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| Report to: | Pay and Grading Committee Council | Date of Meeting: | 15 th January 2020 23 rd January 2020 |
| Subject: | Pay Policy | | |
| Report of: | Head of Corporate Resources | Wards Affected: | All |
| Cabinet Portfolio: | Regulatory, Compliance and Corporate Services | | |
| Is this a Key Decision: | No | Included in Forward Plan: | No |
| Exempt / Confidential Report: | No | | |

Summary:

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

Recommendation(s):

Pay and Grading Committee:

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

Council:

- (i) The proposed updates to the Pay Policy at Annex A to this report be approved.
- (ii) The amendment to the Pay Policy at para 54 stipulating (as now) that an individual who has left the Council in receipt of a severance, redundancy and/or pension payment may subsequently be re-employed or engaged under a contract for services, however stipulating as part of the business case that a period of time of at least 2 years (in most cases) from the final date of employment should have elapsed before re-employment is considered. All cases will, in any event, still require justification in the form of a robust business Case.

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:

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| <p>Resource Implications (Financial, IT, Staffing and Assets): The Pay Policy has been amended and updated to reflect any changes that have occurred since the last report.</p> |
| <p>Legal Implications: The Council has the following duties under the following sections of the Localism Act 2011:-</p> <p>Section 38- The Council must prepare a Pay Policy Statement for each financial year which sets out its policies relating to the remuneration of its chief officers and its lowest-paid employees and the relationship between the remuneration of its chief officers and its employees.</p> <p>Section 39-The Council's Pay Policy Statement must be approved by resolution of the authority before it comes into force and prior to 31st March immediately preceding the financial year to which it relates.</p> <p>Section 40- With regard to its functions under sections 38 and 39 [above] the Council must have regard to any guidance issued or approved by the Secretary of State.</p> |
| <p>Equality Implications: There are no equality implications.</p> |

Contribution to the Council's Core Purpose:

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

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

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5901/19) and the Chief Legal and Democratic Officer (LD4085/19) have been consulted and any comments have been incorporated into the report.

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

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|-------------------------|--------------------------------|
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Background Papers:

There are no background papers available for inspection.

Introduction/Background

1. This report deals with a requirement in the Localism Act 2011 (the Act) which became statute in November 2011. The Act introduced a requirement for Local Authorities to agree and publish an Annual Pay Policy Statement effective from December 2011.
2. In February 2012 the DCLG issued statutory guidance "Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act 2011" and required Local Authorities in England to take account of the supplementary guidance when preparing their Pay Policy Statements.
3. To comply with this requirement the Council's revised Pay Policy statement is attached.
4. During the summer of 2016 the Government announced a proposal for a Regulation entitled "The Repayment of Public Sector Exit Payments Regulations". The Government has power to do this under the Small Business, Enterprise and Employment Act 2016. The proposal concerned a situation where an employee within the public sector earning £80,000 or more receives an exit payment (such as redundancy and assisted payouts) and then returns to any part of the public sector within 12 months of leaving. The proposals within the legislation were that on returning to the public sector, the employee must repay some or all of the exit payment received, even if they return to a much lower salary role or to a different part of the public sector. The regulations were to be advanced to go through Parliamentary scrutiny and then to take effect. As at July 2018 (the latest update on the Gov.uk website) stipulates that the consultation on the proposals has been concluded but that the Government are continuing to consider the responses to this consultation.
5. In addition the Government has said it is to introduce The Public Sector Exit Payment Regulations 2016 which imposes a cap of £95,000 on exit payments made by public bodies. Payments to employees would not be able to exceed this amount. Since then the Regulations to bring this into effect have been awaited and in April 2019 the launch on the consultation of draft Regulations commenced. The consultation deadline for responses was 3rd July 2019 and Sefton Council's response was shared with the Cabinet member prior to being fed through the appropriate channels. The outcome of the consultation is not yet known and final regulations are awaited.
6. Further, from 5 February to 3 May 2016, HM Treasury consulted on reforms to public sector exit payments and on 26 September 2016, the Government announced its intention to make further changes to public sector exit payments including: a minimum tariff of three weeks' pay per year of service; a cap of up to 15 months' salary on all redundancy payments; a maximum salary for the calculation of exit payments of £80,000; tapering amount of lump sum compensation an individual is entitled to receive as they get close to the normal pension age of the pension scheme to which they belong. The proposals are not yet law and final regulations are awaited.
7. When, or if, the above legislation is finalised, the Pay Policy will be updated accordingly and, as previously agreed at the Council meeting on 25th January

