

GMCA RESOURCES COMMITTEE

Date: **27 July 2018**

Subject: **Pay Policy Statement**

Report of: **Andrew Lightfoot, Deputy Chief Executive GMCA**

PURPOSE OF REPORT

Section 38(1) of the Localism Act 2011 requires ‘relevant Authorities’ which includes Fire and Rescue Services, to prepare pay policy statements each year. These statements must be approved by the relevant committee and published on the Authority’s website it must also set out the Authority’s pay policies relating to:

- a) Remuneration of its Chief Officers
- b) Remuneration of its lowest-paid employees, and
- c) The relationship between the remuneration of its Chief Officers and the remuneration of lowest-paid employees.

This paper sets out GMCA’s proposed Annual Pay Policy Statement for 2018/19 in accordance with this Act.

The paper details the proposed Annual Pay Policy Statement for 2018/19, which sets out GMCA’s policies in relation to the pay of its workforce. Members should note that the attached Pay Policy Statement does not supersede the responsibilities and duties placed on the Authority in its role as an employer and under employment law.

RECOMMENDATIONS:

Members are recommended to endorse the approach outlined in the Pay Policy Statement.

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Policy & Procedure

Pay Policy Statement 2018

People and Organisation Development

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Document Details

If this Policy & Procedure requires updating or editing prior to the review date please contact the Author.

Document Version Control		
Document Version	Date	Author
V3	17/07/2018	Amanda Stevens, Partner – Human Relations, Payroll and Pensions

Approval Process	
Approval Agency	GMCA Remuneration Committee
Policy Owner	Nina Purcell, Assistant Director - People Directorate
Evaluation Date	31/03/2019
Equality Analysis and Impact Assessment	

Consultation & Engagement	
Involved	Consulted

Related Documents	
Policy & Procedure	•
Guidance	• GMFRS Annual Gender Pay Gap Report
External	• The Localism Act 2011

Scope

Section 38 of The Localism Act 2011 refers to “Pay Accountability” and sets out the requirement of Local Authorities and Fire and Rescue Services in England and Wales to determine and publish annual Pay Policy Statements. This Pay Policy Statement relates to employees of GMCA whose remuneration packages, including rate of pay and terms and conditions, are determined by and within the control of the Authority.

Definitions

The Pay Policy Statement relates to the remuneration of our statutory and non-statutory Chief Officers.

The strict definition of Chief Officers within the legislation is limited to:

- The Head of Paid Service
- The Monitoring Officer
- The Statutory Chief Officer and non-statutory Chief Officer under Section 2 of the Local Government and Housing Act 1989
- A Deputy Chief Officer mentioned in Section 2 of that Act

However, GMCA employs a wider range of senior officers to oversee the functions of the Authority including the Fire and Rescue Service.

These Officers are employed on one of the following terms and conditions of service;

- The Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities’ Conditions of Service
- The National Joint Council (NJC) for Brigade Managers of Local Authority Fire and Rescue Services (known as Gold Book)

All other employees of GMCA are employed under one of the following terms and conditions of service;

- The National Joint Council (NJC) for Local Authority Fire and Rescue Services (known as Grey Book)
- The National Joint Council (NJC) for Local Government Services (known as Green Book)
- The National Joint Council (NJC) for Local Government Services (known locally as Blue Book)
- Joint Negotiating Committee for Local Authority Craft and Associated Employees (known as Red Book)

Policy Statement

The purpose of the Statement is to provide transparency with regard to the Authority's approach to setting the pay of its employees.

In determining the pay and salary packages of all of its employees, the Authority will comply with all relevant employment legislation.

It is the policy of GMCA to ensure 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 posts in grades according to the requirements, demands and responsibilities of the role.

The Authority is also required by law (The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017) to publish an annual Gender Pay Gap Report, the first of which for GMFRS was published in April 2018.

Principles

- The Service currently operates its pay structures in line with that agreed nationally for staff employed under The Joint Negotiating Committee (JNC) and The National Joint Council (NJC) Terms and Conditions of service.
- The Service adopts the national pay bargaining arrangements in respect of the establishment and revision of all pay structures. For example, through any agreed annual pay increases negotiated with joint Trade Unions.

