

**Report to:** Pay and Grading Committee Date of Meeting: 11<sup>th</sup> January 2018  
Council Date of Meeting: 25<sup>th</sup> January 2018

**Subject:** Pay Policy

**Report of:** Head of Corporate Resources

**Wards Affected:**

**Is this a Key Decision?** No **Is it included in the Forward Plan?** No

**Exempt/Confidential** No

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### **Purpose/Summary**

To recommend a Pay Policy for the Council as required by the Localism Act 2011.

### **Recommendation(s) That:**

#### **Pay and Grading Committee:**

The proposed Pay Policy at Annex A to this report be recommended to the full Council for approval.

#### **Council**

- (i) The proposed Pay Policy at Annex A to this report be approved.
- (ii) That if any amendment to the Pay Policy is necessary before the publication of next year's Pay Policy because of a change in legislation, as detailed in paragraphs 4 and 5, then the Pay and Grading Committee be delegated with authority to amend the Pay Policy accordingly.

### **How does the decision contribute to the Council's Corporate Objectives?**

	<b><u>Corporate Objective</u></b>	<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity		✓	
3	Environmental Sustainability		✓	
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	

7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy		✓	

**Reasons for the Recommendation:** To comply with the Localism Act 2011

**What will it cost and how will it be financed?**

**(A) Revenue Costs** N/A

**(B) Capital Costs** N/A

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

**Legal** The Council has the following duties under the following sections of the Localism Act 2011 :-

Section 38- The Council must prepare a Pay Policy Statement for each financial year which sets out its policies relating to the remuneration of its chief officers and its lowest-paid employees and the relationship between the remuneration of its chief officers and its employees.

Section 39-The Council's Pay Policy Statement must be approved by resolution of the authority before it comes into force and prior to 31<sup>st</sup> March immediately preceding the financial year to which it relates.

Section 40- With regard to its functions under sections 38 and 39 [above] ,the Council must have regard to any guidance issued or approved by the Secretary of State

Potential legislation may come into force at a future date as detailed in paragraphs 4 and 5.

**Human Resources** The Pay Policy has been amended and updated to reflect any changes that have occurred since the last report.

**Equality**

- |    |  |                                     |
|----|--|-------------------------------------|
| 1. | No Equality Implication                          | <input checked="" type="checkbox"/> |
| 2. | Equality Implications identified and mitigated   | <input type="checkbox"/>            |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/>            |

**Impact on Service Delivery:** N/A

**What consultations have taken place on the proposals and when?**

The Head of Corporate Resources (FD 4983/17) that this report is to meet the Authorities statutory duties under the Localism Act 2011 to produce an Annual Pay Policy statement and has no other financial implications.

Head of Regulation and Compliance (LD4268/17) has been consulted and has no comments on the report.

**Are there any other options available for consideration?** No

**Implementation Date for the Decision:** Immediately following the Council meeting.

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## **INTRODUCTION**

1. This report deals with a requirement in the Localism Act 2011 (the Act) which became statute in November 2011. The Act introduced a requirement for Local Authorities to agree and publish an Annual Pay Policy Statement effective from December 2011.
2. In February 2012 the DCLG issued statutory guidance “Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act 2011” and required Local Authorities in England to take account of the supplementary guidance when preparing their Pay Policy Statements.
3. To comply with this requirement the Council’s revised Pay Policy statement is attached. The Pay Policy has no substantive changes.
4. During the summer of 2016 the Government announced a proposal for a Regulation entitled “The Repayment of Public Sector Exit Payments Regulations”. The Government has power to do this under the Small Business, Enterprise and Employment Act 2016. The proposal concerned a situation where an employee within the public sector earning £80,000 or more receives an exit payment (such as redundancy and assisted payouts) and then returns to any part of the public sector within 12 months of leaving. The legislation will state that on returning to the public sector, the employee must repay some or all of the exit payment received, even if they return to a much lower salary role or to a different part of the public sector. The regulations were to be advanced to go through Parliamentary scrutiny and then to take effect. However, there were some anomalies within the proposals and as at December 2017 the regulations remain draft statutory instruments and are therefore not yet applied.
5. In addition the Government has said it is to introduce The Public Sector Exit Payment Regulations 2016 which imposes a cap of £95,000 on exit payments made by public bodies. Payments to employees cannot exceed this amount. The proposals are not yet law and final regulations are awaited. Legal advice is that the draft regulations have anomalies which may be resolved when the final regulations are published.
6. Further, from 5 February to 3 May 2016, HM Treasury consulted on reforms to public sector exit payments and on 26 September 2016, the Government announced its intention to make further changes to public sector exit payments including: a minimum tariff of three weeks' pay per year of service; a cap of up to 15 months' salary on all redundancy payments; a maximum salary for the calculation of exit payments of £80,000; tapering amount of lump sum compensation an individual is entitled to receive as they get close to the normal pension age of the pension scheme to which they belong. The proposals are not yet law and final regulations are awaited.

