


	<p><b>Southampton City Council Pay Policy Statement</b></p> <p><b>Financial Year 2022-2023</b></p>  <p><b>SOUTHAMPTON</b> CITY COUNCIL</p>
1.	<p><b>Purpose</b></p> <p>This Pay Policy Statement (“Pay Statement”) is provided in accordance with the Localism Act 2011 (“Localism Act”) and is updated prior to the commencement of each subsequent financial year.</p>
2.	<p><b>Scope</b></p> <p>This Pay Statement sets out Southampton City Council’s pay policies relating to its workforce (excluding the groups noted above) for the financial year 2022-2023, including the remuneration of its Chief Officers, lowest paid staff and the relationship between its Chief Officers and the staff who are not Chief Officers.</p> <p>The Localism Act 2011 (the Act) reflects a requirement for transparency over both senior council officers’ pay and that of the lowest paid staff. To support this, the Act requires councils to publish an annual Pay Policy Statement covering Chief Officers (both Statutory and Non-Statutory Chief Officers and Deputy Chief Officers), a comparison of policies on remunerating Chief Officers and other staff and our policy on the lowest paid. The Act does not apply to local authority schools. In the interests of clarity and transparency it is important for local authorities to use the opportunity to set out their overall reward strategy for the whole workforce.</p> <p>The Act requires councils to include the following in their Pay Policy Statement:</p> <ul style="list-style-type: none"> <li>• the level and elements of remuneration for Chief Officers;</li> <li>• the remuneration of its lowest-paid employees (together with definition of “lowest-paid employees” and reasons for adopting that definition);</li> <li>• policy on the relationship between the remuneration of Chief Officers and other officers;</li> <li>• policy on other specific aspects of Chief Officers’ remuneration;</li> <li>• remuneration on recruitment, increases and additions to remuneration;</li> <li>• use of performance-related pay and bonuses, termination payments, and transparency.</li> </ul> <p>The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.</p> <p>The Pay Policy Statement can be amended in-year but must be:</p> <ul style="list-style-type: none"> <li>• approved formally by the Council meeting itself;</li> <li>• approved by the end of March each year;</li> <li>• published on the authority’s website (and in any other way the authority chooses);</li> <li>• complied with when the authority sets terms and conditions for Chief Officers.</li> </ul>
3.	<p><b>Context</b></p> <p>The Pay Policy also reflects the collective national agreements for NJC evaluated roles and Chief Officer and Chief Executive pay. Implementation of this Pay Policy is in accordance with the Revenue Budgets approved for 2022/2023.</p>

4.

#### **Changes in legislation and national policies**

The council's gender pay reporting requirements are published on the council's website as part of the Transparency Code. This was a new requirement from 2018 onwards.

The current pay gap shows that women's hourly rate is:

- 2.2% lower (mean)
- 2.9% lower (median)

The Council's mean and median gender pay gap is significantly lower than the UK national average, which is estimated at 15.4 % based on data from the Office of National Statistics (ONS).

Whilst the council does have a much lower gender pay gap than the national average, we recognise that a small gender pay gap does still exist due to the nature of our workforce profile and the job roles that men and women are employed to do.

Whilst we have higher female representation in all our pay quartiles, we have a larger proportion of women in our lower pay quartiles, which explains our mean and median gender pay gap of 2.2% and 2.9% respectively. Within our lower pay quartiles, most of these roles are part time, therefore these tend to be more likely to be held by women. (It is estimated that 74% of part time workers in the UK are women).

The Council has significant female representation in our upper pay quartiles, demonstrating that we have a good gender balance amongst our most senior roles. 48% of our current Chief Officers are female.

5.

