

# PAY POLICY STATEMENT

## 2022/23



## Pay Policy Statement 2022/23

March 2022

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## 1. Introduction and Purpose

- 1.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the Council thinks fit”. Section 38 of the Localism Act 2011 requires Councils to set out their approach to their pay policies. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach.
- 1.2 The purpose of the statement is to provide transparency about the Council’s approach to setting the pay of its employees (excluding teaching staff working in Council schools) by identifying.
- the methods by which pay of all employees is determined.
  - the detail and level of remuneration of its most senior staff i.e., “Chief Officers and other highly paid staff”, as defined by the relevant legislation.
- 1.3 Once approved by full Council, this policy statement will come into immediate effect and will be subject to review annually.
- 1.4 In determining the remuneration of all its employees, the Council will comply with all relevant employment legislation. The Council seeks to ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified. One method is using job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

## 2. Pay Structure

- 2.1 The Council uses the nationally negotiated pay spine(s) (i.e., a defined list of salary points) as the basis for its local pay structure, which determines the salaries of the vast majority of its (non-teaching) workforce.
- 2.2 For employees who are engaged under the National Joint Council for Local Government Employees and who comprise the vast majority of the Council’s workforce, two nationally recognised job evaluation schemes are used as a basis for determining pay and grade levels. The schemes in use are those of the National Joint Council and Greater London Provincial Council.
- 2.3 In 2021, Korn Ferry (formerly Hay Group) were commissioned to undertake a comprehensive job evaluation exercise to support Phase 1 of an organisational restructure implemented from November 2020, to provide an independent review of Chief and Senior Officer posts, leading to the implementation of a revised and appropriate free from bias pay structure.
- 2.4 In addition, there are several specialist education advisors and psychologists who are engaged under Soulbury Committee Inspectors, Organisers and Advisory Officers of Local Authorities.
- 2.5 The current rates for Local Government Employees and Chief Officers were effective from 1 April 2021. The Local Government 2021 pay award is pending for NJC, Chief Officers and Chief Executives. For those Soulbury employees the current rates were effective from 1 September 2021.

- 2.6 In limited circumstances, where a nationally negotiated pay spine does not apply, the Council will determine the salary rate through local negotiation and objective justification.
- 2.7 The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any nationally agreed annual pay increases negotiated with joint trade unions, where it is party to those negotiations.
- 2.8 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.
- 2.9 New appointments of employees will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied where necessary to secure an appointment. Where the appointment salary is above the minimum point of the pay scale, it must have due regard to Equality Legislation and must be objectively justified.
- 2.10 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 objectives. There may be times when the grading of a post results in an inability to successfully recruit or retain to particular posts. From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where this is necessary, the Council will ensure the requirement for such is objectively justified, lawful and approved by the appropriate decision-making mechanism. 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 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.
- 2.11 Honoraria payments will only be considered following an evaluation under the appropriate Job Evaluation scheme of the additional duties and approved via an Administrative Decision.

### **3. Senior Management Remuneration**

- 3.1 For the purposes of this statement, senior management means those senior officers who are in receipt of a salary more than £50,000, as defined in the Local Government Transparency Code 2015 issued by the Department for Communities and Local Government. These are those employed under:
- a) the Joint Negotiating Committee for Chief Executives of Local Authorities.
  - b) the Joint Negotiating Committee for Chief Officers of Local Authorities.
  - c) the upper levels of the pay spines contained within the Soulbury Committee Inspectors, Organiser and Advisory Officers of Local Authorities, which includes Advisors, Inspectors and Senior and Principal Education Psychologists.
  - d) the upper level of the pay spine contained within the NJC for Local Government Services Conditions of Service paid as Senior Officers.

- 3.2 Individual senior management pay is set out in data published on the Council's Website in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency. Chief Officer remuneration is outlined below.
- 3.3 **Chief Executive** – The salary of this post comprises 6 incremental points within the range £152,667 to £164,400.
- 3.4 **Executive Director Integrated Health & Social Care (Accountable Officer CCG)** - The salary is £140,000.
- 3.5 **Executive Directors of Corporate Services and Place** - The salary of these posts comprises 4 incremental points, with a salary range of £114,606 to £122,418.
- 3.6 **Assistant Chief Executive** - The salary of this post comprises 2 incremental points within the range £100,950 to £103,608.
- 3.7 **Director of Children and Young Peoples Services** – The salary for this post is £140,000.

#### **4. Recruitment and Severance Packages of Chief Officers and other Senior Managers**

- 4.1 The constitution of the Council which is published on the Council's website has specific requirements for the recruitment of the Chief Executive, Chief Officers and the Senior Officers engaged under the Chief Officer terms and conditions.
- 4.2 In addition, full Council has delegated to the Appointments Committee the power to agree certain salary and severance packages that are offered in respect of new appointments to, and terminations from, certain posts that fall within the Secretary of State's guidance. This guidance considers that £100,000 is the right level for that threshold to be set. For this purpose, salary packages should include salary, any bonuses, fees, or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment.
- 4.3 Severance packages may include salary paid in lieu, redundancy compensation, pension enhancements, holiday pay and any bonuses, fees or allowances paid. At St Helens in the case of redundancy a severance package will only include statutory redundancy and those pension costs that the Council is obliged to pay.
- 4.4 A meeting of full Council will approve the appointment to the following posts:
- Head of Paid Service;
  - Section 151 Officer (also known as Chief Finance Officer);
  - Monitoring Officer;
  - Returning Officer and Electoral Registration Officer.