7. Therefore, at the time of writing the legislation position is uncertain. When the final legislation is known, the Pay Policy will be updated accordingly and it is recommended that the Pay and Grading Committee be delegated from Council to deal with any necessary amendment to bring the Authority into compliance with any statutory measure if such statutory review comes into place before Council has an opportunity to consider next year's Pay Policy.

## ANNEX A

### PAY POLICY 2017 / 2018

**(As required by the Local Government Transparency code 2014 and the Localism Act 2011)**

	<u>Contents</u>	<u>Para(s)</u>
A	Opening Statement	1-4
B	Scope of Policy	5
C	Availability of Policy	6
D	Decision Making	7-11
E	Senior Officers Pay	12-20
F	Educational Professionals/Educational Psychologist/	21-27
G	Youth and Community workers	28
H	National Joint Council (NJC) Employees	29-31
I	NJC Agreement	32
J	Ad hoc arrangements	33
K	Market Supplements Policy	34-35
L	Other pay	36-40
M	Pay Protection	41
N	Pay Relationships	42-46
O	Other Terms and Conditions	47-50
P	Public Health staff	51
Q	National Minimum wage and Living Wage	52-55
R	Re-employment of staff in receipt of redundancy pay	56-59

**Note:** Reference is made in this policy to various national and local terms and conditions agreements, and policies.

#### **National Pay Agreements within Local Government**

1. JNC Chief Executive Terms and Conditions of Service.
2. JNC Chief Officer Terms and Conditions of Service:
3. Local Government Pension Scheme:
4. NJC Terms and Conditions of Service (Green Book): [Green book](#)
5. NJC Terms and Conditions of Services for Craft Workers (Red Book).
6. Soulbury Terms and Conditions of Service: (Education & Young People)
7. Youth and Community Workers Terms and Conditions of Service (Pink Book): (Education & Young People)
8. Non-Standard Working Arrangements and Associated Payments: [Non-standard Working Arrangements](#)
9. A definition of the term Casual worker is available from the Sefton Council Website [definition of casual worker](#)

# **SEFTON COUNCIL PAY POLICY**

## **A. OPENING STATEMENT**

1. The aim of this policy is to help maintain and improve the quality of service provision by ensuring that all employees are valued and receive proper reward for their work and contribution. It also serves to satisfy the requirements of the Localism Act 2011 relative to pay accountability.
2. It is recognised that both financial and non-financial rewards are necessary to attract, retain and motivate employees. As such there needs to be a close link between reward and the overall approach to people management, including workforce planning and development strategies. There needs to be a fair balance between changing organisational needs and the aspirations of individuals. Equally there needs to be recognition of the financial constraints of the current economic climate and the imperative to manage public monies responsibly.
3. This policy will assist in managing pay and other rewards in a fair, equitable, responsible and transparent manner. The Council supports the principle of equality of opportunity in employment. In this regard every endeavour will be made to ensure that employees receive equal treatment, irrespective of their age, gender, race, colour ethnic origin, family commitments, marital status, sexual orientation, disability or religious beliefs.
4. All pay related decisions will be taken in compliance with the provisions of The Equality Act 2010, The Employment Rights Act 1996, The Employment Relations Act 1999, the Employment Act 2002, The Employment Act 2008, The Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, The Fixed Term Employees' (Prevention of Less Favourable Treatment) Regulations 2002, all as amended.