2018, the Pay and Grading Committee will be delegated to deal with any necessary amendment to bring the Authority into compliance with any statutory measure if the statutory review comes into place before Council has an opportunity to consider next year's Pay Policy.

Changes/Clarification in Policy

8. There is one area at paragraph 54 which has been subject to change (albeit this reflects a clarification).
9. The existing basic policy has not been changed in that any reemployment after an individual receives a redundancy/severance or pension payment will be permitted (however subject to a business case in respect of justification). This is because a blanket ban is not seen as desirable. However, it is recognised that such re-employment must not be the norm. An addition to the policy is that a time period has now been placed within the wording to give more certainty to employees who leave.
10. The effect of the change will be to create in most cases a presumption of 2 years when re-employment should not as the norm take place, however, in all cases, even after 2 years, a business case for justification for re-employment should take place. The policy also seeks to differentiate the circumstances of the lower paid who may lose employment and who may have fewer options in terms of future employment, this would make re-employment easier for these groups, although giving the stated position that re-employment is not the norm.
11. The need for greater clarity has been requested by some exiting employees given that the Council has been in the process of making savings and subsequent job reductions for a number of years.

ANNEX A

PAY POLICY 2020 / 2021

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

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

National Pay Agreements within Local Government

1. JNC Chief Executive Terms and Conditions of Service.
2. JNC Chief Officer Terms and Conditions of Service.
3. Local Government Pension Scheme:
4. NJC Terms and Conditions of Service (Green Book): [Green book](#)
5. Soulbury Terms and Conditions of Service: (Education & Young People)
6. Youth and Community Workers Terms and Conditions of Service (Pink Book): (Education & Young People)
7. Non-Standard Working Arrangements and Associated Payments: [Non-standard Working Arrangements](#)

SEFTON COUNCIL PAY POLICY

A. OPENING STATEMENT

1. The aim of this policy is to help maintain and improve the quality of service provision by ensuring that all employees are valued and receive proper reward for their work and contribution. It also serves to satisfy the requirements of the Localism Act 2011 relative to pay accountability.
2. It is recognised that both financial and non-financial rewards are necessary to attract, retain and motivate employees. As such there needs to be a close link between reward and the overall approach to people management, including workforce planning and development strategies. There needs to be a fair balance between changing organisational needs and the aspirations of individuals. Equally there needs to be recognition of the financial constraints of the current economic climate and the imperative to manage public monies responsibly.
3. This policy will assist in managing pay in a fair, equitable, responsible and transparent manner. The Council supports the principle of equality of opportunity in employment. In this regard every endeavour will be made to ensure that employees receive equal treatment, irrespective of age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marital status, pregnancy or maternity.
4. All pay related decisions will be taken in compliance with the provisions of The Equality Act 2010, The Employment Rights Act 1996, The Employment Relations Act 1999, the Employment Act 2002, The Employment Act 2008, The Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, The Fixed Term Employees' (Prevention of Less Favourable Treatment) Regulations 2002, all as amended.

B. SCOPE OF POLICY

5. This policy covers all employees other than those in schools.

C. AVAILABILITY OF POLICY

6. This policy is available on the Sefton's Council website under [Pay Policy](#)

D. DECISION MAKING

7. The pay policy is the responsibility of the Pay & Grading Committee with any recommendations for change being subject to the approval of the Council.
8. The policy will be reviewed by the Committee at least once every municipal year and referred to the Council for consideration prior to the beginning of the subsequent municipal year on 1st April.

