

|                                      |  |                                  |                                    |
|--------------------------------------|--|----------------------------------|------------------------------------|
| <b>Report to:</b>                    | Pay and Grading Committee<br>Council                           | <b>Date of Meeting:</b>          | 11 January 2023<br>19 January 2023 |
| <b>Subject:</b>                      | Pay Policy 1.4.2023- 31.3.2024                                 |                                  |                                    |
| <b>Report of:</b>                    | Chief Personnel Officer  | <b>Wards Affected:</b>           | (All Wards);                       |
| <b>Portfolio:</b>                    | Cabinet Member - Regulatory, Compliance and Corporate Services |                                  |                                    |
| <b>Is this a Key Decision:</b>       | No   | <b>Included in Forward Plan:</b> | No                                 |
| <b>Exempt / Confidential Report:</b> | 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 report is recommended to the full Council for approval.

**Council:**

- (i) The proposed Pay Policy in 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.

**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**

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

## Implications of the Proposals:

|   |                        |    |                       |     |                        |    |   |     |
|---|------------------------|----|-----------------------|-----|------------------------|----|---|-----|
| <p><b>Resource Implications (Financial, IT, Staffing and Assets):</b><br/>The Pay Policy has been amended and updated to reflect any changes that have occurred since the last report</p>   |                        |    |                       |     |                        |    |   |     |
| <p><b>Legal Implications:</b><br/>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 31<sup>st</sup> March immediately preceding the financial year to which it relates.</p> <p>Section 40- Regarding 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><b>Equality Implications:</b> There are no equality implications.</p>  |                        |    |                       |     |                        |    |   |     |
| <p><b>Climate Emergency Implications:</b></p> <p>The recommendations within this report will</p> <table border="1"> <tr> <td>Have a positive impact</td> <td>No</td> </tr> <tr> <td>Have a neutral impact</td> <td>Yes</td> </tr> <tr> <td>Have a negative impact</td> <td>No</td> </tr> <tr> <td>The Author has undertaken the Climate Emergency training for report authors</td> <td>Yes</td> </tr> </table> <p>There are no direct climate emergency implications arising from this report.</p>  | Have a positive impact | No | Have a neutral impact | Yes | Have a negative impact | No | The Author has undertaken the Climate Emergency training for report authors | Yes |
| Have a positive impact  | No                     |    |                       |     |                        |    |   |     |
| Have a neutral impact   | Yes                    |    |                       |     |                        |    |   |     |
| Have a negative impact  | No                     |    |                       |     |                        |    |   |     |
| The Author has undertaken the Climate Emergency training for report authors   | Yes                    |    |                       |     |                        |    |   |     |

## Contribution to the Council's Core Purpose:

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

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

## **(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD.7041/22) and the Chief Legal and Democratic Officer (LD.5241/22) have been consulted and any comments have been incorporated into the report.

## **(B) External Consultations N/A**

### **Implementation Date for the Decision**

Immediately following the Committee / Council meeting.

|                         |                               |
|-------------------------|-------------------------------|
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### **Appendices:**

Annex A

### **PAY POLICY FOR CENTRALLY EMPLOYED TEACHING STAFF to follow**

#### **Background Papers:**

There are no background papers available for inspection.

#### **1. 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.

## **PAY POLICY 1.4.23 – 31.3.24**

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

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Annex A Pay Policy for Centrally Employed Teaching Staff

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

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

- JNC Chief Executive Terms and Conditions of Service.
- JNC Chief Officer Terms and Conditions of Service.

- Local Government Pension Scheme:
- NJC Terms and Conditions of Service (Green Book): [Green book](#)
- Soulbury Terms and Conditions of Service: (Education & Young People)
- Youth and Community Workers Terms and Conditions of Service (Pink Book) :(Education & Young People)
- Non-Standard Working Arrangements and Associated Payments: [Non-standard Working Arrangements](#)

## **A. OPENING STATEMENT**

1. The aim of this policy is to help maintain and improve quality of service provision by ensuring 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 will be made available on the Sefton's Council website

## **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 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. The Council has agreed a mechanism specifically for;
  - a. The consideration of severance packages which amount to £100,000 or above. and
  - b. The consideration of new appointments (new posts) which have a remuneration package of £100,000 or above. It was agreed that:
    - o Relative to a) 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.
11. 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.
12. 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
13. Relative to b) 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.
14. It is proposed that the decision-making processes for a) and b) above remain in force subject to the following:
15. The Government is committed to ensure that Public Sector exit payments are fair and proportionate to employers, employees, and taxpayers. The Restriction of Public Sector Exit Payments Regulations 2020 came into force on 4th November 2020.

