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MEETING: PAY AND GRADING COMMITTEE

DATE: Monday 14th January, 2019

TIME: 1.00 pm

VENUE: Town Hall, Bootle

Member

Councillor Lappin (Chair)
Councillor Murphy (Vice-Chair)
Councillor Burns
Councillor Dutton
Councillor John Sayers
Councillor Yvonne Sayers
Councillor Shaw

COMMITTEE OFFICER: Ian Barton
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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, including from the public gallery, 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 to determine whether the Member should withdraw from the meeting room, including from the public gallery, 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 13 November 2018

4. Pay Policy

(Pages 7 - 24)

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THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 21 NOVEMBER, 2018.

PAY AND GRADING COMMITTEE

**MEETING HELD AT THE TOWN HALL, BOOTLE
ON TUESDAY 13TH NOVEMBER, 2018**

PRESENT: Councillor Lappin (in the Chair)
Councillors Murphy, Burns, Dutton, John Sayers,
Yvonne Sayers and Shaw

6. APOLOGIES FOR ABSENCE

No apologies for absence were received.

7. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interests or personal interests were received.

8. MINUTES

RESOLVED:

That the Minutes of the meeting held on 30 May 2018 be confirmed as a correct record.

9. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it would involve the likely disclosure of exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the press and public.

10. APPROVAL OF SEVERANCE PAYMENT

The Committee considered the report of the Chief Personnel Officer that sought approval for severance payments of two employees.

The severance payment in one case was associated with the delivery of the new Sefton Community First model, a key pillar of the Council's Framework for Change, approved by Council on 2 March 2017.

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The severance payment in the second case was associated with the structure review of the Senior Management of the Council as detailed in the report of the Chief Executive to Cabinet on 6 September 2018.

The Chief Personnel Officer confirmed that the severance payment was in-line with Council policies and within the employee's contractual entitlement and the costings in the report were based on a release date of 31 January 2019 and 30 December 2018 respectively.

The report also provided details concerning the earlier release of an employee, where it had become apparent that the capital costs were in excess of that previously reported to the Committee. The release was part of the restructure in the Strategic Regeneration Team, and savings would still be made in this exercise.

RESOLVED: That

- (1) the severance payments as outlined in this report be approved and the Chief Personnel Officer be authorised to make arrangements as to termination and to notice including timing, as appropriate.
- (2) the further matter in paragraph 15, be noted.
- (3) the Chief Personnel Officer be authorised to make these payments which may be subject to slight changes given the agreement of termination dates, including any actuarial changes. The Chief Personnel Officer to continue to advise the Chair of any significant changes in cost and report as necessary.
- (4) in accordance with Rule 93 of the Council and Committee Procedure Rules of the Constitution, the dissent of Councillor Shaw from the decision set out in (1) above be recorded.

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Report to:	Pay and Grading Committee Council	Date of Meeting:	14 th January 2019 24 th January 2019
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 be recommended to the full Council for approval.

Council:

- (i) The proposed Pay Policy at Annex A to this report be approved.
- (ii) That any amendment to the Pay Policy as necessary before the publication of next year's Pay Policy due to a change in legislation (paras 4 & 5 refer) or due to the implementation of the new NJC Pay structure for 1.4.2019, then the Pay and Grading Committee be delegated with authority to amend the Pay Policy accordingly.

Reasons for the Recommendation(s):

To comply with the Localism Act 2011

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?

(A) Revenue Costs N/A

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(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. Any further changes resulting from the NJC new pay structure consultation will be notified in due course.</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 Head of Corporate Resources (FD5503/18) and the Chief Legal and Democratic Officer (LD.4628/18) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The trade Unions have been fully consulted relative to the implementation of the new Pay and Grading structure for NJC staff commencing on 1st April 2019 and, at the time of writing, are working with the Chief Personnel Officer to agree the implementation and assimilation arrangements.