9. The authority to make decisions in accordance with the policy and its application, is in accordance with the delegations described in the Council's constitution, which can be found in the documents library on Sefton's website.
10. In January 2013 Council agreed a mechanism specifically for;
 - The consideration of severance packages which amount to £100,000 or above, and
 - The consideration of new appointments which have a remuneration package of £100,000 or above.

It was agreed that:

- In relation to any severance packages in respect of the Chief Executive, Executive Directors and Heads of Service which amount to £100,000 or above, that Full Council are given an opportunity to vote to determine agreement, following a recommendation from the Pay and Grading Committee.
 - All other employees' severance packages of £100,000 or above are to be determined by the Pay and Grading Committee and may come before Full Council as part of the Budget process. The reason for utilising the Pay and Grading Committee is to allow operational effectiveness in seeking the approval of such payments, leaving Full Council to deal with severance packages for the Senior Officer positions.
 - In respect of the definition of a severance payment this is defined as:
 - (a) A redundancy payment
 - (b) Any capital cost to the pension fund
 - (c) Any other contractual payments which are due to the employee
 - (d) Any other payments which the Local Authority may seek to make
 - The Employment Procedure Committee will decide on the remuneration packages for Senior 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.
11. It is proposed that the decision making processes for severance and remuneration detailed in the paragraphs above remain in force.

E. SENIOR OFFICERS PAY

12. Senior officers are defined as those currently earning £50,000 and above. The £50,000 threshold is applied as per the Local Government transparency code issued by the Department for Communities and Local Government [CLG].
13. Individual Senior Management pay is set out in data published on the Council's website in accordance with the Local Government transparency code. It provides details of;
 - the number of employees whose remuneration in that year was at least £50,000 - in brackets of £5,000
 - details of the job title of senior employees whose salary is at least £50,000, and
 - identification by name of any employees whose salaries are £150,000 or more.
 - the information is not solely based on salary but will include all remuneration i.e. overtime pay.

Senior Officer Pay data can be accessed through the Sefton Council website under: Personnel / Job Evaluation/ [Senior Salaries](#)

14. In addition, local authorities must provide a list of responsibilities (for example, the services and functions the postholder is responsible for and details of bonuses and 'benefits-in-kind', for all employees whose salary exceeds £50,000.
15. Senior officers (other than those paid under the Soulbury agreement) are paid in accordance with the HAY job evaluation method.
16. Chief Executive Salary – as at 1.4.2019 this comprises of 5 incremental points within a salary band ranging from £147,039 to £161,748.
17. As at 1.4.2019 Executive Directors are paid £116,742 and the Head of Health and Wellbeing / Director of Public health is paid on a personal grade of HAY 3 plus Market supplement providing for a total salary of £90,000. Heads of Service are paid at either HAY 2 (£97,871, HAY 3 £85,252 or HAY 4 £75,092 as spot grades, plus a Market Supplement if appropriate. Senior Management are paid relative to Hay grades 5 & 6. Hay 5 ranging from £ 61,962.00 to £68154 by 5 increments. Hay 6 ranges from £48,552 to £56,220 by 7 increments.
18. The terms and conditions for the post of Chief Executive are in accordance with the Joint National Council (JNC) Scheme for Chief Executives. In the case of HAY Grades 1 - 5 the terms and conditions are as per the JNC Scheme for Chief Officers. In the case of HAY Grade 6 the terms and conditions are in accordance with the National Joint Council (NJC) Scheme for Local Government services employees (known as the "Green Book").

19. HAY grades are allocated to posts using the HAY job evaluation system. This system enables the factors of a job to be analysed and translated into a points score which, in turn, is related to the appropriate grade associated with the score.
20. Each year the HAY group are consulted as to what is an appropriate pay rise. The HAY Group advise based on predicted awards in the general market (Public and Private Sector), the amount of inflation, and the Retail Prices Index. This is then balanced against the National Joint Council Pay award and the ability of the Council to meet the pay bill. The pay rise to be applied is delegated to the Chief Executive and the Chief Personnel Officer.

