St. Helens Council

Pay Policy Statement 2019/20

March 2019
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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 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;

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 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.

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 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.

2.4 The current rates for Local Government Employees and Chief Officers were effective from 1 April 2018. Those for Soulbury employees from 1 September 2018.

2.5 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.
2.6 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.

2.7 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.

2.8 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, must be objectively justified and agreed by the Strategic Director Corporate Services.

2.9 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 a Delegated Executive Decision.

2.10 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 in excess of £50,000, as defined in the Department for Communities and Local Government – Code of Recommended Practice for Local Authorities on Data Transparency. 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 levels of the pay spines contained within the NJC for Local Government Services Conditions of Service.

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

3.3 Chief Executive – The salary is £145,688 (from 1 April 2018).
3.4 **Strategic Director of People’s Services (Accountable Officer for St Helens CCG)** - The salary is £137,700.

3.5 **Strategic Directors of Corporate and Place Services** - The salary of these posts comprises 4 incremental points within a salary band of 19 incremental points within the range £109,350 to £116,805.

3.6 **Deputy Director of People’s Services (Deputy Accountable Officer CCG) and Deputy Directors Corporate Services** – The salary of these posts comprises 2 incremental points within a salary band of 19 incremental points within the range £91,245 to £93,777.

3.7 **Senior Assistant Directors/Director of Public Health** – The salary of posts of Senior Assistant Directors and equivalent are engaged under the Chief Officer terms and conditions and paid on the Senior Officer scale on a grade which comprises of a 2 incremental point band with a salary range of £75,954 to £77,838.

3.8 **Assistant Directors** – The salary of posts of Assistant Directors and equivalent who are also engaged under the Chief Officer terms and conditions are paid on the Senior Officer scale on a grade which comprises of 5 incremental point bands, with a salary range £68,433 to £74,079 from 1 April 2018.

3.9 **Senior Human Resources Manager and Legal Services Manager** - The salary for these posts, which are also engaged under the Chief Officer terms and conditions, are paid on the Senior Officer scale on a grade which comprises of 3 incremental point bands, with a salary range £62,784 to £66,546.

3.10 **Service Manager – Development & Building Control and Head of Place & Delivery** - The salary for these posts, which are also engaged under the Chief Officer terms and conditions, are paid on the Senior Officer scale on a grade which comprises of a 3 incremental point band, with a salary range £57,141 to £60,903.

3.11 **Soulbury** – The salary of the posts engaged under the Soulbury terms and conditions on the pay spine relating to Advisors and Inspectors are paid on a scale comprising of 7 incremental points within the range £55,674 to £61,978. The salary of the posts engaged on the pay spine relating to Senior and Principle Education Psychologists are paid on scales comprising of 6/7 incremental points within the range £49,175 to £59,243.

3.12 **Local Government Services** – The salary of Senior Officer posts who are engaged under the Local Government Services terms and conditions are paid on the associated pay spine on a scale comprising of the top 4 increments, £52,204 to £55,196.

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 Under the constitution full Council appoints the Council’s Head of Paid Service, and has delegated powers to the Appointments Committee to appoint the following posts:

Strategic Director Corporate Services
Strategic Director of Peoples’ Services
Strategic Director of Place Services

4.3 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.

4.4 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 (see Section 7).

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

5.1 With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory appraisal, which is assessed on an annual basis, the level of remuneration is not variable dependent upon the achievement of defined targets.

5.2 The Council has to 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 Deputy Director, Legal & Governance is the Council’s Returning Officer. Fees for local election duties used to be included in the salary for previous post-holders appointed as the Returning Officer, which is no longer the case since the Council's corporate restructure. 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.

5.3 The Strategic Director of People’s Services (Accountable Officer for St Helens CCG) receive a car allowance of £4,500 pa which is funded by the CCG.

5.4 The Director of Public Health receives a market supplement payment of £8,689 per annum.
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 in order to ensure the scheme is appropriately funded. The Triennial Valuation 2016 determined rates for the period through to 2019/20 as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/18</td>
<td>13.8%</td>
</tr>
<tr>
<td>2018/19</td>
<td>14.4%</td>
</tr>
<tr>
<td>2019/20</td>
<td>14.9%</td>
</tr>
</tbody>
</table>

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.

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 9 (Grade A of the Council’s grading structure £16,755, as at 1 April 2018).

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.

8.2 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.
8.3 The current pay levels within the Council define the multiple between the median full time equivalent (FTE) earnings (scp 34) and the Chief Executive as 1:4.74.

8.4 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 1:4.65.

8.5 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 1:2.53.

8.6 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 public-facing website.

10.3 The first report was calculated using a specific reference date of 31 March 2017, and had to be published by 30 March 2018. This is the second report which must be calculated using the specific reference period of 31 March 2018, and be published by March 2019.

10.4 At 31 March 2017 the mean hourly rate across the Council was £11.70: for women the rate was £11.36 and for men it was £12.44, meaning there was a mean gender pay gap of 8.7%. As at 31 March 2018 the mean hourly rate across the Council was £12.06: for women the rate was £11.71 and for men it was £12.83, meaning there is still a mean gender pay gap of 8.7%, no change from the previous year.

10.5 At 31 March 2017 the median hourly rate across the Council was £9.62: the rate for women was £9.62 and the rate for men was £10.33, meaning there was a median gender pay gap of 6.9%. As at 31 March 2018 the median hourly rate across the Council was £10.44: for median rate for both men and women was also £10.44, meaning there is no gender pay gap, an improvement from the previous year.
10.5 The Council does not pay bonuses so is unable to report this.

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

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>Upper Middle</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Lower Middle</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>Lower</td>
<td>22%</td>
<td>78%</td>
</tr>
</tbody>
</table>

10.7 Males represent 30.9% (reduced from 31.8% in 2017) and females represent 68.1% (increased from 68.2% in 2017) of the total workforce.

10.8 The actual gender split in each of the 3 higher quartiles is roughly comparable with the proportionate make-up of the workforce, with the females in the lower quartile exceeding this.

10.9 The gender pay quartiles for the whole workforce are as follows (these figures are not reportable):

<table>
<thead>
<tr>
<th>Quartile</th>
<th>31 March 2017</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Upper</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>Upper Middle</td>
<td>7.6%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Lower Middle</td>
<td>11.1%</td>
<td>18.5%</td>
</tr>
<tr>
<td>Lower</td>
<td>4.1%</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

10.10 As stated above males represented 30.9% and females represent 68.1% of the total workforce at 31 March 2018.

10.10 The gender split in the upper two quartiles remains roughly comparable with this proportionate make up, as is that in the lower middle quartile this year.

10.11 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 take on the part-time lower paid work that is widely available in the Council Services.
11.0 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, Strategic Directors and any other officer(s) qualifying to be a statutory chief officer under those Regulations.