

MEETING: PAY AND GRADING COMMITTEE

DATE: Wednesday 13th January, 2021

TIME: 2.00 pm

VENUE: Remote Meeting

Member

Councillor
Councillor Lappin (Chair)
Councillor Dowd (Vice-Chair)
Councillor Halsall
Councillor Howard
Councillor Yvonne Sayers
Councillor Shaw
Councillor Sir Ron Watson

COMMITTEE OFFICER: Ian Barton
Democratic Services Officer

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A G E N D A

1. Apologies for Absence

2. Declarations of Interest

Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda.

Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room by switching their camera and microphone off during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation.

Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer by 12 Noon the day before the meeting to determine whether the Member should withdraw from the meeting room, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.

3. Minutes

(Pages 5 - 6)

Minutes of the meeting held on 15 January 2020.

4. Pay Policy

(Pages 7 - 26)

Report of Head of Corporate Resources

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THIS SET OF MINUTES IS NOT SUBJECT TO "CALL-IN".

PAY AND GRADING COMMITTEE

MEETING HELD AT THE TOWN HALL, BOOTLE ON WEDNESDAY 15TH JANUARY, 2020

PRESENT: Councillor Lappin (in the Chair)
Councillors Howard, Marshall, Yvonne Sayers, Shaw
and Sir Ron Watson

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Dowd.

2. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were made however in accordance with Paragraph 9 of the Council's Code of Conduct, the following declaration of personal interest was made and the Member concerned remained in the room during the consideration of the item and voted thereon:

Member	Minute No.	Nature of Interest
Councillor Sir Ron Watson	Minute No. 23 – Pay Policy	Son is employed by Sefton Council.

3. MINUTES

RESOLVED:

That the Minutes of the meeting held on 12 February 2019 be confirmed as a correct record.

4. PAY POLICY

The Committee considered the report of the Head of Corporate Resources that recommended a Pay Policy for the Council as required by the Localism Act 2011. After consideration of the report by the Committee, the report would be considered by the full Council at the meeting to be held on 23 January 2020.

The Chief Personnel Officer drew members attention to paragraph 54 of the report which clarified arrangements surrounding any individual who had left the Council and been in receipt of a severance or redundancy payment and/or pension (LGPS or otherwise) being subsequently re-employed or engaged under a contract for services.

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If any re-employment did occur this would be subject to satisfying a robust justification and business case including specific details why the re-employment would be beneficial to the Council or service area. The business case should also consider the circumstances of the individual who had left employment recognising that individuals in low pay jobs may be more readily re-employed.

The proposed clarification had been discussed with the Trades' Unions who had indicated that they recognised the principle and felt that any individual who had been the subject of compulsory redundancy should be recognised in this process. The Chief Personnel Officer confirmed that when applying the guidelines in Paragraph 54 that it was recognised that those employees who were made compulsorily redundant had particular circumstances which would be taken into account in the application of any consideration under Paragraph 54. This was something which trade unions had raised.

Outstanding actions following government consultation in respect of public sector exit payments and re-employment in the public sector are still to be decided by Central Government. These have matters ongoing for sometime and since 2018 Full Council had delegated any necessary amendment in respect of this to the Pay and Grading Committee.

RESOLVED:

That the Council be recommended to approve the proposed Pay Policy as detailed within Annexe A of the report noting the position in respect of the interpretation of Paragraph 54 and the ongoing continuing delegation to the Pay and Grading Committee in respect of any amendment that arises from Government in respect of earlier consultation.

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Report to:	Pay and Grading Committee Council	Date of Meeting:	13 January 2021 21 January 2021
Subject:	Pay Policy		
Report of:	Head of Corporate Resources	Wards Affected:	All
Cabinet Portfolio:			
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

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

Recommendation(s):

Pay and Grading Committee:

The proposed Pay Policy at Annex A to this report is recommended to the full Council for approval with the amendment detailed below.