F. EDUCATION PROFESSIONALS PAY [Soulbury Agreement]

21. The Soulbury Committee provides national collective bargaining machinery for advisory staff in Local Authorities. Nationally, it covers staff including: education improvement professionals, education psychologists, and young people's/community service managers. In addition to any annual pay increase, the Soulbury Committee also determines the national salary framework.
22. The Soulbury agreement provides separate sets of pay spines for Education Improvement Professionals (EIPs), Educational Psychologists, including Principals, Seniors, Assistants and Trainees as well as Community Service Managers. The current pay agreement covers pay spines payable from 1st September 2019 as detailed below.
23. The Soulbury salary scales consist of not more than four consecutive points. The salary is based on the duties and responsibilities of the post and the need to recruit and motivate staff. Minimum starting points are defined in the pay conditions and include an extended range to accommodate structured professional assessments.

Education Improvement Professionals (EIPs)

| | |
|---------------------------|----------------------|
| Spine Point | Salary from 1.9.2019 |
| Ranges from spine point 1 | £35,444 |
| To spine point 50 | £93,812 |

Educational Psychologists

| | |
|---------------------------|----------------------|
| Spine Point | Salary from 1.9.2019 |
| Ranges from spine point 1 | £37,175 |
| To spine point 11 | £55,040 |

Senior & Principal Educational Psychologists

| Spine Point | Salary from 1.9.2019 |
|------------------------------|-------------------------|
| Ranges from spine point 1 | £46,607 |
| To spine point 18 | £68,954 |

Trainee Educational Psychologists

| Spine Point | Salary from 1.9.2019 |
|------------------------------|-------------------------|
| Ranges from spine point 1 | £23,884 |
| To spine point 6 | £32,623 |

Assistant Educational Psychologists

| Spine Point | Salary from 1.9.2019 |
|------------------------------|-------------------------|
| Ranges from spine point 1 | £29,359 |
| To spine point 4 | £32,950 |

Young Peoples Community Service Managers

| Spine Point | Salary from 1.9.2019 |
|------------------------------|-------------------------|
| Ranges from spine point 1 | £36,761 |
| To spine point 24 | £64,707 |

24. The Soulbury agreement does not set its own specific conditions of service. Instead it provides that:

“The conditions of service of Soulbury officers shall be not less favourable than those prescribed for the local government services staff of the authority”

G. Youth and Community Workers

25. The pay of Youth and Community Workers is determined from pay points prescribed by the Joint Negotiating Committee (JNC). There are two ranges of pay points, one for Youth and Community Support Workers and one for Professional staff.

Youth and Community Support Workers

| Spine Point | Salary from 1.9.2019 |
|---------------------------|----------------------|
| Ranges from spine point 3 | £18,117 |
| To spine point 17 | £28,017 |

Professional staff

| Spine Point | Salary from 1.9.2019 |
|----------------------------|----------------------|
| Ranges from spine point 13 | £24,636 |
| To spine point 32 | £41,575 |

H. NATIONAL JOINT COUNCIL (NJC) EMPLOYEES

26. 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.
27. 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.
28. The grading structure and the arrangements for applying the job evaluation scheme are agreed with the local trade unions.
29. The NJC pay agreement for 2018 – 2020 introduced a new pay spine. Effective from 1.4.2019 the lowest spinal column point (point 1) is £9.00 per hour based on a 37 hour week which equates to £9.25 for Sefton's Councils 36 hour per week standard working. The highest spinal column point for none HAY grade officers (Point 43) is £23.63 which equates to £24.28 for Sefton's Councils 36 hour per week standard working.
30. The full National NJC pay spine as at 1.4.2019 is detailed below.

