

<b>Report to:</b>	Pay and Grading Committee  Council	<b>Date of Meeting:</b>	10 January 2024  Thursday 18 January 2024
<b>Subject:</b>	Pay Policy 1.4.2024 - 31.3.2025		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	All
<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 NA**

**(B) Capital Costs NA**

**Implications of the Proposals:**

**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.

**Legal Implications:**

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

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

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

Section 40- 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.

**Equality Implications:**

There are no equality implications.

**Impact on Children and Young People: No Impact**

**Climate Emergency Implications: No Implications**

The recommendations within this report will

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	No

**Contribution to the Council's Core Purpose: Not applicable**

Protect the most vulnerable: NA

Facilitate confident and resilient communities: NA
Commission, broker and provide core services: The report addresses the salaries for Council employees.
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 of Corporate Resources and Customer Services (FD.7470/23) and the Chief Legal and Democratic Officer (LD.5570/23) 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** consideration of severance packages which amount to £100,000 or above, statutory guidance entitled *Making and disclosure of Special Severance Payments by local authorities in England*.

**Annex B** -Pay Policy for Centrally Employed Teaching Staff

#### Background Papers:

There are no background papers available for inspection.

**1. Introduction/Background**

1. This report deals with the requirement in Sections 38 and 43 of the Localism Act 2011 which requires Local Authorities to agree and publish an Annual Pay Policy Statement.
2. To comply with this requirement the Council's revised Pay Policy statement is attached.

## **PAY POLICY 1.4.24 – 31.3.25**

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

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**Annex A** Guidance relative to severance packages which amount to £100,000 or above.

**Annex B** -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 Pay and Grading Committee 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 Localism Act 2011 states that full council should be given the opportunity to vote before large salary packages offered in respect of a new appointment. The Guidance states that the Secretary of State considers that £100,000 is the right level for that threshold. To comply, the Council has an agreed a mechanism specifically for the consideration of new appointments to posts which have a remuneration package of £100,000 or above. 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.
10. The Localism Act 2011 states that full council should be given the opportunity to vote before large severance packages beyond a particular threshold are approved for staff leaving the organisation. As with salaries on appointment, the Secretary of State considers that £100,000 is the right level for that threshold.

With regard to severance packages which amount to £100,000 or above, statutory guidance entitled *Making and disclosure of Special Severance Payments by local authorities in England* - was published on 12 May 2022. It followed previous, controversial, attempts by the Government to produce regulations curtailing spending on public sector exit payments. The revised statutory guidance is more workable than its predecessor. It seeks to restrict the amount of exit payments made to employees in 'best value authorities', such as the Council and deals with approvals and transparency.

11. Whilst titled 'guidance' it should be noted that it is legally binding, and the Council must consider the guidance whenever it is contemplating a severance payment. The full details of the guidance are provided at Annex A to this report. Consequently, this guidance must be followed which stipulates the level of sign off required for an SSP dependant on its value. This is a change from previous practices. Approving Special Severance Payments must now be determined as follows:

- £100,000 and above - must be approved by a vote of full council
- £20,000 and above but below £100,000 - must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment
- below £20,000 - must be approved according to the local authority's scheme of delegation.

## **E. SENIOR OFFICERS PAY**

12. 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" and was then defined as salaries above £58,200. The

Local Authorities (Data Transparency) Code 2015 reaffirmed the Senior officer threshold as those earning £50,000. 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 £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 basic salary and will include all remuneration i.e., overtime pay received, contractual allowances etc.
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. The Chief Executive is paid £176,586 (as per the 1.4.23 pay award). The salary comprises of 5 incremental points within a salary band ranging from £160,713 to £176,586.
16. HAY officers grade HAY 1 to HAY 5 were awarded 3.5% for the 2023 pay award. As at 1.4.2023 Executive Directors are paid as follows:
- Executive Director Corporate Resources and Customer Services, Executive Director Place, Executive Director People and Executive Director - Children's Social Care & Education are paid spot salary payments of HAY 1 = £128,007.
  - The Executive Director Adult Social Care and Health DSS and Place Director NHS is paid a Personal grade HAY 1 plus additional payment of £8,538 = totalling £136,545.
17. Assistant Directors and the Chief Legal Officer are paid at HAY 3 £94,017 as a spot grade.
18. The Head of Health & Wellbeing/Director of Public Health is paid at HAY 3 £94,017 plus market supplement of £2580 Totalling = £96,597
19. Other Senior Management are paid relative to Hay grades 4 as a spot grade of £83,049
20. Hay grades 5 and 6 are incremental grades:



- Hay 5 has 5 incremental points and ranges from £68,877- £75,561 and
- Hay 6 has 7 incremental points and ranges from £54,735 - £63,057.

