



**ST HELENS**  
BOROUGH COUNCIL

**Policy Reference No: PM10**

# **Pay Policy Statement**

## **St Helens Borough Council**

**Effective from: 31 March 2023**



## Pay Policy Statement

### Policy Information

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<b>Policy Author</b>	Steven Rigby
<b>Responsible Directorate</b>	People Management – Corporate Services
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### Version Control

<b>Date</b>	<b>Author</b>	<b>Version</b>	<b>Reason for Change</b>
31/03/2023	Steven Rigby	7	Annual Review and update to include Special Severance Payments Guidance

## Our Vision and Values

The Council has co-designed a clear vision for workplace culture and worked together with employees to identify values and behaviours for everyone. These will be at the core of how we work together to deliver our services. Employees will be empowered to deliver new ways of thinking and new ways of working, encouraging innovation and creativity in a learning environment.

Our vision, values and behaviours are underpinned by our Bonds for Working Together at St Helens which outline what employees can expect from working at the Council and what is expected of them.

### [Our Culture, vision, values, behaviours and Bonds for Working Together at St Helens](#)



## Introduction and Purpose

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.

The purpose of the statement is to provide transparency with regard to 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.

## Policy Statement

Once approved by full Council, this policy statement will come into immediate effect and will be subject to review annually.

In determining the remuneration of all of 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 through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

## Scope of the Policy

This policy applies to all Council employees with the exception of staff employed by Governing Bodies in schools.

## Definitions and Abbreviations

In the Policy, the following words and phrases mean:

**Council** - St Helens Borough Council

**Employee** - Those employed by St Helens Borough Council including agency/consultancy staff, secondees to the organisation and those employed under partnership arrangements but excluding those employed in schools.

## Equality

The Public Sector Equality Duty of the Equality Act 2010 applies to both employment at the Council and in the delivery of Council Services. The Council’s Comprehensive Equality Policy sets out the duties and requirements of the Equality Act 2010, and other relevant legislation.

The Equality Act 2010 protects all people from discrimination, harassment and victimisation. The Council is committed to promoting equal opportunities in employment and all employees will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation or caring responsibility.

The Council has a zero tolerance towards discrimination, harassment and victimisation. All employees must show due regard to acknowledge and value people's differences, and, as far as possible, where permissible in Council policy and practice, meet an individual's needs in accordance with their choices and preferences.

The minimum standard of behaviour and attitude expected of council staff is to ensure all people who employees come into contact with are given equal opportunities and treated fairly and respectfully.

## **Accountability and Decision Making**

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.

## **Pay Structure**

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.

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.

In 2021, Korn Ferry (formerly Hay Group) were commissioned to undertake a comprehensive job evaluation exercise to support Phases 1 and 2 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. This scheme is used for Heads of Service posts and above.

In addition, there are a number of specialist education advisors and psychologists who are engaged under Soulbury Committee Inspectors, Organisers and Advisory Officers of Local Authorities.

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.

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.

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.

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.

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.

A market supplement policy has been developed to ensure that the use of such supplements is relevant, justified and lawful. The policy will be introduced within the Council, following consultation with Trade Unions.

Honoraria payments will only be considered following an evaluation under the appropriate Job Evaluation scheme of the additional duties and approved via an Operational Decision.

## **Senior Management Remuneration**

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.

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.

- **Chief Executive** – The salary of this post comprises 6 incremental points within the range £156,884 to £168,791.
- **Executive Director People Services and NHS Place Lead** - The salary is £150,000.
- **Executive Directors of Corporate Services and Place** - The salary of these posts comprises 4 incremental points, with a salary range of £118,253 to £126,182.
- **Director of Children and Young Peoples Services** – The salary for this post is £131,474.

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

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.

In addition, full Council has delegated to the Appointments Committee the power to agree certain salary packages that are offered in respect of new appointments to, 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.

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.

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

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.

## Pension Contributions

The employer's pension contribution is required to be published under the Code of Practice on Local Authority Accounting in the United Kingdom.

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.

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 was 16.9%. This was determined arising from the Triennial Valuation 2019.

Confirmation of the 2023/24 contribution is awaited at the time of publishing.

## Payments on Termination

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 2013 the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

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.

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.

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 in itself. Severance payments are based on notice pay plus a basic week pay for every year's service to a maximum of 32 weeks' pay for those with 26 years plus continuous local government service.

