

Pay Policy 1.4.2025-31.3.2026

Date of meeting:	15 January 2025 16 January 2025		
Report to:	Pay and Grading Committee Council		
Report of:	Head of HR and Workforce		
Portfolio:	Cabinet Member – Corporate Services		
Wards affected:	all		
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 report is recommended to the full Council for approval.

**Council:**

- (1) The proposed Pay Policy in this report be approved.
- (2) That any changes to the Pay Policy as required because of legislation are delegated to the Pay and Grading Committee.

**1. The Rationale and Evidence for the Recommendations**

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.

## PAY POLICY 1<sup>st</sup> April 2025 – 31<sup>st</sup> March 2026

**(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**

- 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. The Code of Recommended Practice for Local Authorities on Data transparency Sept 2011 stated that Senior employee salaries must be published, with 'Senior employee salaries' is defined as all salaries which are above £58,200.

The Local Government Transparency code 2015 Para 48 and 49 states that Local Authorities are required to publish, under the Accounts and Audit Regulations 2015

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
- employees whose salaries are £150,000 or more must also be identified by name.

13. The data produced by Sefton mirrors the definition of 'Senior salaries' above £58,200.

Individual Senior Management pay is set out in data published on the Council's website. 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 based on basic salary and all other remuneration i.e., overtime pay received, contractual allowances etc.
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 £181,001 (as per the 1.4.24 pay award). The salary comprises of 5 incremental points within a salary band ranging from £164,731 to £181,001.
  16. HAY officers grade HAY 1 to HAY 5 were awarded 2.5% for the 2024 pay award. As at 1.4.2024 Executive Directors are paid as follows:
    - Executive Director Children's Social Care and Education paid spot salary payment of HAY 1 = £131,208 plus a market supplement of £6323 per annum totalling £137531.
    - Executive Director - Adult Social Care, Health & Wellbeing is paid a Personal grade HAY 1 £131,208 plus additional payment of £8751= totalling £139,959.
    - Executive Director - Operations & Partnerships, Executive Director - Corporate Services & Commercial, Executive Director - Regeneration, Economy & Assets are paid spot salary payments of HAY 1 = £131,208.
  17. Assistant Directors and the Chief Legal and Democratic Officer are paid at HAY 3 £96,369 as a spot grade.
  18. The Head of Health & Wellbeing/Director of Public Health is paid at HAY 3 £96,369 plus market supplement of £2646 Totalling = £99,015.
  19. Other Senior Management are paid relative to Hay grades 4 as a spot grade of £85,125.
  20. Hay grades 5 and 6 are incremental grades:
    - Hay 5 has 5 incremental points and ranges from £70,599 - £77,451 and
    - Hay 6 has 7 incremental points and ranges from £56,104 - £64,634.
  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. On 20 December 2023 the Soulbury Committee reached agreements on pay awards for 2022 and 2023 providing for an increase of £1,925 on all spinal column points and an increase of 4.04% on all allowances with effect from 1 September 2022. In addition, an increase of 4% on all spinal column points and an increase of 3.88% on all allowances with effect from 1.9.23. The Soulbury pay spines with effect from 1 September 2023 are detailed below. At the time of writing the Soulbury pay award due from 1 September 2024 has yet to be agreed. The National Employers have made an offer of 2.5% on all pay points and allowances which has been rejected by the Officers' Side. When agreed, this document will be updated with the revised salary ranges.

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 structured professional assessments (SPA) points.

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

<b>Spine Point</b>	<b>Salary from 1<sup>st</sup> September 2023</b>
Ranges from spine point 1	£40,540
To spine point 52 inclusive of structured professional assessment (SPA) points	£112,491

The Salary scales to consist of not more than four consecutive points based on the duties and responsibilities and the need to recruit and motivate staff.

Spine point 8 is the minimum point for EIPs

Spine point 13 is the minimum point for Senior EIPs

Spine point 20 is the minimum point for leading EIPs

Spine points 51 and 52 are to accommodate structured professional assessments.

28. **Educational Psychologists**

<b>Spine Point</b>	<b>Salary from 1<sup>st</sup> September 2023</b>
Ranges from spine point 1	£42,422
To spine point 14 inclusive of SPA points	£65,120

29. With effect from 1<sup>st</sup> September 2023 Educational Psychologists salary scales consist of six consecutive points based on the duties and responsibilities and the need to recruit retain and motivate staff. Spine points 12 to 14 are an extension to the scale to accommodate structured professional assessment points. The pay ranges will be either scp 1-6, 2-7, 3-8, 4-9, 5-10 or 6 –11. SPA points will not be conflated with range points allowing the option to utilise that additional headroom if budgetary flexibility is available to assist with any recruitment and retention challenges.