#### **Definitions**

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

- "Pay" in addition to base salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.
- "Chief Officers" refers to the following roles within the Council:

*Statutory Chief Officer roles are:*

- a) Chief Executive, as Head of Paid Service
- b) Service Director – Legal & Business Operations (Monitoring Officer)
- c) Executive Director – Wellbeing Children & Learning (DCS)
- d) Executive Director Wellbeing Health and Adults (DASS)
- e) Executive Director – Finance and Commercialisation (Chief Financial Officer, and Section 151 Officer)
- f) Director of Public Health

*Non Statutory Chief Officer roles are*

- a) Executive Director Growth
  - b) Executive Director Communities, Culture and Homes
  - c) Service Director – Human Resources and Organisational Development
  - d) Service Director – Business Development
- The wider leadership team also includes Chief Officers that report directly to/or are accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties. These are Head of Service roles graded at a Chief Officer grade.
  - "Lowest paid employees" refers to those staff paid within Grade 1 of the Council's mainstream pay structure. This definition has been

	<p>adopted because Grade 1 is the lowest grade on the Council's mainstream pay structure and the posts have been assessed through the NJC Job Evaluation Scheme as having the least amount of complexity and responsibility.</p> <p>"Employee who is not a Chief Officer" refers to all employees who are not covered under the "Chief Officer" pay scale group above. This includes the "lowest paid employees" i.e. employees on Grade 1 and all other staff up to and including Grade 13.</p>															
6.	<p><b>Relationship between remuneration of "Chief Officers" and "employees who are not Chief Officers"</b></p> <p>This relates to the ratio of the Council's definition of "Chief Officers" and the median average earnings across the whole workforce as a pay multiple. The Council's highest paid employee is the Chief Executive (Head of Paid Service). The median Full Time Equivalent (FTE) salary has been calculated on all taxable earnings for the financial year 2021-2022, which includes basic salary and any contractual allowances/payments. The median salary and ratio is calculated using pay data for all permanently employed staff; the tabled figures for April 2022 (below) assume an indicative and average 1.5% pay award for April 2022*. The ratio of the Council's highest paid employee and the median average earnings across the whole workforce is published for comparison with the April 2021 position.</p> <table border="1" data-bbox="277 907 1370 1408"> <thead> <tr> <th></th> <th>April 2021 (£)</th> <th>April 2022 (£)*</th> </tr> </thead> <tbody> <tr> <td><b>Highest paid employee</b></td> <td>£191,063</td> <td>£163,295</td> </tr> <tr> <td><b>Median FTE salary</b></td> <td>£31,894</td> <td>£32,372</td> </tr> <tr> <td><b>Ratio</b></td> <td>5.99 : 1</td> <td>5.04 : 1**</td> </tr> <tr> <td><b>*NJC award unconfirmed estimated 1.5% figure included in calculations</b></td> <td></td> <td>** reduction in ratio reflects new appointment at CX level at lower point in the salary grade</td> </tr> </tbody> </table>		April 2021 (£)	April 2022 (£)*	<b>Highest paid employee</b>	£191,063	£163,295	<b>Median FTE salary</b>	£31,894	£32,372	<b>Ratio</b>	5.99 : 1	5.04 : 1**	<b>*NJC award unconfirmed estimated 1.5% figure included in calculations</b>		** reduction in ratio reflects new appointment at CX level at lower point in the salary grade
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7.	<p><b>Pay Framework and remuneration levels – general</b></p> <p>The pay structure and pay scales have been designed to enable the council to recruit and retain suitably qualified staff at all levels to meet the outcomes detailed in the Council Strategy and associated outcome plans within an affordable financial framework. With a diverse workforce the council recognises that the Pay Policy needs to retain enough flexibility to cope with a variety of circumstances that can arise and may 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 Chief Executive and the Organisational Design Board based on advice from the Service Director HR and OD. Any approved premium will be subject to an annual review.</p>															
8.	<p><b>Responsibility for decisions on pay structures</b></p> <p>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 recognised job evaluation schemes (Hay and National Joint Council (NJC)). This is in line with the national requirement for all Local Authorities to review their pay</p>															