| SCP | Annual Salary |
|------------|----------------------|
| 1 | £17,364 |
| 2 | £17,711 |
| 3 | £18,065 |
| 4 | £18,426 |
| 5 | £18,795 |
| 6 | £19,171 |
| 7 | £19,554 |
| 8 | £19,945 |
| 9 | £20,344 |
| 10 | £20,751 |
| 11 | £21,166 |
| 12 | £21,589 |
| 13 | £22,021 |
| 14 | £22,462 |
| 15 | £22,911 |
| 16 | £23,369 |
| 17 | £23,836 |
| 18 | £24,313 |
| 19 | £24,799 |
| 20 | £25,295 |
| 21 | £25,801 |
| 22 | £26,317 |
| 23 | £26,999 |
| 24 | £27,905 |
| 25 | £28,785 |
| 26 | £29,636 |
| 27 | £30,507 |
| 28 | £31,371 |
| 29 | £32,029 |
| 30 | £32,878 |
| 31 | £33,799 |
| 32 | £34,788 |
| 33 | £35,934 |
| 34 | £36,876 |
| 35 | £37,849 |
| 36 | £38,813 |

| | |
|-----------|----------------|
| 37 | £39,782 |
| 38 | £40,760 |
| 39 | £41,675 |
| 40 | £42,683 |
| 41 | £43,662 |
| 42 | £44,632 |
| 43 | £45,591 |
| 43 | £45,591 |

I. MARKET SUPPLEMENTS POLICY

31. The Council aims to recruit and retain the best possible employees with the skills, knowledge and experience needed to deliver excellent services and to meet its corporate objectives. There may be times when the grading of a post results in an inability to successfully recruit or retain to particular posts. In such cases it may be appropriate to pay a market supplement in addition to the salary to ensure that appointments can be secured. In these circumstances, the potential for the application of a Market Supplement Rate will need to be objectively justified. Such payments are lawful under the Equality Act 2010 where there is evidence to justify that market factors are the “material factor” for the post attracting a higher rate of pay than other posts with the same score. In order to establish equality of pay the Council needs factual evidence to prove that paying any Market Supplement Rate is “a proportionate means of achieving a legitimate aim”.
32. Any business cases made for Market Supplement payments will be subject to investigation and scrutiny by the Pay and Grading team followed by formal approval via the Head of Corporate Resources. Thereafter, the payments will be subject to annual review, and supplementary reviews following any pay award agreements or incremental advancement. In addition, the Joint Trade Union forum will be provided with details of any positions which have been approved for the Market Supplement Payments.

J. OTHER PAY

33. **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.
34. **Acting up payments** Employees are not eligible for honoraria payments under current Council policy. However, an employee who, following a fair selection arrangement, performs the full duties and responsibilities of a higher graded post on a temporary basis, will be paid in accordance with the higher graded post for the specified period and without any commitment to permanency in that post. This is known as “Acting Up”. It is an operationally practical arrangement applied throughout the workforce. It is an expedient measure that should maintain for as short a period as possible – normally less than 12 months.

35. **Advisory Staff in Local Authorities – [Soulbury Agreement]** In each of the separate Soulbury pay spines there is provision for employees to receive up to three further spine points under the Structure Professional Assessment (SPA) system. This element of the pay structure is based on performance assessment and forms part of the overall pay structure. Progression under the SPA system is subject to local assessment against nationally prescribed criteria.

36. **NJC Employees- Non-Standard Working Arrangements and Associated Payments**

In accordance with the NJC provisions the Council pays allowances in respect of employees who are required to work outside “normal” working hours.

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

38. **Tupe Pay obligations**

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

K. PAY PROTECTION

39. In certain circumstances where employees suffer a loss in basic pay as a result of the actions of the employer, 12 months’ pay protection is available.

L. PAY RELATIONSHIPS

40. The Local Government Transparency Code 2015 Part 2.2 para 51 and Section 38 of the Localism Act 2011 requires local authorities to produce information relative to pay dispersion i.e. the relationship between remuneration of Senior Officers and the remuneration of other staff. The information in this section illustrates the Councils pay dispersion.

41. The highest level of (*full time equivalent – FTE*) employee remuneration in the Council is associated with the post of Chief Executive which is £147,039.

42. The lowest level of (FTE) employee remuneration is £17,364 p.a.

43. The median level of actual basic pay for central staff is £19,171 p.a. The median level of actual pay including contractual allowances (e.g. overtime, shift pay etc) is £21,166 p.a.