## **B. SCOPE OF POLICY**

5. This policy covers all employees other than those in schools.

## **C. AVAILABILITY OF POLICY**

6. This policy is available on the Sefton's Council website under [Pay Policy](#)

**D. DECISION MAKING**

7. The pay policy is the responsibility of the Pay & Grading Committee with any recommendations for change being subject to the approval of the Council.
8. The policy will be reviewed by the Committee at least once every municipal year and referred to the Council for consideration prior to the beginning of the subsequent municipal year on 1<sup>st</sup> April.
9. The authority to make decisions in accordance with the policy (i.e. its application) is in accordance with the delegations described in the Council's constitution, which can be found in the documents library on Sefton's website.
10. In January 2013 Council agreed a mechanism specifically for;
  - The consideration of severance packages which amount to £100,000 or above, and
  - The consideration of new appointments which have a remuneration package of £100,000 or above.

It was agreed that:

- In relation to any severance packages in respect of the Chief Executive, Executive Directors and Heads of Service which amount to £100,000 or above, that Full Council are given an opportunity to vote to determine agreement, following a recommendation from the Pay and Grading Committee.
- All other employees' severance packages of £100,000 or above are to be determined by the Pay and Grading Committee and may come before Full Council as part of the Budget process. The reason for utilising the Pay and Grading Committee is to allow operational effectiveness in seeking the approval of such payments, leaving Full Council to deal with severance packages for the Senior Officer positions.
- In respect of the definition of a severance payment this is defined as:
  - (a) A redundancy payment
  - (b) Any capital cost to the pension fund
  - (c) Any other contractual payments which are due to the employee
  - (d) Any other payments which the Local Authority may seek to make

- The Employment Procedure Committee will decide on the remuneration packages for Senior Officer in cases where the proposed remuneration is over £100,000. This will be debated at the point when the decision to fill the post is made. A recommendation will then be made to the Full Council who will have the opportunity to vote on the remuneration proposed. The remuneration must be agreed prior to an appointment offer being made.
11. It is proposed that the decision making processes for severance and remuneration detailed in the paragraphs above remain in force.

**E. SENIOR OFFICERS PAY**

12. Senior officers are defined as those currently earning £50,000 and above. The £50,000 threshold is applied as per the Local Government transparency code issued by the Department for Communities and Local Government [CLG].
13. Individual Senior Management pay is set out in data published on the Council's website in accordance with the Local Government transparency code. It provides details of;
- the number of employees whose remuneration in that year was at least £50,000 - in brackets of £5,000
  - details of the job title of senior employees whose salary is at least £50,000, and
  - identification by name of any employees whose salaries are £150,000 or more.
  - the information is not solely based on salary but will include all remuneration i.e. overtime pay

Senior Officer Pay data can be accessed through the Sefton Council website under: Personnel / Job Evaluation/ [Senior Salaries](#)

14. In addition, local authorities must provide a list of responsibilities (for example, the services and functions the postholder is responsible for and details of bonuses and 'benefits-in-kind', for all employees whose salary exceeds £50,000.
15. Senior officers (other than those paid under the Soulbury agreement) are paid in accordance with the HAY job evaluation method.
16. Chief Executive Salary – this comprises of 5 incremental points within a salary band ranging from £141,327 rising to £155,466.

*NOTE: The current Chief Executive is on the maximum of the grade but since February 2011 has volunteered a 10% reduction in salary. The actual salary payable as at 1.4.2017 is £139919 p.a.*

17. As at 1.4.2017 Executive Directors and the Director of Social Care and Health are paid at HAY 1 (£112,209) plus a Market Supplement as appropriate. Heads of Service are paid at either HAY 2 (£94,071), HAY 3 (£81,942) or HAY 4 (72,177) as spot grades, plus a Market Supplement if appropriate. Senior Management are paid relative to Hay grades 5 & 6. Hay 5 ranging from £59,556 - £65,508 by 5 increments. Hay 6 ranges from £46,677 - £54,039 by 7 increments.
18. The terms and conditions for the post of Chief Executive are in accordance with the Joint National Council (JNC) Scheme for Chief Executives. In the case of HAY Grades 1 - 5 the terms and conditions are as per the JNC Scheme for Chief Officers. In the case of HAY Grade 6 the terms and conditions are in accordance with the National Joint Council (NJC) Scheme for Local Government services employees (known as the "Green Book").
19. HAY grades are allocated to posts using the HAY job evaluation system. This system enables the factors of a job to be analysed and translated into a points score which, in turn, is related to the appropriate grade associated with the score.
20. Each year the HAY group are consulted as to what is an appropriate pay rise. The HAY Group advise based on predicted awards in the general market (Public and Private Sector), the amount of inflation, and the Retail Prices Index. This is also balanced against the National Joint Council Pay award and the ability of the Council to meet the pay bill.