21. 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”).
22. 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.
23. Pay awards are payable as per the agreements reached by the appropriate Joint negotiating Committees.

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

24. 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.
25. 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 The National Employers remain in dispute with the Soulbury Officers’ Side on pay for 2022. The National Employers made a revised final multiyear offer on 27 September 2023 which consisted of a £1925 pay increase for 2022, and a 3.5% pay increase for 2023 together with some additional changes to the Soulbury pay spines. The Officers’ Side has formally rejected this offer and mediation will be arranged. Consequently, the pay scales detailed below are the pay spines payable from 1st September 2021 (pay awards pending).
26. 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.

**27. 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

28. **Educational Psychologists**

Spine Point	Salary from 1.9.2021
Ranges from spine point 1	£38,865
To spine point 11 inclusive of SPA points	£57,544

29. 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

30. **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

31. 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.

32. **Trainee Educational Psychologists**

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

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

34. **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 point 4	£34,448

35. **Young Peoples Community Service Managers**

Spine Point	Salary from 1.9.2021
Ranges from spine point 1	£38,433
To spine point 24	£67,650

36. 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**

37. 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.
38. 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.
39. 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**

40. The pay of Youth and Community Workers is determined from pay points prescribed by the Joint Negotiating Committee (JNC). With effect from 7<sup>th</sup> December 2023 the JNC reached an agreement on a pay award for 2023 providing for an increase of £1925 on all spinal column points on the Youth and Community Support Worker Range and the Professional Range.
41. The tables below covers pay spines payable from 1st September 2023. There are two ranges of pay points, one for Youth and Community Support Workers and one for Professional staff.

42. **Youth and Community Support Workers**

Spine Point	Salary from 1.9.2023
Ranges from spine point 5	£23,496
To spine point 17	£33,141

43. **Professional staff**

Spine Point	Salary from 1.9.2023
Ranges from spine point 13	£29,606
To spine point 32	£47,316

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

44. 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.
45. 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.
46. The grading structure and the arrangements for applying the job evaluation scheme are agreed with the local trade unions.
47. The current pay spine for NJC employees relates to the 1.4.2023 pay award.
48. As part of the Pay agreement for 2022 – 2023, the NJC agreed that from **1 April 2023**, Spinal Column Point (SCP) 1 would be permanently deleted from the NJC pay spine. In addition, it was further agreed that all employees covered by the National Agreement, would receive an increase of one day (pro rata for part-timers) to their annual leave entitlement. Consequently, Grade A and SCP 1 no longer feature in the Council's pay spine. All staff on Grade A were assimilated to Grade B (scp 2) effective from 1.04.23.
49. In line with the increased annual leave entitlement all Term Time only salary calculations were amended to provide an accrual rate for annual leave which mirrored full time equivalent staff.
50. Calculations for Standby payments were also recalculated as these are paid as "sessional" payments formally based on a percentage of the weekly basic wage rate of SCP 1 applied for the whole of the standby period. The recalculation now relates to SCP 2.
51. The lowest spinal column point (point 2) within Sefton is £11.9149 per hour based on the Council's 36-hour standard working week.
52. The highest spinal column point for none HAY grade officers (Point 43) is £27.4433 per hour based on the Council's 36 hour per week standard working week.
53. The full National NJC pay scale as at 1.4.2023 is detailed below.

1st April 2023				
SCP	Annual Salary	Hourly rate of pay	JE Score	Grade
SCP 1 and Grade A deleted 31.03.23				
2	£22,366	£11.9149	up to 260	B
3	£22,737	£12.1126	261 to	C
4	£23,114	£12.3134	299	
5	£23,500	£12.5190	300 to	D
6	£23,893	£12.7284	332	
7	£24,294	£12.9420	333	E
8	£24,702	£13.1594		
9	£25,119	£13.3815	to	
10	£25,545	£13.6084	Not in use	
11	£25,979	£13.8396	372	
12	£26,421	£14.0751	373	F
13	£26,873	£14.3159	Not in use	
14	£27,334	£14.5615		
15	£27,803	£14.8113	to	
16	£28,282	£15.0665	Not in use	
17	£28,770	£15.3265		
18	£29,269	£15.5923	Not in use	
19	£29,777	£15.8629	411	
20	£30,296	£16.1394	412	G
21	£30,825	£16.4212	Not in use	
22	£31,364	£16.7084	to	
23	£32,076	£17.0877		
24	£33,024	£17.5927		
25	£33,945	£18.0833	459	
26	£34,834	£18.5569	460	H
27	£35,745	£19.0422		
28	£36,648	£19.5233	to	
29	£37,336	£19.8898		
30	£38,223	£20.3623	509	
31	£39,186	£20.8753	510	I
32	£40,221	£21.4267		
33	£41,418	£22.0644	to	
34	£42,403	£22.5891		
35	£43,421	£23.1314	559	