16. The legislation set a £95,000 cap on exit payments for public sector authorities. However, after extensive review of the application of the Cap, the Government concluded that the Cap had unintended consequences and the Regulations were revoked.
17. On 8<sup>th</sup> August 2022 the HM Treasury published consultation on a new administrative control process for public sector exit payments over £95,000 and amendments to the process for special severance payments. The consultation on this document closed on 17 October 2022.
18. In the consultation document the Government states that:
  - ❖ staff exit payments, have an important role to play in facilitating organisational changes in the public sector. However, it is vital that such exits are agreed through a rigorous process where value for money is considered, and alternatives robustly explored.
  - ❖ the proposal is to introduce an expanded approvals process for employee exit severance payments, and additional reporting requirements, for parts of the public sector. This is intended to allow for additional scrutiny and assurance of exit decisions, and to provide further insight on the use of exit payments.
  - ❖ this will support Government's wider ambition to reduce the use of large exit payments in the public sector, improving the consistency and accountability of decisions to exit public sector employees at a cost to the taxpayer.
  - ❖ for the first time, it will set the expectation that recovery of special severance payments should be considered across central government, where such payments are agreed.
19. The Gov.UK website (as at 23.11.22) states that the feedback from the consultation exercise is being analysed and the outcome will be published in due course. Consequently, as and when legislation is published which has any bearing on the agreed council mechanism for the consideration of severance packages the Pay Policy will be updated accordingly and as previously agreed at the Council meeting on 25<sup>th</sup> 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 any such statutory measures.

## **E. SENIOR OFFICERS PAY**

20. Senior officers were originally defined as those currently earning £50,000 and above. The £50,000 threshold was updated in September 2011 as per the Code of Recommended Practice for Local Authorities on Data Transparency and the "Senior Officer's salary" is now defined as salaries above £58,200. Individual Senior Management pay is set out in data published on the Council's website in accordance with the above code of practice. It provides details of:
  - the number of employees whose remuneration in that year was at least £58,200 - in brackets of £5,000

- details of the job title of senior employees whose salary is at least £58,200, and
- identification by name of any employees whose salaries are £150,000 or more.
- the information is not solely based on basic salary and will include all remuneration i.e., overtime pay received, contractual allowances etc.

Senior Officer Pay data can be accessed through the Sefton Council website.

21. 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 £58,200.
22. Senior officers (other than those paid under the Soulbury agreement) are paid in accordance with the HAY job evaluation method.
23. Chief Executive (as at 1.4.2022) is paid £162,947. The salary comprises of 5 incremental points within a salary band ranging from £155,279 to £170,615.
24. As at 1.4.2022 Executive Directors are paid as follows:
  - Executive Director Corporate Resources and Customer Services, Executive Director Place and Executive Director People are paid spot salary payments of HAY 1 = £123,677.
  - The Executive Director Adult Social Care and Health DSS and Place Director NHS is paid a Personal grade HAY 1 plus additional payment of £6323 = total £130,000.
  - Executive Director - Children's Social Care & Education is paid HAY 1 plus market supplement of £6323 total £130,000.
25. Assistant Directors and the Chief Legal Officer are paid at HAY 3 £90,836 as a spot grade.
26. The Head of Health & Wellbeing/Director of Public Health is paid at HAY 3 £90836 plus market supplement of £2492 Total = £93328
27. Other Senior Management are paid relative to Hay grades 4 as a spot grade of £80,240
28. Hay grades 5 and 6 are incremental grades:
  - Hay 5 has 5 incremental points and ranges from £66,548 - £73,004 and
  - Hay 6 has 7 incremental points and ranges from £52,691 - £60701
29. 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. For officers paid at 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").



30. 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 point score which, in turn, is related to the appropriate grade associated with the score.
31. Pay awards are payable as per the agreements reached by the appropriate Joint negotiating Committees.