#### **F. EDUCATION PROFESSIONALS PAY [Soulbury Agreement]**

21. The Soulbury Committee provides national collective bargaining machinery for advisory staff in Local Authorities. Nationally it covers approximately 10,500 staff including: education improvement professionals, education psychologists, and young people's/community service managers. In addition to any annual pay increase, the Soulbury Committee also determines the national salary framework.
22. The Soulbury agreement provides separate sets of pay spines for Education Improvement Professionals (EIPs), Educational Psychologists, Senior and Principal staff and Trainee Educational Psychologists, Assistant Educational Psychologists and Community Service Managers. The current pay agreement covers pay spines payable from 1st September 2017. The pay spines currently payable from 1.9.2017 are detailed below;

### **Education Improvement Professionals (EIPs)**

Spine Point	Salary from 1.9.2017
Ranges from spine point 1	£34,067
To spine point 50	£90,168

23. The Education Improvement Professionals (EIPs) salary scales consist of not more than four consecutive points, based on the duties and responsibilities of the posts and the need to recruit and motivate staff. Minimum starting points are defined in the pay conditions for Senior and Principal EIPs and include an extended range to accommodate structured professional assessments.

### **EDUCATIONAL PSYCHOLOGISTS**

Spine Point	Salary from 1.9.2017
Ranges from spine point 1	£35,731
To spine point 11	£52,903

24. The salary scales consist of six consecutive points, based on the duties and responsibilities of the posts and the need to recruit, retain and motivate staff and include extension to scale to accommodate structured professional assessment points.

### **SENIOR & PRINCIPAL EDUCATIONAL PSYCHOLOGISTS**

Spine Point	Salary from 1.9.2017
Ranges from spine point 1	£44,797
To spine point 18	£66,276

25. The Salary scales consist of not more four consecutive points, based on the duties and responsibilities of the posts and the need to recruit, retain and motivate staff and include an extension to range to accommodate discretionary scale points and structured professional assessments.

**TRAINEE EDUCATIONAL PSYCHOLOGISTS**

Spine Point	Salary from 1.9.2017
Ranges from spine point 1	£22,955
To spine point 6	£31,355

**ASSISTANT EDUCATIONAL PSYCHOLOGISTS**

Spine Point	Salary from 1.9.2017
Ranges from spine point 1	£28,218
To spine point 4	£31,669

**COMMUNITY SERVICE MANAGERS**

Spine Point	Salary from 1.9.2017
Ranges from spine point 1	£35,333
To spine point 24	£62,194

26. The Salary scales consist of not more four consecutive points, based on the duties and responsibilities of the posts and the need to recruit, retain and motivate staff and include an extension to range to accommodate discretionary scale points and structured professional assessments.
27. The Soulbury agreement does not set its own specific conditions of service. Instead it provides that:

*“The conditions of service of Soulbury officers shall be not less favourable than those prescribed for the local government services staff of the authority”*

## **G. Youth and Community Workers**

28. The pay of Youth and Community Workers is determined from pay points prescribed by the Joint National Council (JNC). There are two ranges of pay points, one for Youth and Community Support Workers and one for Professional staff.