Council:

- (i) The proposed Pay Policy at Annex A to this report be approved;
- (ii) That any changes to the Pay Policy as required because of legislation are delegated to the Pay and Grading Committee;
- (iii) Any further discretionary waiver in connection with the termination payments as detailed in this report be considered by the Pay & Grading Committee to provide a recommendation before matters go to Full Council

Reasons for the Recommendation(s):

To comply with the Localism Act 2011 and to comply with the Restriction of Public Sector Exit Payments Regulations 2020

Alternative Options Considered and Rejected: (including any Risk Implications)

No alternative, a Pay Policy for the Council as required by the Localism Act 2011

What will it cost and how will it be financed?

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(A) Revenue Costs N/A

(B) Capital Costs N/A

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): The Pay Policy has been amended and updated to reflect any changes that have occurred since the last report.</p>
<p>Legal Implications: The Council has the following duties under the following sections of the Localism Act 2011:-</p> <p>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.</p> <p>Section 39-The Council's Pay Policy Statement must be approved by resolution of the authority before it comes into force and prior to 31st March immediately preceding the financial year to which it relates.</p> <p>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.</p>
<p>Equality Implications: There are no equality implications.</p>

Contribution to the Council's Core Purpose:

A Pay Policy for the Council as required by the Localism Act 2011

Protect the most vulnerable: NA
Facilitate confident and resilient communities: NA
Commission, broker and provide core services: NA
Place – leadership and influencer: NA
Drivers of change and reform: NA
Facilitate sustainable economic prosperity: NA
Greater income for social investment: NA
Cleaner Greener NA

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director Corporate Resources and Customer Services (FD.6246/21) and the Chief Legal and Democratic Officer (LD 4447/21) have been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision -Immediately following the Council meeting.

Contact Officer:	Mark Dale
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Background Papers:

There are no background papers available for inspection.

Introduction/Background

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.
4. The Government has now introduced its new legislation – The Restriction of Public Sector Exit Payments Regulations 2020. These Regulations impose a cap of £95,000 on exit payments made by public bodies. The legislation stems from an initiative in 2015, where the then Government said its aim was to reduce the cost of public sector redundancy payments to the taxpayer. This matter was debated in parliament in September 2020 and the Regulations were passed by the House of Commons and the legislation has been implemented from 4th November 2020.
5. In summary the Restriction of Public Sector Exit Payments Regulations:
 - introduce a £95,000 cap on the aggregate value (before tax) of exit payments made to public sector employees, including redundancy and voluntary exit payments.

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- Extend the cap beyond direct payments – it also catches actuarial strain costs paid by an employer to a pension scheme to facilitate early retirement pensions on an unreduced basis.
- exclude certain exit payments from the cap including injury compensation, payment in lieu of accrued but untaken holiday, payment in lieu of notice not exceeding 25 per cent of annual salary and payments under a court order.
- do not apply the cap in ‘mandatory’ situations (including where TUPE rights would be affected or to settle certain defined employment tribunal litigation cases).
- In exceptional cases, the employer has a discretionary power to relax the cap subject to various approvals.
- override employment contract obligations.
- Amend the terms of public sector pension schemes to limit early retirement enhancements that might otherwise result in the cap being breached.

6. The new regulations make changes which affect the termination of employees in cases of redundancy / business efficiency for those employees:

- who are Not entitled to an immediate payment of an LGPS Pension and
- who are LGPS members over the age of 55 on leaving date

In both categories, regardless of whether the exit cap of £95,000 applies or not, the member of the LGPS Scheme is asked to choose from a number of options which provide for limitations on benefits when compared those received under the former legislation.

7. Members of other schemes are also affected to a greater or lesser extent.

8. An employer waiving the £95,000 cap has two options:

- A Mandatory waiver for any payments relating to whistleblowing, discrimination and similar cases which an Employment Tribunal could consider, and Payments made under TUPE Regulation obligations
- A Discretionary waiver for cases:
 - of undue hardship
 - where workforce reform would be inhibited
 - delay not attributable to the employee or office holder

9. The discretionary waiver requires approval by all of the following:

- Full Council approval
- MHCLG Accounting Officer (Permanent Secretary)
- MHCLG Minister
- HM Treasury

If all approve the use of the waiver, the cap does not apply.