30. **Senior & Principal Educational Psychologists**

<b>Spine Point</b>	<b>Salary from 1<sup>st</sup> September 2023</b>
Ranges from spine point 1	£52,678
To spine point 21 inclusive of SPA points	£86,587

31. Salary scales to consist of not more than four consecutive points based on the duties and responsibilities and the need to recruit retain and motivate staff. Spinal column point 6 is the minimum point for principal educational psychologist undertaking the full range of duties. Spinal column points 19 – 21 are an extension to the range to accommodate discretionary scale points and structured professional assessments.

32. **Trainee Educational Psychologists**

<b>Spine Point</b>	<b>Salary from 1<sup>st</sup> September 2023</b>
Ranges from spine point 2	£29,872
To spine point 6	£37,473

33. With effect from 1<sup>st</sup> September 2023 SCP 1 is deleted with SCP 2 becoming the first point of the scale.

34. **Assistant Educational Psychologists**

Assistant Educational Psychologists former salary scale was SCP 1-4. With effect from 1<sup>st</sup> September 2023, SCP 1 is deleted with SCP 2 becoming the first point of a 4-point scale up to SCP 5.

<b>Spine Point</b>	<b>Salary from 1<sup>st</sup> September 2023</b>
Ranges from spine point 2	£35,228
To spine point 5	£39,341

35. **Young Peoples Community Service Managers**

<b>Spine Point</b>	<b>Salary from 1<sup>st</sup> September 2023</b>
Ranges from spine point 1	£41,972
To spine point 24	£72,358

The Salary scales to consist of not more than four consecutive points based on the duties and responsibilities and the need to recruit and motivate staff.

Spine point 4 is the minimum point for Senior Y&CSOs

Spine point 7 is the minimum point for Principal Y&CSOs

Spine points 20 – 24 are an extension to the range to accommodate structured professional assessments.

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 (in theory) can be applied for two years after an employee has been awarded SPA2. (However, within Sefton SPA 3 has never been awarded or applied for.)

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. (The only element of backdating applicable would be any time period between the SPA being agreed and the approval documentation being written, submitted and processed).
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). The JNC for Youth and Community Workers reached a Pay agreement on 17<sup>th</sup> December 2024. This provides for an increase of £1290 for all Youth and Community Workers in England and Wales. The pay award will be backdated to 1st September 2024.

41. The tables below covers pay spines payable from 1st September 2024. 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**

<b>Spine Point</b>	<b>Salary from 1<sup>st</sup> September 2024</b>
Ranges from spine point 5	£24,786
To spine point 17	£34,431

43. **Professional Staff**

<b>Spine Point</b>	<b>Salary from 1<sup>st</sup> September 2024</b>
Ranges from spine point 13	£30,896
To spine point 32	£48,606



## **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<sup>st</sup> April 2024 pay award.
48. The lowest spinal column point (point 2) within Sefton is £12.6021 per hour based on the Council's 36-hour standard working week.
49. The highest spinal column point for none HAY grade officers (Point 43) is £28.1305 per hour based on the Council's 36 hour per week standard working week.
50. The full National NJC pay scale as at 1<sup>st</sup> April 2024 is detailed below.

1st April 2024				
SCP	Annual Salary	Hourly rate of pay	JE Score	Grade
SCP 1 and Grade A deleted 31.03.23				
2	£23,656	£12.6021	up to 260	B
3	£24,027	£12.7998	261 to	C
4	£24,404	£13.0006	299	
5	£24,790	£13.2062	300 to	D
6	£25,183	£13.4156	332	
7	£25,584	£13.6292	333	E
8	£25,992	£13.8466		
9	£26,409	£14.0687	to	
10	£26,835	£14.2957	DO NOT USE	
11	£27,269	£14.5269	372	
12	£27,711	£14.7623	373	F
13	£28,163	£15.0031	DO NOT USE	
14	£28,624	£15.2487		
15	£29,093	£15.4986	to	
16	£29,572	£15.7537	DO NOT USE	
17	£30,060	£16.0137		
18	£30,559	£16.2795	DO NOT USE	
19	£31,067	£16.5502	411	
20	£31,586	£16.8266	412	G
21	£32,115	£17.1084	DO NOT USE	
22	£32,654	£17.3956	to	
23	£33,366	£17.7749		
24	£34,314	£18.2799		
25	£35,235	£18.7705	459	
26	£36,124	£19.2441	460	H
27	£37,035	£19.7295		
28	£37,938	£20.2105	to	
29	£38,626	£20.5770		
30	£39,513	£21.0495	509	
31	£40,476	£21.5626	510	I
32	£41,511	£22.1139		
33	£42,708	£22.7516	to	
34	£43,693	£23.2763		
35	£44,711	£23.8186	559	
36	£45,718	£24.3551	560	J
37	£46,731	£24.8947	to	
38	£47,754	£25.4397		
39	£48,710	£25.9490	609	
40	£49,764	£26.5105	610	K
41	£50,788	£27.0560	659	
42	£51,802	£27.5962	660	L
43	£52,805	£28.1305	709	
43	£52,805	£28.1305	Over 710	M

## J. MARKET SUPPLEMENTS POLICY

51. 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.

