recruit senior managers, or there is a need for interim support to provide cover for a substantive Chief Officer role, the Council will, 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. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals. The Council does not currently have any senior managers engaged under such arrangements.
- 4.3 The Council has in place a number of salary sacrifice employee benefit schemes, such schemes and their operation are regulated by Her Majesty’s Customs and Excise and there are strict rules around the management of the schemes. The schemes permit employees to “sacrifice” part of their salary in exchange for a benefit; this means that Tax and National Insurance are not paid on the amount sacrificed effectively reducing the cost of the benefit to the employee. These schemes are open to all employees within the Council and are not restricted to senior management. More information about salary sacrifice schemes can be located at [HMRC Guidance on Salary Sacrifice schemes](#). In addition to these schemes, the Council has introduced an employee benefits platform which provides employees access to discounts and savings from a number of local and national retailers.
- 4.4 On 1<sup>st</sup> April 2013, a number of Senior Managers from Public Health were TUPE transferred over from the PCT. Details of Senior Manager remuneration for Public Health staff are detailed below:-

<b>Job Title</b>	<b>Points</b>	<b>Min Salary</b>	<b>Max Salary</b>
Consultant in Public Health	4	£84,667	£101,451
Director of Public Health	4	£84,667	£101,451

- 4.5 Within Public Health, local committees are able to authorise Clinical Excellence Awards for Consultants which relate to specific achievements. These are reviewed on an annual basis.

<b>Job Title</b>	<b>Award</b>	<b>Payment</b>
Director	Level 3	£8,871
Consultant in Public Health	Level 2	£5,913.96

## 5. **Recruitment of Senior Managers**

- 5.1. The Council’s policy and procedures with regards to the recruitment of senior managers are set out within the Council’s Recruitment and Selection policies. When recruiting to all posts the Council will take full and proper account of all

provisions of relevant employment law and its own equal opportunities, recruitment and redeployment policies as approved by the Council.

- 5.2. The determination of the remuneration to be offered to any newly appointed senior manager will be in accordance with the pay structure and relevant policies in place at the time of recruitment.
- 5.3. In accordance with the Localism Act (2011), where the proposed annual salary package is £100,000 or more the decision must be voted on by a meeting of members 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 managers.
- 5.4. With the exception of progression through the incremental scale of the relevant grade on annual basis, the level of remuneration is not variable dependent upon the achievement of defined targets.
- 5.5. To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's arrangements for authorising any additional remuneration relating to temporary additional duties are set out in the Council's Job Evaluation Maintenance Procedure.
- 5.6. The Council's arrangements for salary supplements or special responsibility payments for undertaking additional duties in order to comply with its statutory responsibilities are detailed below:

#### **Returning Officer**

The Council is required to provide funding to the Returning Officer to discharge statutory functions relating to the administration of local government elections. The Returning Officer will make payments to those officers who undertake specific duties in relation to the elections (including to chief officers) in accordance with their role. The Chief Executive does not receive any additional payment for the role of Returning Officer for local government elections.

It should be noted that any fees payable for duties undertaken in connection with national elections and referenda (Parliamentary and European Parliamentary elections, Police and Crime Commissioners Elections and national referenda) are funded by central government in accordance with Fees and Charges Orders made by Parliament, which prescribe a maximum recoverable amount payable to the Returning Officer for the administration of such polls as well as the maximum recoverable amount for services provided personally by the Returning Officer for the particular election. Consequently, any such payments made to those officers who undertake specific duties in relation to these elections and referenda (including to chief officers and to the Chief Executive as Returning Officer) are not funded by the Council.

#### **Section 151 Officer and Deputy**

The Section 151 Officer and Deputy Officer roles are embedded within the roles of Director (Deputy Chief Executive) and Assistant Director – Finance respectively and no additional payment is received.

## **Monitoring Officer and Deputy**

The Monitoring Officer current allowance is £5,000 per annum. This allowance is payable for a temporary period to the Assistant Director - Contracts and reflects the support required during the hand over period to the newly appointed AD - Legal.

The Monitoring Officer responsibility permanently sits with the Assistant Director – Legal.