10. While the cap is intended to result in savings to those employers that are covered by the regulations, its effect and the manner of its implementation has created several employment and pensions' law issues that should be noted.
 - the cap does not just affect high earners. Long-serving employees with modest salaries could find that an indirect 'strain' payment to fund an unreduced early retirement pension uses up most of the cap. This may make redundancy exercises potentially more complex and reduce the uptake of voluntary redundancy packages.
 - Trade unions have explained that the cap does not apply where a member of a public sector pension scheme is in private sector employment. This means that employees carrying out public functions in the context of outsourcing might be better off on redundancy than their counterparts.
11. The Ministry of Housing, Communities and Local Government (MHCLG) consultation on exit payment reforms specifically relating to the LGPS did not end until 9 November so was not completed in time to coincide with the implementation of the new Exit Payment Regulations.
12. Given that the regulations take effect before the pension schemes have been amended to accommodate the cap. This has created a short-term situation where a breach of law will occur as the LGPS Merseyside Pension rules may require a payment that exceeds the cap, resulting in a choice between breaching the regulations or the statutory provisions of the pension scheme. The cap can therefore affect pre-existing rights under an employee's employment contract and could result in legal challenges from individuals, groups of employees and/or unions. Merseyside Pension Fund are working with the national LGA Communications Working Group to produce standard communications for both employers and members relative to this issue.
13. At the time of writing (10th December 2020) the Council is awaiting clarity as to how the entitlements will be affected by any strain costs for members currently entitled to immediate pension benefits which is in direct conflict with the new exit cap regulations.
14. The Pensions section are continuing to provide redundancy calculations for Teachers and any member of the LGPS under age 55 or any employees not in the LGPS scheme. Any other estimates that will be affected by the new regulations will include a waiver clause that the estimates cannot be guaranteed until such time as the conflict is resolved and guidance if provided by Government.
15. The conflicting legislation causes difficulties for the Council in terms of progressing departmental reviews, for employees understanding their options and for the Merseyside Pension Fund in communicating and implementing the changes and in developing changes to the pensions software to accommodate the revisions.
16. We await further guidance for Local Authorities which should be available shortly from Merseyside Pension Fund and the LGA. The Council will then need to review

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its Pensions Discretions Policy following changes made to the current LGPS discretionary and compensation regulations.

17. In the initial Government proposals in 2015 it was also suggested that in a situation where an employee within the public sector earning £80,000 or more receives an exit payment (such as redundancy) and then returns to any part of the public sector within 12 months of leaving, 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. However, to date there has been no further indication of if and when this proposal will be implemented.

Recommendations

18. When, the above matters have been finalised, the Pay Policy will be updated accordingly and, as previously agreed at the Council meeting on 25th January 2018, it is recommended that the Pay and Grading Committee is delegated to deal with any necessary amendment to bring the Authority into compliance with these statutory measures.
19. It is also recommended that in any cases where a Discretionary waiver is being considered that such matters be referred to the Pay and Grading Committee for approval and subject to Full Council approval.

ANNEX A

PAY POLICY 2021 / 2022

(As required by the Local Government Transparency code 2015 and the Localism Act 2011)

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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. Soulbury Terms and Conditions of Service: (Education & Young People)
6. Youth and Community Workers Terms and Conditions of Service (Pink Book): (Education & Young People)
7. Non-Standard Working Arrangements and Associated Payments: [Non-standard Working Arrangements](#)

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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 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 age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marital status, pregnancy or maternity.
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 1st April.

9. The authority to make decisions in accordance with the policy and 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;
 - a. The consideration of severance packages which amount to £100,000 or above. This agreement will now be replaced by the Governments proposed Public Sector Exit Payment Regulations which imposes a cap of £95,000 on exit payments (see previous statement), and
 - b. The consideration of new appointments which have a remuneration package of £100,000 or above. It was agreed that :
 - o The Employment Procedure Committee will decide on the remuneration packages for Senior Officers 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.