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

32. 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.
33. 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. At the time of writing formal offers have made (in October 2022) to both the Soulbury Officers' Side and the Youth and Community Staff Side. Both offers are:
- An increase of £1,925 on all pay points with effect from 1 September 2022.
  - An increase of 4.04% on all allowances with effect from 1 September 2022
34. The Unions are consulting on these offers and the response is awaited. Consequently, the payment as detailed below covers pay spines payable from 1st September 2021 (pay award pending).
35. The Soulbury salary scales are 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.

**36. Education Improvement Professionals (EIPs)**

| Spine Point                                 | Salary from 1.9.2021 |
|---|----------------------|
| Ranges from spine point 1                   | £37,056              |
| To spine point 50 inclusive of 3 SPA points | £98,079              |

**37. Educational Psychologists**

| Spine Point | Salary from 1.9.2021 |
|-------------|----------------------|
| Ranges from | £38,865              |

|   |         |
|---|---------|
| spine point 1                             |         |
| To spine point 11 inclusive of SPA points | £57,544 |

38. Educational Psychologists, have an available point range of 11 spinal column points from which a 9-point scale is chosen. This consists of 6 Incremental points and 3 SPAs. In Sefton Educational Psychologists commence on the highest possible point which gives a pay scale comprising SCP 3-11

39. **Senior & Principal Educational Psychologists**

| Spine Point                               | Salary from 1.9.2021 |
|---|----------------------|
| Ranges from spine point 1                 | £48,727              |
| To spine point 18 inclusive of SPA points | £72,090              |

40. Senior and Principal Educational Psychologists, have an available point range of 18 spinal column points, the last two of which are discretionary. The pay scales consist of 4 incremental points plus the opportunity to apply for 3 SPA points. The minimum starting point for a Principal Educational Psychologist is point 3, there is no minimum point stated for Senior/Lead Educational Psychologists.

41. **Trainee Educational Psychologists**

| Spine Point               | Salary from 1.9.2021 |
|---------------------------|----------------------|
| Ranges from spine point 1 | £24,970              |
| To spine point 6          | £34,107              |

42. Trainee Educational Psychologist have a 6-point scale from which a 4-point scale Pay grade is applied.

43. **Assistant Educational Psychologists**

Assistant Educational Psychologists have a fixed 4-point scale as follows:

| Spine Point               | Salary from 1.9.2021 |
|---------------------------|----------------------|
| Ranges from spine point 1 | £30,694              |
| To spine                  | £34,448              |

point 4

44. **Young Peoples Community Service Managers**

|                              |                         |
|------------------------------|-------------------------|
| Spine Point                  | Salary from<br>1.9.2021 |
| Ranges from<br>spine point 1 | £38,433                 |
| To spine<br>point 24         | £67,650                 |

45. 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. **Soulbury SPA POINTS**

46. To be eligible for SPA1 an employee must have been paid for four years on Soulbury terms and conditions and have been in their current role for two years. There is a discretionary rule whereby SPA points are transferrable, and Sefton have had instances where staff have been appointed to the second point on a pay scale due to having a SPA which was awarded by another authority.

SPA2 can be applied for one year following the award of SPA1.

SPA3 can be applied for two years after an employee has been awarded SPA2.

47. A formal application process is in place for employees to apply for the application of structured professional assessments for Senior management to consider. SPAs cannot be paid backdated and are payable from 1<sup>st</sup> September in any year.
48. The Council has a formal application process which defines the principles underpinning the SPA process and defines the basis of what is considered relative to each application.

H. **Youth and Community Workers**

49. The pay of Youth and Community Workers is determined from pay points prescribed by the Joint Negotiating Committee (JNC). On 21<sup>st</sup> December the JNC announced the acceptance of the offer of:

- An increase of £1,925 on all pay points with effect from 1 September 2022
- An increase of 4.04% on all allowances with effect from 1 September 2022

50. Consequently the tables below covers pay spines payable from 1st September 2022.

51. 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<br>1.9.2022 |
| Ranges<br>from spine<br>point 5 | £21,571                 |
| To spine<br>point 17            | £31,216                 |

## Professional staff

|                                  |                         |
|----------------------------------|-------------------------|
| Spine Point                      | Salary from<br>1.9.2022 |
| Ranges<br>from spine<br>point 13 | £27,681                 |
| To spine<br>point 32             | £45,391                 |