Roles & Responsibilities

People Directorate are responsible for reviewing and updating this Policy & Procedure on an annual basis.

GMCA Remuneration Committee is responsible for reviewing the Policy and the salary levels contained within it.

GMCA should ensure that the document is publicly available through its website. That the Policy is applied fairly and consistently throughout the Service.

Procedure

Pay Structure

1. The Authority uses nationally negotiated pay rates, which determines the salaries of the large majority of its employees.
2. The Authority adopts the national pay bargaining arrangements in respect of the establishment and revision of pay rates, for example through any agreed annual pay increases negotiated with joint Trade Unions, subject to any local agreements in place.
3. Where a nationally negotiated pay rate does not apply, the Authority will determine the salary rate through local negotiation and agreement.
4. All other pay related issues are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.
5. In determining its grading structure and setting salary packages for any posts which fall outside of the scope of the national pay bargaining arrangements, the Authority 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.
6. There are circumstances where the terms of Transfer of Undertakings Protection of Employees (TUPE) may determine the eligibility of pay awards for employees who transfer into the Authority.

Variation to Pay Grade

7. 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 Authority will ensure the requirement for such is objectively justified by reference to clear sources available from within the public sector and outside as appropriate.

8. In instances where a temporary market rate supplement is applied, quarterly reports will be submitted to the Resources Committee.

Job Evaluation

9. All new posts under the NJC terms and conditions of service are job evaluated under the Gauge System to ensure consistency and parity.
10. Local Authority Fire and Rescue Services (NJC) Terms and Conditions are contained within nationally agreed role profiles.

The Living Wage

11. Living Wage rates are based on Minimum Income Standards methodology and seek to take account of real living costs for essential goods and services.
12. Through the Pay Policy Statement, the Authority is committed to and pays the Living Wage for all employees.
13. The Living Wage Rate is reviewed and announced by the Living Wage Foundation on 1 November each year. The provision for the Living Wage will be kept under review.
14. The current Living Wage rate for outside of London increased from 1 November 2017 to £8.75 and was implemented in GMCA on 1 April 2018.

Senior Management Salary

15. The Localism Act refers to Chief Officers and Deputies, however it should be noted that the definition is very broad, therefore for the purposes of this Policy Senior Management is considered by GMCA to be those posts named below:

Job Title	Salary £ (PA)
GMCA Chief Executive	180,000
GMCA Solicitor and Monitoring Officer	127,513
GMCA Treasurer	158,027
Deputy Chief Executive	131,300
Chief Fire Officer 01/04/17 to 05/02/18 (Retired)	162,272 (Full year Salary)
Interim Chief Fire Officer from 23/01/18 to Present	154,545 (Full year salary)

* The above represents gross annual salary and does not include 'on costs' or additional allowances which may be associated with the role

Remuneration of the lowest paid employees

16. For those in operational roles covered by (Grey Book Terms and Conditions), the lowest paid roles are the Trainee (Apprentice) Fire-fighters who are paid a 'training rate' whilst undertaking the recruit course Phase 1 currently £22,459. They subsequently progress on the successful completion of their initial training to a 'development rate' for the duration of Phase 2 and finally a 'competent rate' subject to passing the relevant assessments.
17. For those on Green Book conditions, the lowest paid employees of GMCA are defined as those on the lowest point of the pay scale (currently aligned to Grade 2 SCP 8) which equates to an annual salary of £15,972 and is compliant with the living wage. These lowest paid roles having been evaluated using the National Joint Council Job Evaluation scheme reflect the low level of accountability and responsibility relative to other roles in the Authority. Benchmark evaluations and grade assignments are authorised jointly by union and management representatives, and show adherence to equality legislation.
18. GMCA also employ a small number of Craft Workers whose terms and conditions are set by the Joint Negotiating Committee for Local Authority Craft and Associated Employees (known as the Red Book). The lowest annual salary of which is currently £16,491