36	£44,428	£23.6679	560	J
37	£45,441	£24.2075	to	
38	£46,464	£24.7525		
39	£47,420	£25.2618	609	
40	£48,474	£25.8233	610	K
41	£49,498	£26.3688	659	
42	£50,512	£26.9090	660	L
43	£51,515	£27.4433	709	
43	£51,515	£27.4433	Over 710	M

## **J. MARKET SUPPLEMENTS POLICY**

54. 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.
55. 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”.
56. 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.
57. 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**

58. **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.
59. **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".
60. 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.
61. **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.
62. **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 stemming from Tupe obligations.
63. **Progression through the grade -** An employee's progression through the incremental point on the grade in 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**

64. 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**

65. The Local Government Transparency Code 2015 Part 2.2 paras 51 & 52 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.
66. The FTE pay relationships information below has been based on comparison of the Chief Executive salary as at 1.4.23 AND NJC graded salaries as at 1.4.23.

- The highest level of (*full time equivalent – FTE*) employee remuneration in the Council is associated with the post of Chief Executive which is £176,586. (Figure A)
- The lowest level of (FTE) employee remuneration which is £22,366 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 7.89 times greater than lowest pay.
- The median level full time equivalent basic pay (excluding the Chief Executive) is £25,979 (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 £29,247 (Figure D)
- Based on figure C the FTE Median basic pay is 1.16 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 1.31 times greater than lowest pay figure B.
- Highest pay associated with the Chief Executive is 6.80 times greater than median basic pay (C) and 6.04 times greater than median pay including contractual allowances (D).

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

67. 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.
68. 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.
69. The Council's terms and conditions of employment generally provide for 28 days leave for employees with less than 5 years' service and 33 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.
70. 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**

71. 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 remained static until 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 are no Public Health employees currently paid in accordance with Public Health pay scales.

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

72. 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.

	<b>23 and over</b>	<b>21 to 22</b>	<b>18 to 20</b>	<b>Under 18</b>	<b>Apprentice</b>
<b>As at 1.4.23</b>	£10.42	£10.18	£7.49	£5.28	£5.28

The Government estimate that the National Living Wage will need to rise to between £10.90 and £11.43 in 2024.

73. In addition to the above there is a *living wage* determined by the Real Living Wage Foundation. This rate was announced in October 2023. Employers who are Living wage Employers have until May 2024 to implement the new rate of £12.00 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.

74. 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.

75. The National Joint Council (NJC) rates are updated in April each year. With effect from 1.4.2023 the Council is paying £11.9149 as its lowest rate per hour.

76. A pay award of 1% on the lowest spinal column point effective from 1.4.24 would provide for the lowest pay rate of £12.03 in line with the Real living wage.

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

77. 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.

78. 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 who is re-employed and who was granted Compensatory Added Years when they retired due to redundancy/ interest of efficiency will have their pension abated by Merseyside Pension Fund whilst in re-employment with a Local Authority. This discretion still applies, however, the members awarded added years will now be of an age (youngest 69 years of age) where it would be highly unlikely that they would be re-employed.

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

79. 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 31<sup>st</sup> March in the previous year.

80. 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.

81. 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**

82. 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 B to this report.

**Paul Cunningham**  
**Chief Personnel Officer**  
**December 2023**

## **ANNEX A**

### **The statutory guidance entitled *Making and disclosure of Special Severance Payments (SSPs) by local authorities in England***

The above guidance was published on 12 May 2022. It followed previous, controversial, attempts by the Government to produce regulations curtailing spending on public sector exit payments. The revised statutory guidance is more workable than its predecessor. It seeks to restrict the amount of exit payments made to employees in 'best value authorities', such as the Council. It also deals with approvals and transparency.

Whilst titled 'guidance' it should be noted that it is legally binding, and Sefton must consider the guidance whenever it is contemplating a severance payment of the sort identified below; and if in doubt, seek advice from Legal Services.

A severance payment is any payment offered to an employee, by their employer, at the end of their employment. A Special Severance Payment ('SSP') includes discretionary sums paid in addition to statutory or contractual entitlements.