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. The Pay Policy has substantive changes relative to the pay and grading structure for National Joint Council employees following the announcement of the pay spine from the NJC for Local Government Services. The National Joint Council advised that all Employers should consider various options and present formal proposals around the new pay spine and commence local negotiations with a view to reaching agreement. This has been undertaken and the Trade Unions are fully versed in the application of the new pay spine and have been provided

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with data to measure the impact of the changes, together with equality impact assessment (EIA) data. The new pay spine provides for a minimum salary of £17,364 per annum, which, based on the Sefton 36 hour per week standard working week equates to a minimum NJC wage of £9.25.

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.
As at July 2018 (the latest update on the Gov.uk website) stipulates that the consultation on the proposals has been concluded but that the Government are continuing to consider the responses to this consultation.
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.
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. As at July 2018 (the latest update on the Gov.uk website) stipulates that the consultation on the above proposals has been concluded but that the Government are continuing to consider the responses to this consultation. When, or if, the legislation is finalised, the Pay Policy will be updated accordingly and, as previously agreed, at the Council meeting on 25th January 2018 the Pay and Grading Committee will 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 2019 / 2020

(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](#)
8. A definition of the term Casual worker is available from the Sefton Council Website [definition of casual worker](#)

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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 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 1st 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.

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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 £144154 - £158575.

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 1.4.2018 is £142,716 p.a.

17. As at 1.4.2018 Executive Directors and the Director of Social Care and Health are paid at HAY 1 (£114,453 plus a Market Supplement as appropriate. Heads of Service are paid at either HAY 2 (£95,952), HAY 3 (£83,580) or HAY 4 (£73,620) as spot grades, plus a Market Supplement if appropriate. Senior Management are paid relative to Hay grades 5 & 6. Hay 5 ranging from £60,747 - £66,819 by 5 increments. Hay 6 ranges from £47,613 - £55,119 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. The pay rise to be applied is delegated to the Chief Executive and the Chief Personnel Officer.

F. EDUCATION PROFESSIONALS PAY [Soulbury Agreement]

21. 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.
22. 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 2018. The pay spines currently payable from 1.9.2018 are detailed below;

Education Improvement Professionals (EIPs)

Spine Point	Salary from 1.9.2018
Ranges from spine point 1	£34,749
To spine point 50	£91,972

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.

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EDUCATIONAL PSYCHOLOGISTS

Spine Point	Salary from 1.9.2018
Ranges from spine point 1	£36,446
To spine point 11	£53,961

24. The salary scales consist of four 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 1.9.2018
Ranges from spine point 1	£46,693
To spine point 18	£67,602

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 1.9.2018
Ranges from spine point 1	£23,415
To spine point 6	£31,983

ASSISTANT EDUCATIONAL PSYCHOLOGISTS

Spine Point	Salary from 1.9.2018
Ranges from spine	£28,783

point 1	
To spine point 4	£32,303

COMMUNITY SERVICE MANAGERS

Spine Point	Salary from 1.9.2018
Ranges from spine point 1	£36,040
To spine point 24	£63,438

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 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 1.9.2018
Ranges from spine point 2	£16,757
To spine point 17	£27,468

Professional staff

Spine Point	Salary from 1.9.2018
Ranges from spine point 13	£24,153
To spine	£40,760

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point 32

H. NATIONAL JOINT COUNCIL (NJC) 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. The NJC pay agreement for 2018 – 2020 introduces a new pay spine effective from 1.4.2019. The new pay spine has been introduced to bring the lowest spinal column point to £9.00 per hour based on a 37 hour week which equates to £9.25 for Sefton's councils 36 hour per week standard working. The National guidance provided options for assimilating staff to the new pay spine and this matter together with the options for implementation arrangements for the new pay spine are, at the time of writing, being discussed with the trade Unions and discussions are constructive. The Trade unions have been provided with Equality impact assessment data relative to the employees covered by the NJC agreement.
33. The new National NJC pay spine is as detailed below. The Pay policy document is agreed by 1st April each year and the only meeting of Council prior to 1st April deadline is 28th January 2019 which meant that this paper needed to be in circulation whilst consultation with the Trade Unions was ongoing. The agreed NJC new pay structure to be applied will be notified in due course.

