

SOUTHAMPTON CITY COUNCIL PAY POLICY STATEMENT FINANCIAL YEAR 2012 - 13

1. Purpose

The purpose of this Pay Policy Statement (“Pay Statement”) is provided in accordance with the Localism Act 2011 (“Localism Act”) and this will be updated in each subsequent financial year.

This Pay Statement sets out Southampton City Council’s pay policies relating to its workforce (excluding schools) for the financial year 2012 -13, including the remuneration of its Chief Officers, lowest paid employees and the relationship between its Chief Officers and that of its employees who are not Chief Officers.

2. Definitions

For the purpose of this Pay Statement the following definitions apply:

2.1 “Pay” in addition to base salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.

2.2 “Chief Officers” refers to the following roles within the Council:

Statutory Chief Officers are:

- a) Chief Executive, as Head of Paid Service
- b) Director of Corporate Services, as Monitoring Officer
- c) Director of Adult Services and Social Care, as Director of Adult Social Services
- d) Director of Children’s Services and Learning, as Director of Children’s Services
- e) Senior Manager, Finance and IT, as Section 151 Officer (Chief Financial Officer)

Non Statutory Chief Officers are:

- a) Director of Economic Development
- b) Director of Environment

Deputy Chief Officers are:

- a) Senior Managers who report directly to/or accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

2.3 “Lowest paid employees” refers to those employees paid within Grade1 of the Council’s mainstream pay structure. This definition has been adopted because Grade1 is the lowest grade on the Council’s mainstream pay structure and these posts have been as assessed through the NJC Job Evaluation scheme as having the least amount of complexity and responsibility.

2.4 “Employee who is not a Chief Officer” refers to all employees who are not covered under the “Chief Officer” group above. This includes the “lowest paid employees”. I.e. employees on Grade 1.

3. Pay Framework and remuneration levels

3.1 General approach

The pay structure and pay scales have been designed to enable the Council to recruit and retain suitably qualified employees at all levels who are dedicated to fulfilling its corporate objectives and delivering services to the public whilst operating within an acceptable financial framework.

With a diverse workforce the Council recognises that its Pay Policy needs to retain sufficient flexibility to cope with a variety of circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate. The decision to apply a market premium will be approved by the Director of Corporate Services or Head of Legal, HR and Democratic Services.

3.2 Responsibility for decisions on pay structures.

The outcome of reviews into the local pay and grading structures covering all jobs are considered by the Employment and Appeals Committee constituted and comprised of Councillors from the political parties. The Committee’s recommendations are submitted to a meeting of Full Council for approval.

It is essential for good governance that decisions on pay are made in an open and accountable manner. The Council’s locally determined pay structures are based on the outcome of a recognised job evaluated process (Hay and NJC) and were implemented for the Chief Executive, Directors (Chief Officers) and Senior Managers and other employees most recently in 2011. This followed a national requirement for all Local Authorities to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer to comply with employment legislation and the economic climate locally.

3.3 Pay scales and grading framework

The mainstream pay structure for all employees below the level of Chief Executive, Chief Officers and Senior Managers was determined through a local process based on the outcome of a job evaluation scheme and consists of a pay spine of 59 points, comprising 13 grades with grade 1 being the lowest and grade 13 the highest. Each employee will be on one of the 13 grades based on their job evaluated role. Each grade contains several zones and spinal column points to allow for incremental advancement within the grade subject always to an employee’s satisfactory performance.

The Chief Executive and Chief Officer’s pay grade reflects the same principles as for all of the Council’s pay structures consisting of 6 grades with 5 spinal column points in each and 6 for the Chief Executive.

The pay structure for Chief Officers and Heads of Service was determined through the Hay Job evaluation process during the senior management restructure process in 2011.

Details of the Council's pay structures are published on the Council's website and a copy as at 1st April 2012 is appended to this Statement (at annex 1). Pay awards are considered annually for all employees but are subject to restrictions imposed nationally by the Government and/or negotiated locally. The outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions in relation to the settlement of the annual pay award is normally applied. If there is an occasion where to do so would distort the local pay structures alternative proposals are developed, discussed with the trade unions and brought to Elected Members for formal approval. There has been no inflationary annual pay award to the Chief Executive and Chief Officers since April 2008 and for all others employees since April 2009.

4. Remuneration – level and element

4.1 Salaries

4.1.1 “Chief Officers” are identified at 2.2 above and constitute the Council's Management Board of Directors. They are all paid within the Council's pay structures as follows:

- a) Chief Executive, as Head of Paid Service will be paid a salary within the grade range £137,356 to £163,124.
- b) Statutory and Non-Statutory Chief Officers will be paid a salary within the grade range £93,600 to £132,712.