The ratio listed compares favourably with the Upper 20:1 ratio as detailed in the Hutton Fair Pay Review Report. As at 1st November 2019 the (FTE) actual pay relationships are:

- Highest pay is 8.47 times greater than lowest pay.

- Median basic pay is 1.10 times greater than lowest pay.
- Median pay including contractual allowances is 1.22 times greater than lowest pay.
- Highest pay is 7.67 times greater than median basic pay and 6.95 times greater than median pay including contractual allowances.

44. In order to achieve this calculation the pay relationships have been based on the lowest level of employee remuneration (using actual pay figures of centrally employed staff payable as at November 2019 and the highest level JNC pay applicable as at November 2019). The above pay relationship figures exclude a small amount of staff who TUPE transferred from Arvarto and under the TUPE regulations currently retain their Arvarto Terms and Conditions of service.

M. OTHER TERMS AND CONDITIONS

45. 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.

46. 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.

47. 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.

48. The Council also supports officers in the discharge of their duties by reimbursing expenditure, paying subsistence allowances, and operating a Corporate travel scheme for eligible employees offering reduced cost rail travel with deductions being made direct from payroll.

N. PUBLIC HEALTH STAFF

49. 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.

O. NATIONAL MINIMUM WAGE / REAL LIVING WAGE

50. The National Minimum Wage (NMW) is the minimum pay per hour most workers under the age of 25 are entitled to by law.

The Government's National Living Wage (NLW) is the minimum pay per hour most workers aged 25 and over are entitled to by law.

The rate will depend on a worker's age. The current rates as at 1.4.2019 are:

- £8.21 per hour for ages 25 and over
- £7.70 per hour for ages 21 to 24
- £6.15 per hour for ages 18 to 20
- £4.35 per hour for under 18 years old

51. In addition to the above there is a *living wage* determined by the Real Living Wage Foundation. The rate is £9.30 per hour (outside of London) as at November 2019. This Real Living wage rate is based on the concept that a certain amount of money is needed to ensure that people are able to have a decent standard of living. The Real living wage is different from the National Minimum wage and the Governments National Living Wage. Adoption of the Minimum wage is a legal requirement however the adoption of the Real Living Wage is voluntary. To become a true Real Living Wage employer the rate would need to be applied not only to employees but also be extended to Third party contractors who are defined by the Living Wage Foundation as those who work regularly on Council premises, or premises necessary to the work being carried out, for 2 or more hours a day, in any day of the week, for 8 or more consecutive weeks of the year.
52. The Cabinet member has been provided with information relative to becoming a Real Living Wage employer but no determination has yet been made as to whether Sefton Council would wish to become a Real Living Wage employer.
53. Real living wage rates are updated annually in November and should be implemented within 6 months (i.e. by 1.5.2020). The National Joint Council (NJC) rates are updated in April each year. With effect from 1.4.2019 the Council is paying £9.2502 as its lowest rate per hour with an expected percentage increase due with effect from 1.4.2020 and therefore is in keeping with the Real living wage rate.

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

54. Subject to compliance with legislative/regulatory requirements:

- An individual may be in receipt of a pension (LGPS or otherwise) in addition to remuneration from their employment with the Council.
- An individual who has left the Council and been in receipt of a severance or redundancy payment and/or pension (LGPS or otherwise) may subsequently be re-employed or engaged under a contract for services. However, given the budgetary pressures currently facing the Council there should be (in most cases) a period of time of at least 2 years from the redundancy date before re-employment occurs and such cases must also satisfy robust justification and the business case in respect of justification must include specific details why the re-employment would be beneficial to the Council or service area. The Council recognises in consideration of the business case that any re-employment must only be after consideration of characteristics of the post and work area (including the ability to attract and retain employees) The business case should also consider the circumstances of the individual that left employment recognising that individuals in low pay jobs may be more readily re-employed.

55. 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 65 years of age) where it would be highly unlikely that they would be re-employed.

Q. GENDER PAY GAP REPORTING

56. The Council is required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and to publish the results on both the Council website and a government website. In line with these requirements data is published annually. Ordinarily, the data published reflects the position on 5th April in the previous year.

57. 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.

58. 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.

MD December 2019