Settlement agreements may occasionally arise in a school setting, and, in the case of maintained schools, the employees of a school are ultimately employed by the Council. The guidance is silent on the applicability to maintained schools, however the accompanying Government response (published on 12 May 2022) confirms that *'the guidance **will not** apply to those local government staff employed in a maintained school.'*

#### **What is included in the definition of a Special Severance Payment?**

The guidance explicitly states that SSPs *'may only be made where there is a convincing case that they are in the interests of taxpayers. Local authorities may not be generous at the expense of taxpayers and must genuinely consider payments to be in the public interest.'*

#### **The following types of payments are likely to constitute Special Severance Payments:**

- a) any payments reached under a settlement agreement between the employer and employee to discontinue legal proceedings without admission of fault
- b) the value of any employee benefits or allowances which are allowed to continue beyond the employee's agreed exit date
- c) write-offs of any outstanding loans
- d) any honorarium payments
- e) any hardship payments
- f) any payments to employees for retraining related to their termination of employment

Settlement agreements for officers are very infrequent but where they are encountered this guidance must be followed.

### **May amount to Special Severance Payment**

The guidance is more ambiguous about the following payments, stating they **may** be Special Severance Payments depending on the terms of the individual's contract, relevant statutory provisions, any non-statutory applicable schemes and other relevant terms and conditions:

- a) pay or compensation in lieu of notice (PILON) where the amount of the payment is not greater than the salary due in the period of notice set out in the employee's contract.
- b) pension strain payments arising from employer discretions to enhance standard pension benefits.

### **Do not amount to Special Severance Payment**

The guidance identifies severance payments which do **not** amount to SSPs: These being:

- a) statutory and contractual redundancy payments, in both voluntary and compulsory redundancy cases.
- b) severance payments made in accordance with the local authority's policy adopted pursuant to Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
- c) strain costs paid to the relevant LGPS administering authority under specific LGPS Regulations resulting in a LGPS member's retirement benefits becoming immediately payable without reduction.
- d) payment for untaken annual leave.  
payments ordered by a court or tribunal or agreed as part of a judicial or non-judicial mediation.
- f) payments made as part of the ACAS Early Conciliation process.
- g) payments made to compensate for injury or death of the worker.
- h) payments made in consequence of the award of ill-health retirement benefits under Regulation 35 of the LGPS Regulations.

### **Considerations where Special Severance Payment are identified.**

The guidance outlines relevant considerations including:

#### **Economy**

- ❖ Can the Council exit the individual at a lower cost?
- ❖ how the SSP will be perceived by the public
- ❖ alternative use of that expenditure
- ❖ setting precedent

- ❖ evidence for additionality i.e., those offered SSP would not terminate their employment with their statutory and contractual benefits alone

### **Efficiency and effectiveness**

- ❖ Legal advice on the prospects of successfully defending a claim, including the costs that could be incurred
- ❖ ensuring SSPs are not used to avoid management action.
- ❖ disciplinary processes
- ❖ unwelcome publicity or avoidance of embarrassment
- ❖ consideration of a lower value payment
- ❖ managing conflict of interest to ensure individuals who are the subject of complaints are not involved in deciding whether those complaints should be settled.

These considerations, where relevant, should be evidenced and a full audit trail of this should be maintained to ensure compliance with the guidance.

### **Exceptional Circumstances**

The guidance acknowledges that there may be exceptional circumstances where paying an SSP will help facilitate an exit. It is stressed that these circumstances must be exceptional and still provide value for money.

The most likely example for Sefton is settling disputes after receiving professional advice. This is only possible having demonstrated other routes have been thoroughly explored and excluded and where there is clear evidence that attempts were made to resolve disputes before they escalated to a legal claim. Legal Advice will always be required on this.

### **Governance**

The guidance stipulates what level of sign-off is required for an SSP dependant on its value. This is a change from previous practices where the Council's internal scheme of delegation, in accordance with applicable statutory rules, was determinative.

- £100,000+ - must be approved by a vote of full council
- £20,000+ but below £100,000 - must be personally approved and signed off by the Head of Paid Service \*, with a clear record of the Leader's approval and that of any others who have signed off the payment
- below £20,000 - must be approved according to the local authority's scheme of delegation.

\* Where the proposed payment is to the Head of Paid Service, to avoid a conflict of interest, the payment should be approved by a panel including at least two independent persons.

ANNEX B Pay Policy for Centrally Employed Teaching Staff

[centrally\\_employed\\_teachers\\_pay\\_policy\\_Jan\\_2023.docx](#)