52. 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”.
53. A Business case must be produced by an Assistant Director for any request for a Market supplement in their service area. Any business cases made for Market Supplement payments will be subject to investigation and scrutiny and must be updated annually to inform renewal. The Head of HR and Workforce is authorised to consider any such requests for 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.
54. The implementation of any additional payments will require the formal approval via the Executive Director - Corporate Services & Commercial, 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**

55. **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.
56. **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”. It is an operationally practical arrangement applied throughout the workforce and is an expedient measure that should maintain for as short a period as possible – normally less than 12 months.
57. **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.
58. **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 pay and grading structure and Sefton Terms and Conditions. At the present time there are no staff in receipt of Personal Salaries stemming from Tupe obligations.

59. **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**

60. 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**

61. 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.

62. The FTE pay relationships information below has been based on comparison of the Chief Executive salary as at 1<sup>st</sup> April 2024 and NJC graded salaries as at 1<sup>st</sup> April 2024.

- The highest level of (*full time equivalent – FTE*) employee remuneration in the Council is associated with the post of Chief Executive which is £181,001. (Figure A)
- The lowest level of (FTE) employee remuneration which is £23,656 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 7.65 times greater than lowest pay.
- The median level full time equivalent basic pay (excluding the Chief Executive) is £27,269. (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 £29,093. (Figure D)
- Based on Figure C, the FTE Median basic pay is 1.15 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 1.23 times greater than lowest pay figure B.
- Highest pay associated with the Chief Executive is 6.64 times greater than median basic pay (C) and 6.22 times greater than median pay including contractual allowances (D).

**N. OTHER TERMS AND CONDITIONS**

63. 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.

64. 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.

65. 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.
66. 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**

67. 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 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 (NMW) and National Living Wage (NLW) rates**

68. The rates below show the National Living Wage (for those aged 21 and over) and the National Minimum Wage (for those under 21) as at 1.4.2024. The rates change on 1 April every year.

<b>Age</b>	<b>Hourly Rate</b>
Age 21 and over	£11.44
18 – 20	£8.60
Under 18	£6.40
Apprentice	£6.40

#### **Q. REAL LIVING WAGE**

69. In addition to the above there is a *living wage* determined by the Real Living Wage Foundation. This rate was announced on 23<sup>rd</sup> October 2024. Employers who are Living wage Employers have until May 2025 to implement the new rate of £12.60 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.
70. 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.

71. The National Joint Council (NJC) rates are updated in April each year. With effect from 1<sup>st</sup> April 2024 the Council is paying £12.6021 as its lowest rate per hour in line with the Real Living Wage.

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

72. 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.

73. 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 70 years of age) where it would be highly unlikely that they would be re-employed.

## **S. GENDER PAY GAP REPORTING**

74. 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. The data published reflects the position on 31<sup>st</sup> March in the previous year.

75. 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.

76. 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.

## T. APPRENTICE PAY

77. Sefton pay apprentices the standard NMW based upon age for level 2 apprenticeship. For Level 3 a 3% increase is applied to the NMW and at level 4 a 5% increase is applied to the NMW. The rates change in line with NMW increase each year on April 1<sup>st</sup>. As at 1<sup>st</sup> April 2024 the rate are as follows:

Apprenticeship Level	Under 18	18 to 20	21 and over	Sefton Rate
Intermediate Level 2	£6.40	£8.60	£11.44	As per NMW
Advanced Level 3	£6.59	£8.86	£11.78	Plus 3% on top of NMW
Higher Level 4	£6.72	£9.03	£12.01	Plus 5% on top of NMW

## U. PAY POLICY FOR CENTRALLY EMPLOYED TEACHING STAFF

78. 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.

### 2. Financial Implications

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

### 3. 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.

### 4. Risk Implications none

### 5 Staffing HR Implications none

### 6 Conclusion The Pay Policy report is recommended to the full Council for approval.

## Alternative Options Considered and Rejected Not applicable

<b>Equality Implications:</b> There are no equality implications.
<b>Impact on Children and Young People:</b> none
<b>Climate Emergency Implications:</b> The recommendations within this report will have a Neutral impact.

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

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD7897/24) and the Chief Legal and Democratic Officer (LD5997/24) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

Not applicable

### Implementation Date for the Decision:

Immediately following the Pay and Grading 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

Link to follow



## 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.
- e) 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.