

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Leader of the Council
to
Council

on
28 February 2013

Report prepared by: Joanna Ruffle, Head of HR &
Communications

Pay Policy Statement

A Part 1 Agenda Item

1. **Purpose of Report**
 - 1.1 To consider the Pay Policy Statement 2013/14 in the context of the Council's overall Reward Strategy.
2. **Recommendation**
 - 2.1 **That Council agree the Pay Policy Statement as recommended by the Performance Related Pay Panel.**
3. **Background**
 - 3.1 Section 38(1) of the Localism Act 2011 required English and Welsh Local Authorities to produce a Pay Policy Statement for 2012/13 and for each financial year after that.
 - 3.2 A Pay Policy statement was produced for 2012/13 and was agreed by Council at the meeting of 1 March 2012.
 - 3.3 This Policy Statement has been reviewed for 2013/14 and is attached at **Appendix A**. Attached at **Appendix B** is the Council's Reward Policy which has also been reviewed and updated. It is important that the two documents are read together in order to be able to set senior pay in the context of the Council's overall Reward Strategy.
 - 3.4 It is a requirement of the Localism Act that the Policy Statement is approved by full Council.
4. **Corporate Implications**
 - 4.1 Contribution to Council's Vision & Corporate Priorities

Salaries at all levels need to be adequate to recruit and retain high quality employees who are appropriately skilled and qualified to deliver the best possible service to the people of Southend. At the same time in the context of managing scarce public resources, the Council needs to be able to demonstrate that these salaries are not unnecessarily generous or otherwise excessive.

4.2 Financial Implications

The details contained in both the Pay Policy Statement and the Reward Policy are in line with agreed salary levels and do not represent an increase in the current cost of salaries.

4.3 Legal Implications

The Pay Policy Statement ensures compliance with Section 38(1) of the Localism Act 2011.

4.4 People Implications

The level and distribution of pay and benefits has a considerable effect on the performance of our organisation and on the engagement and productivity of its workforce. It is important therefore that the Council's pay systems are appropriate, transparent, provide value for money and reward staff fairly for the work they perform.

4.5 Equalities Analysis

It is critical that the Council's reward system is fair, equitable and consistent in order to ensure that it accords with the organisational values and complies with Equal Pay legislation.

The Council's job evaluation system ensures that the relative weight of each role is objectively measured using consistent and robust criteria that are free from any bias towards a particular group. Other payments within the reward system are monitored to ensure that staff are being treated fairly regardless of gender, race, age, sexual orientation, disability or religion.

4.6 Risk Assessment

If the Council fails to adopt a Pay Policy Statement it will fail to comply with the requirements of the Localism Act 2011. In addition, the lack of transparency around pay and reward could be interpreted as deliberate and give rise to unnecessary criticism.

5. Appendices

Appendix A: Pay Policy Statement 2013/14
Appendix B: Reward Policy

PAY POLICY STATEMENT 2013/14

1. Introduction

Southend Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public; but at the same time needs to avoid being unnecessarily generous or otherwise excessive.

It is important that Local Authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market. For Southend this is particularly critical given our proximity to London where higher salaries, often for less complex roles, continue to prove a challenge for our pay policy.

In particular it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where often national and local pressures conflict. Southend's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is crucial if the Council is to retain its current high performance levels and to deliver for local people.

2. Background

Southend Council's approach to pay and reward is detailed in its Reward Policy. This policy applies to all staff employed by the Council (other than those in schools) and details how the workforce at all levels will be rewarded for the work they perform. Where there are differences between different categories of staff, these are explained in the policy.

This statement serves to outline the Council's policy in respect of the requirements of the Localism Act 2011 (see paragraph 3) but must be read with reference to the more detailed reward policy, in order to understand the Council's position on pay and reward and how this underpins its organisational values and is used to drive up performance.

3. Legislation

Section 38(1) of the Localism Act 2011 requires English and Welsh Local Authorities to produce a pay policy statement for 2012/13 and for each financial year after that.

This statement must include the Council's policy on the following:

- a. Level and elements of remuneration for each chief officer (for Southend Council this is defined as Chief Executive, Directors and Heads of Service).

- b. The remuneration of the Council's lowest paid employees.
- c. The relationship between the remuneration of the Council's chief officers and others.
- d. Other specific aspects of chief officer's remuneration; remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

4. Level and Elements of Remuneration for each Chief Officer

Southend will have the following posts at chief officer level with effect from 1 April 2013:

Chief Executive
 Corporate Directors x 3
 Heads of Service x 12

These posts have been evaluated using the Hay Job Evaluation Scheme which is also used for all other posts at Level 8 and above. This ensures that the relative "weight" of these roles can be objectively measured using consistent and robust criteria.