It is proposed that the decision making processes for remuneration detailed above will remain in force.

E. SENIOR OFFICERS PAY

11. 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].
12. 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;
 - o the number of employees whose remuneration in that year was at least £50,000 - in brackets of £5,000
 - o details of the job title of senior employees whose salary is at least £50,000, and
 - o identification by name of any employees whose salaries are £150,000 or more.
 - o 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](#)

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13. 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.
14. Senior officers (other than those paid under the Soulbury agreement) are paid in accordance with the HAY job evaluation method.
15. Chief Executive (as at 1.4.2020) is paid £154,857. The salary comprises of 5 incremental points within a salary band ranging from £151,083 to £166,197.
16. As at 1.4.2020 Executive Directors are paid spot salary payments of £119,952 and the Head of Health and Wellbeing / Director of Public health is paid on a personal grade of NHS Senior Band 9 plus Market supplement providing for a total salary of £90,000. Heads of Service are paid at either HAY 2 (£100,563, HAY 3 £87,597 or HAY 4 £77,157 as spot grades, plus a Market Supplement if appropriate. Senior Management are paid relative to Hay grades 5 & 6. Hay 5 ranging from £63,657 to £70,029 by 5 increments. Hay 6 ranges from £49,881 to £57,765 by 7 increments.
17. 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").
18. 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.
19. 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 then balanced against the National Joint Council Pay award and the ability of the Council to meet the pay bill. The pay rise to be applied is delegated to the Chief Executive and the Chief Personnel Officer.

F. EDUCATION PROFESSIONALS PAY [Soulbury Agreement]

20. The Soulbury Committee provides national collective bargaining machinery for advisory staff in Local Authorities. Nationally, it covers 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.
21. The Soulbury agreement provides separate sets of pay spines for Education Improvement Professionals (EIPs), Educational Psychologists, including Principals, Seniors, Assistants and Trainees as well as Community Service Managers. The current pay agreement covers pay spines payable from 1st September 2020 as detailed below.

22. With the exception of Educational Psychologists, the Soulbury salary scales consist of not more than **four** consecutive points. The salary is based on the duties and responsibilities of the post and the need to recruit and motivate staff. Minimum starting points are defined in the pay conditions and include an extended range to accommodate up to 3 structured professional assessments (SPA) points.

Education Improvement Professionals (EIPs)

Spine Point	Salary from 1.9.2020
Ranges from spine point 1	£36,419
To spine point 50 inclusive of 3 SPA points	£96,396

Educational Psychologists

Spine Point	Salary from 1.9.2020
Ranges from spine point 1	£38,197
To spine point 11	£56,554

The Salary scale for Educational Psychologists consist of not more than 6 consecutive points based on the duties and responsibilities of the post and the requirement to recruit and retain staff therefore scp 1-6 or 2-7 for 3-8. The full SCP range is from SCP 1 to SCP 11.

Educational psychologists paid on Scale A are also eligible for the award of up to 3 structured professional assessment (SPA) points. The individual six point scale will be supplemented by such SPA points. Within Sefton, the pay rate applied is SCP 3 – 8 with 3 SPA points to a maximum of SCP 11.

Senior & Principal Educational Psychologists

Spine Point	Salary from 1.9.2020
Ranges from spine point 1	£47,889
To spine point 18 inclusive of 3 SPA points	£70,850

The **standard** Salary scale consists of not more than 4 consecutive points* based on the duties and responsibilities of the post and the requirement to recruit and retain staff. The **standard** SCP range is from SCP 1 to SCP 13. There is also the possibility to extend the salary range to accommodate up to 3 SPA points (scps 14 – 16). In addition, there **are 2 further discretionary** scale points (scp 17-18) for the Senior and Principal

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Educational Psychologists providing for an extended salary range of 6 incremental points.