## Special Severance Payments



In May 2022, Statutory Guidance was issued on the making and disclosure of Special Severance Payments by local authorities in England. Special Severance Payments are defined as payments made to employees, officeholders, workers, contractors, and others outside of statutory, contractual or other requirements when leaving employment in public service. Employers may sometimes consider making such a payment in situations where the individual concerned resigns, is dismissed, or agrees a termination of contract. Which types of payments are Special Severance Payments will vary according to an employee's particular circumstances, however, the guidance sets out and therefore the examples of the types of payments that are likely to constitute Special Severance Payments and the types of payments that may, and do not, constitute Special Severance Payments.

The Council must comply with the duty of Best Value. In considering whether it is appropriate to make a Special Severance Payment, the Council is required to consider whether such a payment would be a proper use of public money. The Council should also monitor and review its policies on the award of special severance payments to ensure that they are also consistent with their Public Sector Equality Duty under the Equality Act 2010.

### **Exceptional Circumstances**

There may be exceptional circumstances where the existing statutory or contractual entitlements, or both, are insufficient to facilitate an exit or to offer sufficient compensation for loss of employment or office. This can apply to office holders as well as staff. These circumstances, which are expected to be exceptional and provide value for money, may be taken into account by local authorities in deciding whether or not to make a Special Severance Payment.

The Council may also consider a Special Severance Payment in order to settle disputes, where it can be properly demonstrated that other routes have been thoroughly explored and excluded. After receiving appropriate professional advice, it may then possibly be concluded that a special severance payment is the most suitable option and prudent use of public money.

### **Accountability**

The government expects that any Special Severance payments should be approved according to the following process:

- payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Chief Executive, with a clear record of the Leader's approval and that of any others who have signed off the payment
- payments below £20,000 must be approved according to the local authority's scheme of delegation. It is expected that local authorities should publish their policy and process for approving these payments

### **Approval of Special Severance Payments**

The approval of such payments will include:

1. An initial discussion between the employee's manager, a People Management Business Partner and Legal Services. Advice will be sought on the relevant considerations for potential Special Severance Payments as set out in the guidance in relation to economy, efficiency and effectiveness.
2. If the professional advice at Step 1 supports the payment of a Special Severance Payment, a business case will be submitted for consideration. Approval is required in accordance with the following table:

Special Severance Payment Amount	Approval required
£100,000 Plus	A Vote of Full Council
£20,000 - £99,999	Personally approved and signed off by the Chief Executive, with a clear record of the Leader's approval and that of any others who have signed off the payment
Below £20,000	Approved via Operational Decision

## Lowest Paid Employees

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 £20,441, as of 1 April 2022.

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.

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.

The current pay levels within the Council define the multiple between the median fulltime equivalent (FTE) earnings (SCP 11) and the Chief Executive as 1:7.02. This means that to

every 1 Chief Executive, there are 7.02 employees paid on the Council's median scale point amount.

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 1:5.6.

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 1:4.8.

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.

## Gender Pay Gap

From 2017, any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap.

Employers must report their data to government on-line and publish their gender pay gap data and a written statement on their website.

This is the Council's sixth Pay Policy Statement since 2017, which must be calculated using the specific reference period of 31 March 2022 and be published by 31 March 2023.

As of 31 March 2022, the mean hourly rate across the Council was £14.01: for women the rate was £13.69 and for men it was £14.73, meaning there was a mean pay gap of 7.06% which has increased from last year's figure of 5.4%.

As of 31 March 2022, the median rate across the Council was £11.47: the median rate for women was £11.47 and for men it was £12.42, meaning there was a median pay gap of 7.64%.

The Council does not pay bonuses.

The gender pay profiles for each quartile are as follows:

<b>Quartile</b>	<b>Male</b>	<b>Female</b>
<b>Upper</b>	35%	65%
<b>Upper Middle</b>	32%	68%
<b>Lower Middle</b>	33%	67%
<b>Lower</b>	24%	76%

Males represent 31% and females represent 69% of the total workforce, which remain constant from last year's figures.

The actual gender split in the upper quartile for male has increased from 34% to 35% and females decreased from 66% to 65%. The gender split in the upper middle for males has decreased from 33% to 32% and increased in females from 67% to 68%. The lower middle quartile gender split has remained the same. The gender split in the lower quartile has decreased for males from 25% to 24% and increased for females from 75% to 76%.

As stated above males represent 31% and females represent 69% of the total workforce at 31 March 2022. This is a ratio of 1:2.22.

The gender split ratios have increased slightly in 3 quartiles in comparison with the split in March 2021. The ratio for each quartile is as follows: Upper 1:1.85, Upper Middle 1:2.12, Lower Middle 1:2.03 and Lower 1:3.16.

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.

## **Publication**

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

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.