SCP	Annual Salary
1	£17,364
2	£17,711
3	£18,065
4	£18,426
5	£18,795
6	£19,171
7	£19,554
8	£19,945

9	£20,344
10	£20,751
11	£21,166
12	£21,589
13	£22,021
14	£22,462
15	£22,911
16	£23,369
17	£23,836
18	£24,313
19	£24,799
20	£25,295
21	£25,801
22	£26,317
23	£26,999
24	£27,905
25	£28,785
26	£29,636
27	£30,507
28	£31,371
29	£32,029
30	£32,878
31	£33,799
32	£34,788
33	£35,934
34	£36,876
35	£37,849
36	£38,813
37	£39,782
38	£40,760
39	£41,675
40	£42,683
41	£43,662
42	£44,632
43	£45,591
43	£45,591

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J. 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 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.

K. 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 1st April 2011, initially for two years, and have since been adopted as an ongoing contractual arrangement to assist with the budget savings.

41. **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.

L. PAY PROTECTION

42. 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.

M. PAY RELATIONSHIPS

43. 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.
44. The highest level of (*full time equivalent – FTE*) employee remuneration in the Council is associated with the post of Chief Executive which is £142,716.
45. The lowest level of (FTE) employee remuneration is £16,394.00 p.a .
46. The median level of actual basic pay for central staff is £18,672.00 p.a. The median level of actual pay including contractual allowances (e.g. overtime, shift pay etc) is £20,541.00 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 2018 the (FTE) actual pay relationships are:

- Highest pay is 8.70 times greater than lowest pay.
- Median basic pay is 1.14 times greater than lowest pay.
- Median pay including contractual allowances is 1.25 times greater than lowest pay.
- Highest pay is 7.64 times greater than median basic pay and 6.95 times greater than median pay including contractual allowances.

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47. 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 2018 and the highest level JNC pay applicable as at November 2018. 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.

N. OTHER TERMS AND CONDITIONS

48. 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.
49. 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.
50. 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.
51. 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.

O. PUBLIC HEALTH STAFF

52. 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 are made on either NJC or JNC HAY grades as appropriate to the role.

P. NATIONAL MINIMUM WAGE / NATIONAL LIVING WAGE/LIVING WAGE

53. 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.

- £7.83 per hour for ages 25 and over
- £7.38 per hour for ages 21 to 24
- £5.90 per hour for ages 18 to 20
- £4.20 per hour for under 18 years old

54. In addition to the above there is a *living wage* determined by the Real Living Wage Foundation. The rate is £9.00 per hour (outside of London) as at November 2018. 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 Governments 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.*
55. The Cabinet member has been provided with information relative to the implementation of the Real 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 Real Living Wage employer.
56. Real living wage rates updated in November each year whilst the National Joint Council (NJC), rates for which the majority of Council employees are paid, are updated in April. Consequently, with effect from 1.4.2019 the Council will be paying wage rates in keeping with the Real living wage but this will always be subject to the Living wage rate percentage increase applied in November as indicated below;

November 2018	Real living wage	= £9.00
April 2019	Sefton NJC lowest rate	= £9.25
November 2019	Real living wage if 2.5% increase applied	= £9.22 or
November 2019	Real living wage if 3% increase applied	= £9.27

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

57. 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.
58. 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

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Sefton. However, given the budgetary pressures currently facing the Council such cases must satisfy robust justification.

59. 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.
60. 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.

With regard to paragraphs 59 and 60 Merseyside Pension Fund have confirmed that this discretion still applies. However, the members awarded added years will now be of an age (youngest 65 years of age) where it would be highly unlikely that they would be re-employed.

R. GENDER PAY GAP REPORTING

61. 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 was published as at the defined snapshot date of 5 April 2017. The data will be updated and published each year.
62. The data required relates to information showing 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.
63. Gender Pay Reporting information will be established each year by using our existing HR and payroll records and relate to centrally employed staff only and does not include Schools data as only employers with over 250 employees are covered by the legislation.