The minimum start point for a **Principal** Psychologist is **3**.

Trainee Educational Psychologists

Spine Point	Salary from 1.9.2020
Ranges from spine point 1	£24,541
To spine point 6	£33,520

Assistant Educational Psychologists

Spine Point	Salary from 1.9.2020
Ranges from spine point 1	£30,166
To spine point 4	£33,856

Young Peoples Community Service Managers

Spine Point	Salary from 1.9.2020
Ranges from spine point 1	£37,772
To spine point 24	£66,486

23. 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”

***General** – All the above Salary scales consist of not more than 4 consecutive points as a **MAXIMUM**. However, Soulbury staff can be appointed on 2 and 3 point ranges (plus the 3 SPA points) if this is agreed prior to appointment.

Starting SCPs will be defined using the minimum starting point detailed in the scheme (ie. **Principal** Psychologist minimum starting point is scp 3) but can be altered where there is a need to salary match from previous job roles where there is difficulty recruiting to the post.

G. Youth and Community Workers

24. The pay of Youth and Community Workers is determined from pay points prescribed by the Joint Negotiating Committee (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 1.9.2020
Ranges from spine point 5	£19,308
To spine point 17	£28,787

Professional staff

Spine Point	Salary from 1.9.2020
Ranges from spine point 13	£25,313
To spine point 32	£42,718

H. NATIONAL JOINT COUNCIL (NJC) EMPLOYEES

25. 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.
26. 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.
27. The grading structure and the arrangements for applying the job evaluation scheme are agreed with the local trade unions.
28. The NJC pay agreement for 2018 – 2020 introduced a new pay spine. Effective from 1.4.2020 the lowest spinal column point (point 1) is £9.2479 per hour based on a 37 hour week which equates to £9.5049 for Sefton's Councils 36 hour per week standard working. The highest spinal column point for none HAY grade officers (Point 43) is £24.2809 which equates to £24.9555 for Sefton's Councils 36 hour per week standard working.
29. The full National NJC pay spine as at 1.4.2020 is detailed below.

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SCP	Annual Salary
1	£17,842
2	£18,198
3	£18,562
4	£18,933
5	£19,312
6	£19,698
7	£20,092
8	£20,493
9	£20,903
10	£21,322
11	£21,748
12	£22,183
13	£22,627
14	£23,080
15	£23,541
16	£24,012
17	£24,491
18	£24,982
19	£25,481
20	£25,991
21	£26,511
22	£27,041
23	£27,741
24	£28,672
25	£29,577
26	£30,451
27	£31,346
28	£32,234
29	£32,910
30	£33,782
31	£34,728
32	£35,745

33	£36,922
34	£37,890
35	£38,890
36	£39,880
37	£40,876
38	£41,881
39	£42,821
40	£43,857
41	£44,863
42	£45,859
43	£46,845
43	£46,845

I. MARKET SUPPLEMENTS POLICY

30. 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”.
31. Any business cases made for Market Supplement payments will be subject to investigation and scrutiny by the Pay and Grading team followed by formal approval via the Head of Corporate Resources. Thereafter, the payments 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.

J. OTHER PAY

32. **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.

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33. **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.

34. **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.

35. **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.

36. In February 2011 Cabinet approved a package of “Local” terms and conditions following consultation with the trade unions. These conditions were implemented in April 2011, and have since been adopted as an ongoing contractual arrangement to assist with the budget provision.

37. **Tupe Pay obligations**

The Council has a number of staff on Personal salaries stemming from staff transferring into the organisation via TUPE regulations. In due course, as and when reviews are conducted the Council will look to transfer employees onto Sefton’s Grading structure and Sefton Terms and Conditions.

K. PAY PROTECTION

38. 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.

L. PAY RELATIONSHIPS

39. The Local Government Transparency Code 2015 Part 2.2 para 51 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.

40. The highest level of (*full time equivalent – FTE*) employee remuneration in the Council is associated with the post of Chief Executive which is £154,857.