### **Youth and Community Support Workers**

Spine Point	Salary from 1.9.2017
Ranges from spine point 1	£15,807
To spine point 17	£26,929

### **Professional staff**

Spine Point	Salary from 1.9.2016
Ranges from spine point 13	£23,679
To spine point 32	£39,961

## **H. NATIONAL JOINT COUNCIL EMPLOYEES**

29. The largest proportion of employees are paid in accordance with the NJC (Green Book) terms and conditions of employment and in conjunction with a locally determined grading structure that is derived from the spinal column points (SCPs) provided by the NJC for Local Government Services pay scales. It is influenced by market values and is 'shaped' to reward employees fairly relative to job requirements.
30. Grades are allocated to posts using the Local Government Single Status Job Evaluation Scheme which forms part of the NJC (Green Book) terms and conditions of employment.
31. The grading structure and the arrangements for applying the job evaluation scheme are agreed with the local trade unions.

## I. NJC PAY AGREEMENT

32. Following the conclusion of the respective consultations by the National Employers and Trade Unions sides, agreement was reached on a 2 year pay deal providing agreed salary scales payable from 14.2016 to 1.4.2017. The pay scales applicable for NJC staff based on a 36 hpw standard working week range from SCP 6 £15,014 to SCP 49- £43,821.

SCP	Annual Salary	Hourly rate of pay	JE Score	Grade
4	Deleted 30th September 2013			
5	Deleted 30th September 2015			
6	£15,014	£7.9983	Up to 235	A
7	£15,115	£8.0521	236	B
8	£15,246	£8.1219	to	
9	£15,375	£8.1906	260	
10	£15,613	£8.3174	261	C
11	£15,807	£8.4208	to	
12	£16,123	£8.5891		
13	£16,491	£8.7852	299	
14	£16,781	£8.9396	300	D
15	£17,072	£9.0947		
16	£17,419	£9.2795	to	
17	£17,772	£9.4676	332	
18	£18,070	£9.6263	333	E
19	£18,746	£9.9865	to	
20	£19,430	£10.3508		
21	£20,138	£10.7280	372	
22	£20,661	£11.0066	373	F
23	£21,268	£11.3300	to	
24	£21,962	£11.6997		
25	£22,658	£12.0705		
26	£23,398	£12.4647	411	
27	£24,174	£12.8781	412	G
28	£24,964	£13.2989		

29	£25,951	£13.8247	to	
30	£26,822	£14.2887		
31	£27,668	£14.7394	459	
32	£28,485	£15.1747	460	H
33	£29,323	£15.6211		
34	£30,153	£16.0632	to	
35	£30,785	£16.3999		
36	£31,601	£16.8346	509	
37	£32,486	£17.3061	510	I
38	£33,437	£17.8127		
39	£34,538	£18.3992	to	
40	£35,444	£18.8819		
41	£36,379	£19.3800	559	
42	£37,306	£19.8738	560	J
43	£38,237	£20.3698	to	
44	£39,177	£20.8705		
45	£40,057	£21.3393	609	
46	£41,025	£21.8550	610	K
47	£41,967	£22.3568	659	
48	£42,899	£22.8533	660	L
49	£43,821	£23.3445	709	
49	£43,821	£23.3445	Over 710	M

**J. AD HOC PAY ARRANGEMENTS for Craft Employees**

33. A very limited number of employees are still employed on the former Craft Workers scheme known as “Red Book” conditions. These terms and conditions will be reviewed as appropriate with a view to applying the grading scheme and locally agreed terms and conditions as per NJC employees.

**K. MARKET SUPPLEMENTS POLICY**

34. The Council aims to recruit and retain the best possible employees with the skills, knowledge and experience needed to deliver excellent services and to

meet its corporate objectives. There may be times when the grading of a post results in an inability to successfully recruit or retain to particular posts. In such cases it may be appropriate to pay a market supplement in addition to the salary to ensure that appointments can be secured. In these circumstances, the potential for the application of a Market Supplement Rate will need to be objectively justified. Such payments are lawful under the Equality Act 2010 where there is evidence to justify that market factors are the “material factor” for the post attracting a higher rate of pay than other posts with the same score. In order to establish equality of pay the Council needs factual evidence to prove that paying any Market Supplement Rate is “a proportionate means of achieving a legitimate aim”.

35. Any business cases made for Market Supplement payments will be subject to indepth investigation and scrutiny by the Pay and Grading team followed by formal approval. Thereafter, the payment will be subject to annual review, and supplementary reviews following any pay award agreements or incremental advancement. In addition, the Joint Trade Union forum will be provided with details of any positions which have been approved for the Market Supplement Payments.