The Deputy is undertaken by the Strategic Legal Manager – Chief Legal Officer. The current allowance is £2,500 per annum.

## **Special Responsibility Allowances**

The Assistant Director – Contracts receives a Special Responsibility Allowance of £10,000 to reflect the scope of the role across Greater Manchester Fire and Rescue Service, Wigan and Leigh Homes and Wigan Leisure and Culture Trust.

The Assistant Director – Legal receives a Special Responsibility Allowance of £12,000 to reflect the significant matters relating to member issues, involving complaints and police matters which exceeds the normal level of activity compared to other authorities of this size.

The Assistant Director – Finance receives a Special Responsibility Allowance of £10,000 to reflect the accounting work undertaken on behalf of Greater Manchester Fire and Rescue Service.

## **6. Pension Contributions**

- 6.1. 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 and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current rate, set at 1<sup>st</sup> April 2014 is 19.60%. The employee contribution rates, which are defined by statute (as at 1<sup>st</sup> April 2014), are currently 8.5% for yearly pay more than £43,001 and up to £60,000 and 9.9% for yearly pay more than £60,001 and up to £85,000.

## **7. Payments on Termination**

- 7.1. The Council's approach to statutory and discretionary payments on termination of employment of senior managers, prior to reaching normal retirement age, is set out within the Redundancy Procedure 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.
- 7.2. Any payments falling outside these provisions or the relevant periods of notice within the contract of employment shall be subject to a formal decision made by the Council's Pay and Reward Panel.

## 8. **Publication**

- 8.1. Upon approval by the full Council, this statement will be published on the Council's website and intranet pages.
- 8.2. For posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note setting out the total amount of:
  - ◆ Salary, fees or allowances paid to or receivable by the person in the current and previous year;
  - ◆ Any bonuses so paid or receivable by the person in the current and previous year;
  - ◆ Any sums payable by way of expenses allowance that are chargeable to UK income tax;
  - ◆ Any compensation for loss of employment and any other payments connected with termination;
  - ◆ Any benefits received that do not fall within the above.

## 9. **Lowest Paid Employees**

- 9.1. The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours per week) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure.
- 9.2. As at 1<sup>st</sup> April 2015, this is £13,500 per annum (with an additional allowance of £868 per annum to bring the hourly rate up to the Wigan Living Wage of £7.45 per hour). However the lowest spinal column point will be removed from the pay scale with effect from the 1<sup>st</sup> October 2015 which will mean that the lowest paid person would earn £13,614 per annum (FTE) (with an additional allowance of £752 per annum to bring the hourly rate up to the Wigan Living wage of £7.45 per hour)
- 9.3. The relationship between the rate of pay for the lowest paid and senior managers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
- 9.4. At 1 April 2015, the median full time equivalent salary within the Council is £21,106.
- 9.5. The current pay levels within the Council define the multiple between the median full time equivalent earnings and the Chief Executive as [1:7.82].
- 9.6. The current pay levels within the Council define the multiple between the median full time equivalent earnings of all employees and that of senior management as [1:3.79].
- 9.7. 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.
- 9.8. The Council has implemented a Living Wage supplement during 2013 which has increased the lowest earner rate to £7.45 per hour.

## **10. Accountability and Decision Making**

- 10.1. In accordance with Council policy, a specially convened appointment committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to the employment of Directors, Director (Deputy Chief Executive) and the Chief Executive.
- 10.2 The appointment of a Chief Officer or Deputy Chief Officer will be determined by the constitution at this time. Their pay, terms and conditions and severance arrangements in all cases will be in-line with the relevant Local and /or National Conditions of Service.

## **11. Re-employment / Re-engagement of Former Senior Managers**

- 11.1. The re-employment and /or re-engagement of former senior managers will be in-line with the national conditions of service as detailed in the Handbook for JNC Chief Officers.
- 11.2. For the purposes of this policy statement former senior managers are those who earned above £58,200 per annum and were previously employed by Wigan Council, another Local Authority or other public body that the Redundancy Modification Order 1983 applies.