### I. NATIONAL JOINT COUNCIL (NJC) EMPLOYEES

52. 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.
53. 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.
54. The grading structure and the arrangements for applying the job evaluation scheme are agreed with the local trade unions.
55. The current pay spine for NJC employees was agreed on 1<sup>st</sup> November 2022 to be backdated and effective from 1.4.2022. The lowest spinal column point (point 1) within Sefton is £10.7919 per hour based on the Council's 36-hour standard working week.
56. The highest spinal column point for none HAY grade officers (Point 43) is £26.4178 per hour based on the Council's 36 hour per week standard working week.
- 57.. The full National NJC pay scale as at 1.4.2022 is detailed below.

| SCP | Annual<br>Salary | Hourly<br>rate of |
|-----|------------------|-------------------|
|-----|------------------|-------------------|

|    |         | pay      |
|----|---------|----------|
| 1  | £20,258 | £10.7919 |
| 2  | £20,441 | £10.8894 |
| 3  | £20,812 | £11.0871 |
| 4  | £21,189 | £11.2879 |
| 5  | £21,575 | £11.4935 |
| 6  | £21,968 | £11.7029 |
| 7  | £22,369 | £11.9165 |
| 8  | £22,777 | £12.1339 |
| 9  | £23,194 | £12.3560 |
| 10 | £23,620 | £12.5830 |
| 11 | £24,054 | £12.8142 |
| 12 | £24,496 | £13.0496 |
| 13 | £24,948 | £13.2904 |
| 14 | £25,409 | £13.5360 |
| 15 | £25,878 | £13.7858 |
| 16 | £26,357 | £14.0410 |
| 17 | £26,845 | £14.3010 |
| 18 | £27,344 | £14.5668 |
| 19 | £27,852 | £14.8374 |
| 20 | £28,371 | £15.1139 |
| 21 | £28,900 | £15.3957 |
| 22 | £29,439 | £15.6829 |
| 23 | £30,151 | £16.0622 |
| 24 | £31,099 | £16.5672 |
| 25 | £32,020 | £17.0578 |
| 26 | £32,909 | £17.5314 |
| 27 | £33,820 | £18.0167 |
| 28 | £34,723 | £18.4978 |
| 29 | £35,411 | £18.8643 |
| 30 | £36,298 | £19.3368 |
| 31 | £37,261 | £19.8498 |
| 32 | £38,296 | £20.4012 |
| 33 | £39,493 | £21.0389 |
| 34 | £40,478 | £21.5636 |
| 35 | £41,496 | £22.1059 |
| 36 | £42,503 | £22.6424 |
| 37 | £43,516 | £23.1820 |
| 38 | £44,539 | £23.7270 |
| 39 | £45,495 | £24.2363 |
| 40 | £46,549 | £24.7978 |
| 41 | £47,573 | £25.3433 |
| 42 | £48,587 | £25.8835 |
| 43 | £49,590 | £26.4178 |

**J. MARKET SUPPLEMENTS POLICY**

58. 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 a particular post. In such cases it may be appropriate to pay a market supplement in addition to the salary to ensure that an appointment can be secured.
59. 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. 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”.
60. The Chief Personnel officer is authorised to consider any additional payments to assist with any recruitment and retention difficulties to ensure that the Authority has a balanced and cohesive workforce. Such payments will only be put into operation following appropriate legal advice. Any business cases made for Market Supplement payments will be subject to investigation and scrutiny.
61. The implementation of any additional payments will require the formal approval via the Executive Director Corporate Resources and Customer Services in consultation with the Chief Executive and formal documentation of the payment principles to be applied. Additional payments will be subject to annual review, and, where necessary, 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**

62. **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.
63. **Acting up payments** 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”.
64. 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.
65. **NJC Employees- Non-Standard Working Arrangements and Associated Payments** In accordance with The National Joint Council agreement on Pay and Conditions of Service Part 3 the Council has an approved a package of “Local” terms and conditions which have been agreed by local negotiation in respect of employees who are required to work outside “normal” working hours.

66. **Tupe Pay obligations-** The Council can from time to time employ staff on Personal salaries stemming from staff transferring into the organisation via TUPE regulations. In these cases, as and when reviews are conducted the Council would look to transfer employees onto Sefton's Grading structure and Sefton Terms and Conditions. At the present time there are no staff in receipt of Personal Salaries in this
67. **Progression through the grade -** An employee's progression through the incremental point on the grade is linked to length of service. Increments are awarded on 1<sup>st</sup> April each year or for new employees with less than 6 months service in the grade as of 1<sup>st</sup> April after 6 months completed service.