#### **L. OTHER PAY**

36. **Returning officer** The Council has to appoint a Returning Officer for elections. This is usually a senior officer of the Council who performs the role in addition to his/her normal duties. Appointment as a Returning Officer is deemed to be separate remunerable employment.
37. **Acting up payments** Employees are not eligible for honoraria payments under current Council policy. However, an employee who, following a fair selection arrangement, performs the full duties and responsibilities of a higher graded post on a temporary basis, will be paid in accordance with the higher graded post for the specified period and without any commitment to permanency in that post. This is known as “Acting Up”. It is an operationally practical arrangement applied throughout the workforce. It is an expedient measure that should maintain for as short a period as possible – normally less than 12 months.
38. **Advisory Staff in Local Authorities – [Soulbury Agreement]** In each of the separate Soulbury pay spines there is provision for employees to receive up to three further spine points under the Structure Professional Assessment (SPA) system. This element of the pay structure is based on performance assessment and forms part of the overall pay structure. Progression under the SPA system is subject to local assessment against nationally prescribed criteria.
39. **NJC Employees- Non-Standard Working Arrangements and Associated Payments**  
In accordance with the NJC provisions the Council pays allowances in respect of employees who are required to work outside “normal” working hours.

40. In February 2011 Cabinet approved a package of terms and conditions changes following consultation with the trade unions. The changes were implemented with effect from 1<sup>st</sup> April 2011, initially for two years, and have since been adopted as an ongoing contractual arrangement to assist with the budget savings.

**M. PAY PROTECTION**

41. In certain circumstances where employees suffer a loss in basic pay as a result of the actions of the employer, 12 months' pay protection is available.

**N. PAY RELATIONSHIPS**

42. The Local Government Transparency Code 2014 Part 2.2 para 41 and Section 38 of the Localism Act 2011 requires local authorities to produce information relative to pay dispersion i.e. the relationship between remuneration of Senior Officers and the remuneration of other staff. The information in this section illustrates the Councils pay dispersion.
43. The highest level of (*full time equivalent – FTE*) employee remuneration in the Council is associated with the post of Chief Executive which is £139,919.
44. The lowest level of (FTE) employee remuneration is £14336 p.a . This remuneration is as a consequence of staff contracts coming into the Council as a Transfer of Undertakings (TUPE) arrangement. This service area is currently under review to bring the remuneration payments in line with NJC Pay conditions.
45. The median level of actual basic pay for central staff is £17,772.09 p.a. The median level of actual pay including contractual allowances (e.g. overtime, shift pay etc) is £20,138.04 p.a.

The ratio listed compares favourably with the Upper 20:1 ratio as detailed in the Hutton Fair Pay Review Report. As at November 2016 the (FTE) actual pay relationships are:

- Highest pay is 9.76 times greater than lowest pay.
  - Median basic pay is 1.24 times greater than lowest pay.
  - Median pay including contractual allowances is 1.40 times greater than lowest pay.
  - Highest pay is 7.87 times greater than median basic pay and 6.95 times greater than median pay including contractual allowances.
46. In order to achieve this calculation the pay relationships have been based on the lowest level of employee remuneration (using actual pay figures of centrally employed staff payable as at November 2017 and the highest level JNC pay applicable as at November 2017).

**O. OTHER TERMS AND CONDITIONS**

47. The normal working week is 36 hours (FTE). This is on the understanding that for those staff defined as senior officers, additional hours will be worked, as necessary, without financial or time off recompense.
48. The Council recognises the importance of the need to balance personal and working demands. Employees are required to be receptive to such needs both in their own case and relative to those for whom they may be responsible. It is considered that an empathetic management approach to controlled attendance will contribute to high performance and outcomes.
49. The Council's terms and conditions of employment generally provide for 27 days leave for employees with less than 5 years' service and 32 days after 5 years have been completed (35 days for HAY 5 and above). The Council also recognises long service by granting an additional 5 days leave (as a one off award) after 25 years' service has been completed and celebrates longer periods of service.
50. The Council also supports officers in the discharge of their duties by reimbursing expenditure, paying subsistence allowances, and operating a Corporate travel scheme for eligible employees offering reduced cost rail travel with deductions being made direct from payroll.