4.1.2 “Deputy Chief Officers” who are Senior Managers are all paid within the Council's pay structures as follows:

- c) within grades ranges £62,336 to £102,990.

Typically these Chief Officers and Senior Managers have received the same percentage pay award as for all other employees in each year since implementation of the new pay structures.

Details of Chief Officer and Senior Manager remuneration have been published since 2010.

4.2 “Lowest paid employees”

Each lowest paid employee will be paid a salary within the pay scales for Grade 1.

4.3 Bonuses and Performance related pay

There is no provision for bonus payments or performance related pay awards to any level of employee.

There is, however, an honorarium provision for an accelerated increment which may be awarded where an employee performs duties outside the scope of their post over an extended period or where the additional duties and responsibilities involved are exceptionally onerous. All such payments/increments are subject to approval by a Chief Officer (Director) and the Head of Legal, HR and Democratic Services.

4.4 Other pay elements

The pay structure for Chief Officers takes account of the clearly defined additional responsibilities in respect of the Section 151 and Monitoring Officer roles.

4.5 Charges, fees or allowances

Allowances or other payments, for example shift working, standby, etc. may be made to employees, below Senior Managers, in connection with their role or the pattern of hours they work in accordance with National or local collective agreements

The Council recognises that some employees incur necessary expenditure in carrying out their responsibilities, for example travel costs, use of home telephone costs.

Reimbursement for reasonable expenses incurred on Council business are paid in accordance with the Council's collective agreement and subsequent amendments to it.

The Director of Corporate Services has been appointed as the Council's Returning Officer for elections and he has appointed the Business Services Manager and Principal Elections Manager as his Deputy Returning Officers. For performing elections duties the Returning Officer and Deputies receive a fee payable according to a scale of costs, charges and expenses set by the Hampshire and Isle of Wight Election Fees Working Party and allowed under the Local Government Act 1972. This scale is published on the Council's website.

4.6 Benefits in kind

The Council is very conscious of the requirement to demonstrate that employees are paid fairly and supporting this key principle has removed all benefits in kind from its Pay and Reward structure.

4.7 Pension

All employees as a result of their employment are eligible to join the Local Government Pension Scheme. There will be no increases or enhancement to pension entitlements.

4.8 Severance payments

The Council already publishes its policy on discretionary payments on early termination of employment and flexible retirement as well as publishing its policy on

increasing an employee's total pension membership and on awarding additional pension. These policies are applied in support of efficient organisational change and transformation linked to the need for efficiencies and expenditure reduction.

Details of the Council's policies are published on the Council's website.

The Council needs to retain the flexibility to respond to unforeseen circumstances as regards re-employing former local government employees. Such an occurrence would be considered very much the exception rather than the rule. If the Council were to re-employ a previous local government employee who had received a redundancy or severance package on leaving, or who was in receipt of a pension covered by the Redundancy payments (Continuity of Employment in Local Government Modification order 1999, known as the Modification Order) (with the same or another authority), then the Council's policy is to ensure that the rules of the Modification Order are applied. In addition the council will ensure that an open and fair selection process has taken place before any appointment is confirmed. The same principle would be applied to such a person if they were to be engaged by the Council on a "contract for services" basis.

4.9 New starters joining the Council

Employees new to the Council will normally be appointed to the first point of the salary scale for their grade. Where the candidate's current employment package would make the first point of the salary scale unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a different starting salary point within the grade may be considered by the recruiting manager in consultation with the Head of Strategic HR and OD. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary scale within the grade.

4.10 Use of consultants, contractors and temporary staff through personal service companies

The Council is acutely aware of its obligation to secure value for money in the employment of its employees and those who carry our work on its behalf. Ordinarily employees will be employed directly by the Council but on an exceptional basis, where particular circumstances deem it necessary, people may be employed through personal service companies. When this situation arises the Council will give detailed consideration to the benefit of doing so and that the overriding need to ensure value for money is achieved. Such arrangements will require prior approval by the appropriate Director for the service area, the Head of Legal, HR and Democratic Services and Chief Financial Officer.

5. Relationship between remuneration of "Chief Officers" and "employees who are not Chief Officers".

This relates to the ratio of the Council's highest paid employee (falling within the definition of "Chief Officers") and the mean average earnings across the whole workforce as a pay multiple. By definition, the Council's highest paid employee is the Chief Executive.

The mean average pay has been calculated on all taxable earnings for the financial year 2010-11 (i.e. before the pay reduction in July 2011), including base salary, allowances, etc.