#### **L. PAY PROTECTION**

68. 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**

69. 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 Council's pay dispersion.

**NOTE** At the time of writing the remuneration associated with the post of Chief Executive is £161,022. This is based on the figure applicable from 1.4.21 as the pay award applicable from 1.4.22 is yet to be agreed.

70. Consequently, the FTE pay relationships information below has been based on comparison of the Chief Executive salary as at 1.4.21 AND NJC graded salaries as at **1.4.21**. This is necessary in order that the pay dispersion figures are not compromised. To compare the salary of the Chief Executive with a pay award pending with NJC salaries those pay award has already been agreed and implemented would not provide comparable information.
- The highest level of (*full time equivalent – FTE*) employee remuneration in the Council is associated with the post of Chief Executive which is £161,022 (Figure A)
  - The lowest level of (FTE) employee remuneration which is £18,333 Based on the lowest scp of the NJC grade and excluding apprentice salaries. (Figure B)
  - Based on figures A and B the Highest pay is 8.78 times greater than lowest pay.
  - The median level full time equivalent basic pay (excluding the Chief Executive) is £22,571 (Figure C)

- The median level of full time equivalent pay inclusive of contractual allowances earned (e.g. overtime, shift pay etc) (excluding the Chief Executive) is £24,920 (Figure D)
- Based on figure C the FTE Median basic pay is 1.23 times greater than lowest pay figure B
- Based on figure D the FTE Median pay including all contractual allowances earned (e.g. weekend working allowances, shift allowances etc) is 1.36 times greater than lowest pay figure B.
- Highest pay associated with the Chief Executive is 7.13 times greater than median basic pay C and 6.46 times greater than median pay including contractual allowances D.

#### **N. OTHER TERMS AND CONDITIONS**

71. 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.
72. 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.
73. 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.
74. 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**

75. 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. There is only one post currently paid in accordance with Public Health pay scales.

#### **P. NATIONAL MINIMUM WAGE / REAL LIVING WAGE**



76. The rates below show the National Living Wage (for those aged 23 and over) and the National Minimum Wage (for those under 23). The rates change on 1 April every year.

|                     | 23 and over | 21 to 22 | 18 to 20 | Under 18 | Apprentice |
|---------------------|-------------|----------|----------|----------|------------|
| <b>As at 1.4.22</b> | £9.50       | £9.18    | £6.83    | £4.81    | £4.81      |
| <b>As at 1.4.23</b> | £10.42      | £10.18   | £7.49    | £5.28    | £5.28      |

77. In addition to the above there is a *living wage* determined by the Real Living Wage Foundation. This rate is usually announced in November each year, but this year, the announcement was brought forward to 22.9.22 reflect the extraordinary rises to the cost of living this year. Employers who are Living wage Employers have until 14th May 2023 to implement the new rate of £10.90 per hour (outside of London). The Real Living wage rate is based on the concept that a certain amount of money is needed to ensure that people can have a decent standard of living. The adoption of the Real living wage is voluntary whilst the adoption of the Minimum/National Living wage is a legal requirement.

78. 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.

79. The National Joint Council (NJC) rates are updated in April each year. With effect from 1.4.2022 the Council is paying £10.7919 as its lowest rate per hour.

80. As part of the 1.4.22 Pay award it was agreed that effective from 1.4.23 the NJC will abolish its current lowest spinal column point on the NJC pay scale. The 2<sup>nd</sup> spinal column point on the NJC scale is currently £10.8894. A pay award of 1% on this scp effective from 1.4.23 would provide for the lowest pay rate of £10.99 in line with the Real living wage.

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

81. 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 facing the Council there should be (in most cases) a period 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.

82. 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 68 years of age) where it would be highly unlikely that they would be re-employed

## **R. GENDER PAY GAP REPORTING**

83. 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 5<sup>th</sup> April in the previous year.

84. 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.

85. 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.

## **S. PAY POLICY FOR CENTRALLY EMPLOYED TEACHING STAFF**

86. Section 3 of the School Teachers' Pay and Conditions Document places a statutory duty on the Council to have a pay policy for centrally employed teaching staff, including appeals against pay determinations. This policy has been devised in addition to the usual Pay Policy for Teaching staff and is attached as Annex A to this report.

**Annex A to follow**