## **12. Shared Responsibility for Senior Management Remuneration**

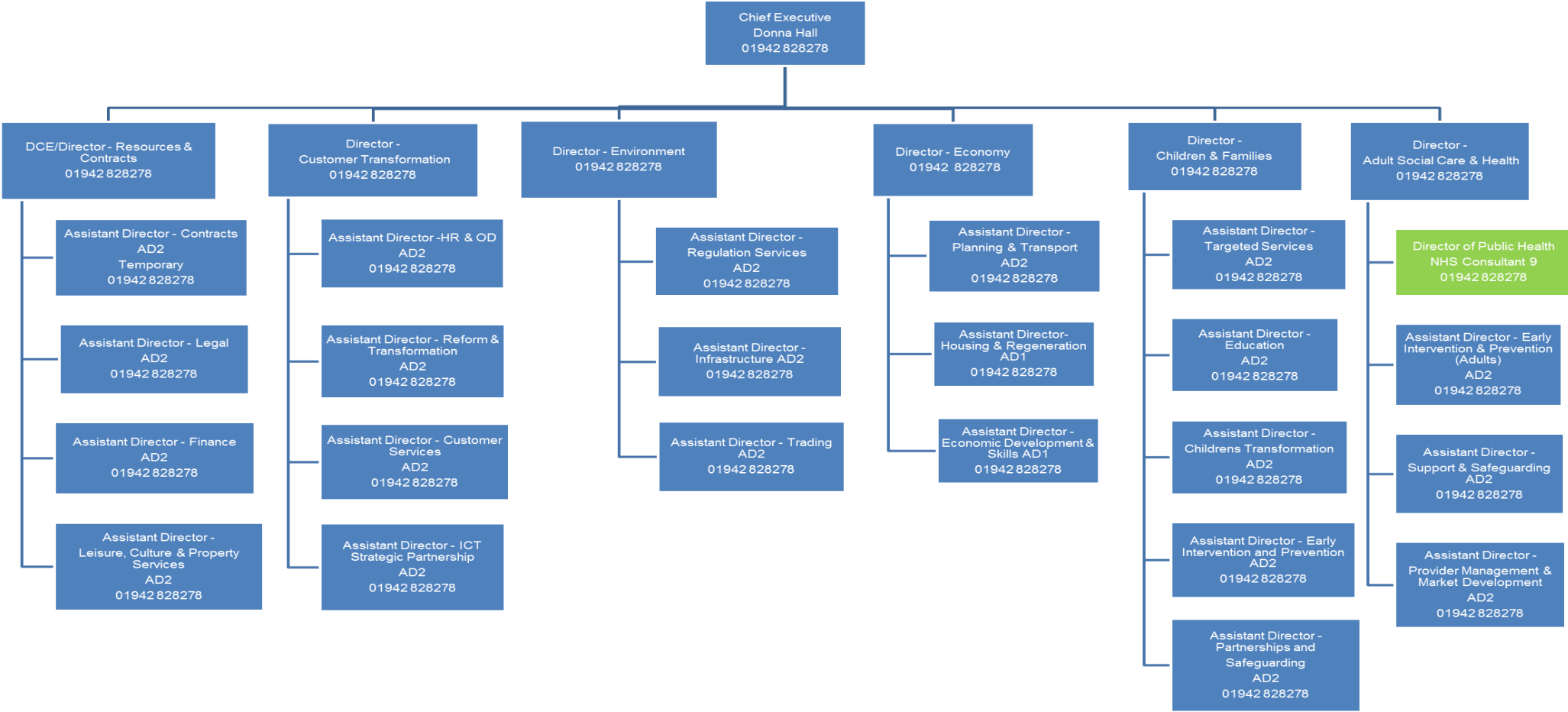
- 12.1 In cases where senior managers are jointly employed by another organisation or public body then an assessment will be made to determine the percentage of time required to work for each organisation. This ratio will then determine how the remuneration costs associated to the post are shared between each organisation.

## **13. Publication**

- 13.1 Upon approval by the full Council, this statement will be published on the Councils Website.



# Corporate Senior Management Team Structure as at January 2015



- All posts are permanent unless otherwise indicated