Highest paid employee	£172,600
Mean average earnings for remainder of workforce	£25,000
Ratio	6.9:1

ANNEX 1

Southampton City Council

Local Pay Scales as at 01/04/2012 (subject to the outcome of any national pay negotiations and local agreements)

CHIEF EXECUTIVE & CHIEF OFFICERS' PAY RATES

		Spinal Point	Jul-11	
		70	56952	
		71	58331	
		72	59737	
		73	61185	
	CO4APR08	74	62336	
	CO4APR08	75	63846	
	CO4APR08	76	65393	
	CO4APR08	77	66971	
	CO3APR08	CO4APR08	78	68590
	CO3APR08		79	70251
	CO3APR08		80	71953
	CO3APR08	CO2.5APR08	81	73691
	CO3APR08	CO2.5APR08	82	75477
		CO2.5APR08	83	77305
		CO2.5APR08	84	79174
	CO2.3APR08	CO2.5APR08	85	81088
	CO2.3APR08		86	83055
	CO2.3APR08		87	85061
	CO2.3APR08		88	87120
	CO2.3APR08		89	89225
			90	91389
		CO2.1APR08	91	93600
		CO2.1APR08	92	95868
		CO2.1APR08	93	98181
		CO2.1APR08	94	100559
		CO2.1APR08	95	102990
			96	105488
			97	108017
	CO1APR08		98	110609
	CO1APR08		99	113265
	CO1APR08		100	116482
	CO1APR08		101	119697
	CO1APR08		102	123525
			103	128224
			104	132712

CHIEF EXECUTIVE

Spinal Point

105	137356
106	142162
107	147142
108	152288
109	157613
110	163124

**All other employees
(excluding schools)**

PAY RATES with effect from:

11th July 2011 onwards

S.C.P.	Salary July 2011 £	Grades			
4	12395	1 Appt Zone			
		Deleted			
6	12739	1 Dev Zone	2 Appt Zone		
7	13037	1 App Zone	2 Dev Zone	3 Appt Zone	
8	13439		2 Dev Zone	3 Dev Zone	4 Appt Zone
9	13839		2 App Zone	3 Dev Zone	4 Dev Zone
10	14124			3 Dev Zone	4 Dev Zone
11	14983	5 Appt Zone		3 App Zone	4 Dev Zone
12	15289	5 Appt Zone		3 App Zone	4 Dev Zone
13	15694	5 Dev Zone		3 App Zone	4 App Zone
14	15975	5 Dev Zone			4 App Zone
15	16304	5 Dev Zone	6 Appt Zone		4 App Zone
16	16690	5 Dev Zone	6 Appt Zone		4 App Zone
17	17080	5 App Zone	6 Dev Zone		4 App Zone
18	17411	5 App Zone	6 Dev Zone		
19	17696	5 App Zone	6 Dev Zone		
20	18334	5 App Zone	6 Dev Zone		
21	18993	5 App Zone	6 App Zone	7 Appt Zone	
22	19479		6 App Zone	7 Appt Zone	
23	20044		6 App Zone	7 Dev Zone	
24	20691		6 App Zone	7 Dev Zone	
25	21089		6 App Zone	7 Dev Zone	
26	21221			7 Dev Zone	8 Appt Zone
27	21925			7 App Zone	8 Appt Zone
28	22641			7 App Zone	8 Dev Zone
29	23537			7 App Zone	8 Dev Zone
30	24326			7 App Zone	8 Dev Zone
31	25094	9 Appt Zone		7 App Zone	8 Dev Zone
32	25835	9 Appt Zone			8 App Zone
33	26596	9 Dev Zone			8 App Zone

34	27347	9 Dev Zone		8 App Zone	
35	27920	9 Dev Zone		8 App Zone	
36	28661	9 Dev Zone	10 Appt Zone	8 App Zone	
37	29463	9 App Zone	10 Appt Zone		
38	30325	9 App Zone	10 Dev Zone		
39	31324	9 App Zone	10 Dev Zone		
40	32146	9 App Zone	10 Dev Zone		
41	32994	9 App Zone	10 Dev Zone		
42	33659		10 App Zone		
43	34497		10 App Zone	11 Appt Zone	
44	35346		10 App Zone	11 Appt Zone	
45	36140		10 App Zone	11 Dev Zone	
46	37013		10 App Zone	11 Dev Zone	
47	37862			11 Dev Zone	12 Appt Zone
48	38704			11 Dev Zone	12 Appt Zone
49	39535			11 App Zone	12 Dev Zone
50	40320			11 App Zone	12 Dev Zone
51	41156			11 App Zone	12 Dev Zone
52	42000	13 Appt Zone		11 App Zone	12 Dev Zone
53	42837	13 Appt Zone		11 App Zone	12 App Zone
54	43683	13 Dev Zone			12 App Zone
55	45232	13 Dev Zone			12 App Zone
56	46522	13 Dev Zone			12 App Zone
57	47636	13 Dev Zone			12 App Zone
58	48797	13 App Zone			
59	49967	13 App Zone			
60	51322	13 App Zone			
61	52709	13 App Zone			
62	54137	13 App Zone			