#### **5. Additions to Salary of Chief Officers**

- 5.1 The Council must appoint a Returning Officer for elections, which is usually a senior officer of the Council who performs the role in addition to their normal duties. Appointment as a Returning Officer carries personal responsibilities and liabilities distinct from the duties as an employee of the Council. It is therefore deemed to be separate remunerable employment. The Chief Executive is the Council's Returning Officer. Fees for local elections are agreed by Council annually. Fees for duties in

relation to Parliamentary and European elections and for referendum are set by the Government on each occasion.

## **6. Pension Contributions**

- 6.1 The employer's pension contribution is required to be published under the Code of Practice on Local Authority Accounting in the United Kingdom.
- 6.2 Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee.
- 6.3 The rate of contribution is set by actuaries advising Merseyside Pension Fund (MPF) and reviewed every 3 years to ensure the scheme is appropriately funded. The rate for 2022/23 is 16.9%. This was determined arising from the Triennial Valuation 2019.

## **7. Payments on Termination**

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment for all employees including Chief Officers, prior to reaching normal retirement age, is set out within the Council's policy statement 'Exercise of Discretionary Functions' in accordance with Local Government Pension Scheme Regulations 2014 – Discretionary Payments (Amendment) Regulations 1999 and Early Termination of Employment (discretionary compensation) England and Wales Regulations 2000. Regulation numbers 31 & 26.
- 7.2 Current policy at St Helens dictates that the statutory redundancy calculation alone is used without any multiplying factor. In terms of redundancy payment calculations, the actual weekly wage is used rather than the statutorily defined amount. No enhancements to pensions are offered.
- 7.3 The Council operates a Mutually Agreed Resignation Scheme (MARS) to be used at the Council's discretion to meet the financial challenges, workforce reductions and other efficiency needs and help to increase our flexibility and be able to address periods of rapid change. MARS enables individual employees, in agreement with the Council, to choose to leave their employment voluntarily in return for a discretionary 'severance' payment. MARS is not a redundancy payment and as it is a resignation it does not provide access to pension entitlements. Severance payments are based on notice pay plus a basic week pay for every years' service to a maximum of 32 weeks' pay for those with 26 years plus continuous local government service.

## **8. Lowest Paid Employees**

- 8.1 The lowest paid persons employed under a contract of employment with the Council are employed on Full Time Equivalent (FTE 37 hours) salaries in accordance with spinal column point 2 (Grade A of the Council's grading structure £18,198, as of 1 April 2021 (Local Government Pay Award pending and once agreed to be applied retrospectively to April 2021).
- 8.2 The Council employs apprentices who are not considered within the definition of "lowest paid employees" as they are employed under a "training contract" on the nationally set apprenticeship allowance.

- 8.3 The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
- 8.4 The current pay levels within the Council define the multiple between the median full time equivalent (FTE) earnings (scp 11) and the Chief Executive as 1:7.56. This means that to every 1 Chief Executive, there are 7.56 employees paid on the Council's median scale point amount. Ratio = 1:7.56.
- 8.5 The current pay levels within the Council define the multiple between the lowest paid employee full time equivalent (FTE) earnings and the average Chief Officer earnings as 1:6.14
- 8.6 The current pay levels within the Council define the multiple between the median full time equivalent (FTE) earnings and the average of Chief Officer earnings as 1:5.14.
- 8.7 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples and benchmark against other comparable Councils.

## **9. Accountability and Decision Making**

- 9.1 In accordance with the Pay Policy Statement of the Council, the Head of Paid Service and Chief Officers are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

## **10. Gender Pay Gap**

- 10.1 From 2017, any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap.
- 10.2 Employers must report their data to government on-line and publish their gender pay gap data and a written statement on their website.
- 10.3 This is the Council's fifth Pay Policy Statement since 2017, which must be calculated using the specific reference period of 31 March 2021 and be published by 31 March 2022.
- 10.4 As of 31 March 2021, the mean hourly rate across the Council was £13.73: for women the rate was £13.49 and for men it was £14.27, meaning there was a mean pay gap of 5.4% which has increased from last year's figure of 4.8%.
- 10.5 As of 31 March 2021, the median rate across the Council was £11.27: the median rate for women was £11.27 and for men it was £11.96, meaning there was a median pay gap of 5.7%.
- 10.6 The Council does not pay bonuses.

10.7 The gender pay profiles for each quartile are as follows:

<b>Quartile</b>	<b>Male</b>	<b>Female</b>
<b>Upper</b>	34%	66%
<b>Upper Middle</b>	33%	67%
<b>Lower Middle</b>	33%	67%
<b>Lower</b>	25%	75%

10.8 Males represent 31% (increased from 30.6%) and females represent 69% (decreased from 69.4%) of the total workforce.

10.9 The actual gender split in the upper, upper middle and lower quartiles have all remained the same. The lower middle quartile gender split percentage for males has increased from 32% and females decreased from 68%.

10.10 As stated above males represent 31% and females represent 69% of the total workforce at 31 March 2021. This is a ratio of 1:2.22.

10.11 The gender split remains comparable with the split in March 2020. The ratio for each quartile is as follows: Upper 1:1.94, Upper Middle 1:2.03, Lower Middle 1:2.03 and Lower 1:3.00.

10.12 The number of females in the lower quartile, however, remains higher. This is largely due to the historical occupational segregation that means that female employees tend to occupy the part-time lower paid work that is widely available in Council services.

## **11. Publication**

11.1 Upon approval by full Council, this statement will be published on the Council's website.

11.2 In accordance with the requirements of the Accounts and Audit Regulations 2015, the Council includes, in its Statement of Accounts, details of remuneration and the authority's contribution to the individual's pension for the posts of Chief Executive, Executive Directors and any other officer(s) qualifying to be a statutory chief officer under those Regulations.