41. The lowest level of (FTE) employee remuneration is £17,842 p.a.

42. The median level of actual basic pay for central staff is £20,493 p.a. The median level of actual pay including contractual allowances (e.g. overtime, shift pay etc) is £22,160 p.a

As at 1st November 2020 the (FTE) actual pay relationships are:

- Highest pay is 8.68 times greater than lowest pay.
 - Median basic pay is 1.15 times greater than lowest pay.
 - Median pay including contractual allowances is 1.24 times greater than lowest pay.
 - Highest pay is 7.55 times greater than median basic pay and 6.99 times greater than median pay including contractual allowances.
43. 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 2020 and the highest level JNC pay applicable as at November 2020. The above pay relationship figures exclude a small amount of staff who TUPE transferred from Arvarto and under the TUPE regulations currently retain their Arvarto Terms and Conditions of service.

M. OTHER TERMS AND CONDITIONS

44. 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.
45. 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.
46. 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.
47. 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.

N. PUBLIC HEALTH STAFF

48. 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

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appointments to posts within the Public Health function are made on either NJC or JNC HAY grades as appropriate to the role.

O. NATIONAL MINIMUM WAGE / REAL LIVING WAGE

49. 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. The current rates as at 1.4.2020 are:

- £8.72 per hour for ages 25 and over
- £8.20 per hour for ages 21 to 24
- £6.45 per hour for ages 18 to 20
- £4.55 per hour for under 18 years old

50. In addition to the above there is a *living wage* determined by the Real Living Wage Foundation. The rate is £9.50 per hour (outside of London) as at 9th November 2020. This Real 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 Real living wage is different from the National Minimum wage and the Government's National Living Wage. Adoption of the Minimum wage is a legal requirement however the adoption of the Real Living Wage is voluntary. To become a true Real Living Wage employer the rate would need to be applied not only to employees but also be extended to Third party contractors who are defined by the Living Wage Foundation as those who work regularly on Council premises, or premises necessary to the work being carried out, for 2 or more hours a day, in any day of the week, for 8 or more consecutive weeks of the year.
51. The Cabinet member has been provided with information relative to becoming a Real Living Wage employer but no determination has yet been made as to whether Sefton Council would wish to become a Real Living Wage employer.
52. Real living wage rates are updated annually in November and should be implemented within 6 months (i.e. by 9.5.2021). The National Joint Council (NJC) rates are updated in April each year. With effect from 1.4.2020 the Council is paying £9.5049 as its lowest rate per hour with an expected percentage increase due with effect from 1.4.2021 and therefore is in keeping with the Real living wage rate.

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

53. 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. However, given the budgetary pressures currently facing the Council there should be (in most cases) a period of time of at least 2 years from the redundancy date before re-employment occurs and such cases must also satisfy robust justification and the business case in respect of justification must include specific details why the re-employment would be beneficial to the Council or service area. The Council recognises in consideration of the business case that any re-employment must only be after consideration of characteristics of the post and work area (including the ability to attract and retain employees) The business case should also consider the circumstances of the individual that left employment recognising that individuals in low pay jobs may be more readily re-employed.

54. 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. Merseyside Pension Fund have confirmed that this discretion still applies, however, the members awarded added years will now be of an age (youngest 66 years of age) where it would be highly unlikely that they would be re-employed.

Q. GENDER PAY GAP REPORTING

55. The Council is required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and to publish the results on both the Council website and a government website. In line with these requirements data is published annually. Ordinarily, the data published reflects the position on 5th April in the previous year.
56. The data published shows the difference between the average earnings of male and female employees but does not involve publishing individual employee data. The pay calculations are based on gross pay calculated before deductions at source. Pay data includes basic pay, paid leave, allowances, and shift pay but not overtime pay, expenses, redundancy or any other termination pay.
57. Gender Pay Reporting information is established each year by using our HR and payroll records and relates to centrally employed staff only and does not include Schools data as only employers with over 250 employees are covered by the legislation.

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