**P. PUBLIC HEALTH STAFF**

51. The transfer of the Public Health function and its associated employees in 2013 was on a statutory basis as per the Health and Social Care Act 2012. The pay scales applicable at the point of transfer were as per Public Health NHS pay scales and will remain static until such time as the positions become vacant. New appointments to posts within the Public Health function will be made on either NJC or JNC HAY grades as appropriate to the role. As at November 2017 only two Senior Officers (Public Health Consultants) remain on NHS grades.

**Q. NATIONAL MINIMUM WAGE / NATIONAL LIVING WAGE/LIVING WAGE**

52. The National Minimum Wage (NMW) is the minimum pay per hour most workers under the age of 25 are entitled to by law.

The Government's National Living Wage (NLW) is the minimum pay per hour most workers aged 25 and over are entitled to by law.

The rate will depend on a worker's age and if they are an apprentice.

**Current rates**

- £7.50 per hour for ages 25 and over
  - £7.05 per hour for ages 21 to 24
  - £5.60 per hour for ages 18 to 20
  - £4.05 per hour for school leaving age to 17
53. In addition to the above there is a *living wage* determined by the Living Wage Foundation. The rate is £8.75 per hour (outside of London) as at April 2017. This Living wage rate is based on the concept that a certain amount of money is needed to ensure that people are able to have a decent standard of living. The living wage is different from the National Minimum wage and the Governments National Living Wage. Adoption of the minimum wage is a legal requirement however the adoption of the Living Wage is voluntary. Some Authorities have implemented the living wage but only where this has had very minimal impact of the budget due to the makeup of the individual Authority. To become a true Living Wage employer the rate would need to be applied not only to employees but also be extended to employer procurement supply chains.
54. If the Living wage were introduced within Sefton, Terms and Conditions would need to be reviewed. The Cabinet member has been provided with information relative to the implementation of the Living wage for both schools and the Council. No determination has yet been made in terms of whether Sefton Council would wish to be a Living Wage employer.
55. On 5<sup>th</sup> December 2017 The National Employers made a final pay offer in relation to NJC pay rates to the Trade Unions covering the period 1 April 2018 to 31 March 2020. The pay offer for 1.4.2018 provides for bottom loading on the spinal columns 6 – 19 inclusive. The National Employers considered it was necessary for higher increases on the lower spinal column points in order to continue to close the gap with the National Living Wage (NLW). Therefore this part of the offer would result in a new spinal column point 6 rate of £8.50 effective from 1.4.2018. The pay offer also proposes that in year 2 (effective from 1.4.2019) the offer for the bottom rate of the new pay spine is £9.00 per hour. This is still “an offer” and at the time of writing has not yet been accepted.

**R. RE-EMPLOYMENT OF STAFF WHO HAVE BEEN IN RECEIPT OF REDUNDANCY PAY AND/OR PENSION.**

56. Subject to compliance with legislative/regulatory requirements:
- An individual may be in receipt of a pension (LGPS or otherwise) in addition to remuneration from their employment with the Council.
  - An individual who has left the Council and been in receipt of a severance or redundancy payment and/or pension (LGPS or otherwise) may subsequently be re-employed or engaged under a contract for services.

57. In line with this, staff who have been in receipt of redundancy pay and or pension benefits can subsequently be re-employed or engaged under a contract with Sefton. However, given the budgetary pressures currently facing the Council such cases must satisfy robust justification.
58. All Local Government Pension Schemes (LGPS) Administrating Funds have the discretion to abate pension upon re-employment to local government. Merseyside Pension Fund discretion stipulates that anyone in receipt of a pension from the LGPS, re-employed after 25 September 2006, **will not** have their pension adjusted if they return to local government employment, **unless** they were granted Compensatory Added Years when they retired due to redundancy/ interest of efficiency. Further details can be obtained from the Local Government Pension Scheme - Discretionary Powers: [Local Government Pension Scheme](#)
59. Pensioners re-employed before 25 September 2006 or those who received Compensatory Added Years of membership may have adjustments applied to their pension by the Administrating Fund. Further details can be obtained relative to the LGPS via the Policy Discretions Statement on the intranet.

**MD December 2017**