Relationship between the remuneration of Chief Officers and other officers

19. It is a requirement of the Localism Act, 2011 that the Authority produce a statement each year on pay multiples for senior officers. The 'Hutton Review of Fair Pay' which provided the genesis of the legislation here, identified that most top to bottom pay multiples in the public sector are in the region of 8:1 to 12:1. The current pay multiples for the Chief Executive of GMCA and the lowest paid member of staff are as follows:
 - a. Between the Chief Executive Officer and the lowest paid member of staff the multiple is 11.27:1
 - b. Between the Chief Executive Officer and the average earnings at £31,768 per annum, the multiple is 5.67:1

20. The ratio in GMCA, between the Chief Executive and the lowest paid member of staff at 11.27:1 is within the range contained within the 'Hutton Review of Fair Pay' report.

Recruitment of Chief Officers

21. When recruiting to all posts, the Authority will take full and proper account of all provisions of relevant employment law and its own Recruitment and Selection and Redeployment Policies.

Legislation Covering Remuneration

22. In determining the pay and remuneration of all of its employees, the Authority 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.

Benefits

23. **Credit Union Flamesavers:** GMCA's current and retired employees can become members of the Flamesavers Credit Union, which offers savings and loans through a not-for-profit financial co-operative.

24. **Employee Assistance Programme:** As part of a wider health and wellbeing strategy, and in response to a high level of ongoing change within the organisation, an Employee Assistance Programme (EAP) is a benefit provided to GMCA employees.

25. **Salary Sacrifice Scheme:** Childcare and Cycle to Work schemes are in operation at GMCA to enable both tax and national insurance savings for both its employees and GMCA.

26. **Pension Contributions:** employer pension contributions are paid to the Local Government Pension Scheme, the Firefighter Pensions Scheme 1992, the New Fire-fighter Pension Scheme 2006 and the Firefighter Pension Scheme 2015.

27. The Authority will automatically enrol all eligible employees into the relevant pension scheme and is required to make a contribution to the scheme representing a percentage of the pensionable salary due under the contract of employment of the employee.

Allowances, Expenses and Subscriptions

28. Officers are able to receive a car user allowance (including mileage allowances) in recompense for the wear and tear on personal vehicles which they are required to provide to enable the full performance of their duties. This could be an essential car user allowance, or a casual or 'ad hoc' car user allowance and

is assessed upon requirement of role. This is subject to tax at the rate appropriate to the individual.

29. Officers are able to reclaim a restricted range of legitimate and evidenced 'out of pocket' expenses reasonably incurred in the performance of their roles. Wherever possible the Service will centrally procure travel and accommodation, e.g. rail tickets and hotels, to gain best value and reduce the level of individual claims by officers.
30. GMCA policy on the payment of employee professional subscriptions remains under review. Currently, the subscriptions of a small number of professional memberships are payable by the Authority on behalf of individuals.

Termination Payments

31. Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 requires an authority to formulate, review and publish its policy on making discretionary payments on early termination of employment.
32. GMCA has a strategy to work towards having a defined policy in place to present employees with several retirement options, enabling them and the Service to plan their future workforce needs more effectively. GMCA in consultation with the relevant Trade Unions, is working towards having a comprehensive suite of exit strategies to assist in reshaping and re-positioning the workforce.
33. GMCA is also striving to have in place policies to outline its discretionary powers in relation to Flexible Retirement, and Voluntary Early Retirement. There are mutual benefits of a Flexible and Voluntary Early Retirement policy for both employer and employee. Any financial implications for GMCA with the payment of benefits through flexible and early retirement must be accounted for as part of a business case based on affordability and delivering any identified efficiency savings.
34. In cases of redundancy, payment is calculated based on actual week's pay.
35. The current agreed position for GMCA is that redundancies will be avoided where at all possible, as such any enhancement for voluntary redundancy will be determined by the Combined Authority at the appropriate time.

Re-employment and Re-engagement

36. The Authority will not re-employ any former employees that have left the Service through early retirement or under the Voluntary Severance Scheme where there has been a cost to the Authority.

37. Re-engagement would only be on an exceptional basis and agreed by the Chief Executive and Chief Fire Officer where appropriate.

Publication

38. Upon approval by the Remuneration Committee of GMCA the statement will be published on the Authority's Website and Intranet.