	<p>and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer and to comply with employment legislation as well as the economic climate locally.</p> <p>Our current mainstream (NJC) pay structure was implemented from June 2015 under a Pay &amp; Allowances Framework collective agreement. The pay structure for Chief Officers and Service Leads on Chief Officer grades is determined separately and pay rates are assessed through the Hay job evaluation process.</p> <p>The Service Director HR and OD has the delegated authority to amend the pay levels to reflect any nationally agreed pay award.</p>
9.	<p><b>Pay scales and grading framework</b></p> <p>All staff below the level of Chief Executive, Chief Officers and Heads of Service are within the main council Pay Scale (except for teachers).</p> <p>The main council pay scale consists of 56 pay spine points (SCP) within 13 grades with grade 1 being the lowest and grade 13 the highest. All staff will be on one of the 13 grades based on their job evaluated role. Each grade contains several spinal column points (SCP) to allow for incremental advancement within the grade.</p> <p>All main scale posts are paid within the current range £18,332 (Foundation Living Wage (FLW) 2021) to £65,267 per year. These figures are subject to any April 2021 national pay agreement.</p> <p>The 2022-23 pay range will reflect the 2022 FLW figure and the nationally agreed pay award once this is confirmed and will be effective from and back dated to 1<sup>st</sup> April 2022.</p>
10.	<p>The council has committed to ensuring that all staff receive a rate of pay at least equal to a Living Wage (in line with the Living Wage Foundation review and recommendations) and has applied an additional payment to staff on any hourly pay rate which falls below the Foundation Living Wage. This has had the on-going effect of increasing annual salaries for the lowest paid council staff.</p>
11.	<p>Details of the Chief Officer pay scales and the council's mainstream pay structure (<b>Appendix 1</b>) are appended to this Statement, are published on the council's website and reflect the position as at 1<sup>st</sup> April 2021 (Pay award for 2022 remains pending)</p>
12.	<p>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 Association 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 apply nationally agreed pay awards would distort the local pay structures, alternative proposals are developed, discussed with the trade unions and brought to Elected Members for formal approval.</p>
13.	<p><b>Remuneration – level and element</b></p> <p>“Chief Officers” as identified at 3 above are all paid within the council's pay structures as follows (2021-2022 figures):</p> <ol style="list-style-type: none"> <li>a. Chief Executive, as Head of Paid Service will be paid a salary within the grade range £160,882 to £191,063</li> <li>b. Statutory and Non-Statutory Chief Officers and Service Leads (deputy chief officers) will be paid a salary within the grade range £67,683 to £155,441 according to post rating under the Hay scheme (CO5 to CO1A).</li> </ol>

	Details of Chief Officer and Heads of Service remuneration are published on the council's website.
14.	<p><b>Bonuses and Performance related pay</b></p> <p>There is no provision for bonus payments or performance related pay awards. There is, however, an honorarium provision for an agreed sum or an accelerated increment within a pay grade, which may be awarded where an employee performs duties outside the scope of their post over an extended period or where there are agreed, short term additional duties and responsibilities. Market supplements can also be considered subject to a clear business case; any market supplement payments are reviewed at least annually. All such payments/increments are subject to approval by an Executive Director and must be within existing budget provision.</p>
15.	<p><b>Other pay elements</b></p> <p>The pay structure for Chief Officers takes account of the clearly defined additional statutory responsibilities in respect of the Section 151 and Monitoring Officer roles.</p>
16.	<p><b>Charges, fees or allowances</b></p> <p>Allowances or other payments, for example linked to irregular or unsocial hours working, standby, first aid / fire responsibilities etc. are paid, as appropriate, to staff below Chief Officer pay grade in connection with their role or the pattern of hours they work and in accordance with the council's standard framework (<b>Appendix 2</b>) and national collective agreements.</p> <p>Any nationally agreed pay award will be applied to the Allowance framework and effective from and back dated to 1<sup>st</sup> April 2022.</p>

### SUPPORTING DOCUMENTATION

#### Appendices

1.	<b>SMG Pay Rates: Chief Officer Pay Structure</b>
2.	<b>SCC Main Pay scale</b>
3.	<b>SCC Allowance Framework</b>
4.	<b>Discretionary Arrangements for Severance and Pensions Payments</b>