The Council's chief officer pay structure consists of 3 senior management grades, as follows:

SMG1 (Chief Executive)	£127,152 - £148,881
SMG2 (Directors)	£100,911 - £116,493
SMG3 (Heads of Service)	£67,074 - £87,000

Each grade has a minimum and a maximum point. Progression through the grade is based solely on performance. Annual increments are **not** paid and neither is any nationally negotiated cost of living pay increase. This is because chief officers in Southend are employed on JNC terms and conditions for everything EXCEPT pay – which is determined by a Local Performance Related Pay scheme. (Details of this scheme, including the decision making processes in respect of pay awards, can be found at **Appendix 3** of the Council's Reward Policy). It should be noted that any payments under this scheme have been suspended since 2010/11 to reflect the current financial climate and to mirror the pay freeze across all other staff groups. However, it must be stressed that staff at all other levels continue to receive annual increments until the maximum of the grade is reached. The Council's Performance Related Pay Panel resolved in February 2012 to award any annual cost of living pay rise that may be agreed for all other Council staff as negotiated by the national employers and trades unions. To date, no such award has been negotiated.

Allowances and additional payments which may be paid to other staff as appropriate do not apply to chief officers except for:

- a. Market Supplements - where market fluctuations and demands are such that an additional payment is necessary in order to recruit or retain high calibre staff with the appropriate skills, knowledge and experience.

This is a discretionary payment and will be determined by the Performance Related Pay Panel on an individual basis. In 2013/14, Southend will be not paying any market supplements to Chief Officers; although this may be reviewed during the year if required.

- b. Payment for Section 151 and Monitoring Officer

An additional allowance of £7,685 p.a. is paid to the Head of Finance & Resources and the Head of Legal & Democratic Services in respect of the additional statutory functions undertaken by these postholders on behalf of the Authority. This allowance is paid separately to basic salary and is not subject to any PRP awards.

- c. Returning Officer

The Chief Executive undertakes the role of Returning Officer in respect of local, national and European elections.

The Returning Officer is an officer of the Borough Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Borough Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the Borough Council. As Returning Officer, he/she is paid a separate allowance for each election for which he/she is responsible.

- d. Public Health

With effect from 1 April 2013, Public Health staff currently employed by the NHS will transfer to the Council. Under Transfer of Undertakings Protection of Employment (TUPE) regulations they will continue to be employed on their existing terms and conditions including pay. The staff transferring will include two posts designated as Chief Officer posts in accordance with the Council's constitution. These are:

Director of Public Health (salary details to be confirmed)
Deputy Director of Public Health (salary details to be confirmed)

There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments, etc., paid to chief officers as these staff are expected to undertake duties outside their contractual hours and working patterns without additional payment.

5. The Remuneration of the Council's Lowest Paid Employees

The Council's lowest paid employees (excluding trainees) are paid at Level 1 (£12,145-£13,874).

The Council currently employs 34 staff at this level.

6. The relationship between the remuneration of the Council's chief officers and other officers

As detailed in paragraph 4, all posts at Level 8 or above (including chief officer roles) are evaluated using the internationally adopted Hay Job Evaluation scheme. This ensures that all roles are measured against a consistent and robust set of criteria enabling roles to be "weighted" and placed in a hierarchy that meets any equal pay challenge.

Posts below Level 8 are also evaluated but using the NJC Job Evaluation scheme which is recognised by employers and trades unions nationally and is better suited to jobs at this level. This scheme also allows for robust measurement against set criteria resulting in fair and objective evaluations.

Pay multiple: The idea of publishing the ratio of the pay of an organisation's top earner to that of its median earner has been recommended in order to support the principles of Fair Pay (Will Hutton 2011) and transparency.

Southend Council's current ratio in this respect is 6.5:1, i.e. the Chief Executive (top earner) earns 6.5 times more than the Council's median earner (£22,958).

The Government has also recommended publishing the ratio in respect of the mean earner. Southend Council's current ratio in this respect is 5.6:1, i.e. the Chief Executive (top earner) earns 5.6 times more than the Council's mean earner (£26,386).

The number of employees paid at each salary level across the Council is attached at Appendix 1.

Terms and Conditions of employment for Chief Officers have been harmonised with the rest of the workforce. The only remaining differences are:

- (i) Car Lease subsidy – this is being phased out over the next 3 years as any new leases are being renewed under the new Salary Sacrifice scheme introduced in January 2012 which is available to all staff.
- (ii) Annual leave – annual leave entitlement is higher for Chief Officers to reflect the additional working requirements in these posts and the fact that flexi-time, overtime, etc., is not applicable.

7. Other specific aspects of chief officer remuneration

- a. Salary at recruitment. This is detailed in paragraph 11 of the Council's Reward Policy and is in line with the approach taken for all staff.
- b. Use of performance related pay and bonuses. This is detailed in Appendix 3 of the Council's Reward Policy. It should be noted that PRP payments are the only pay awards made to chief officers.
- c. Termination Payments. This is detailed in paragraph 16 of the Council's Reward Policy and is in line with the approach taken for all staff.

8. Disclosure

This Pay Policy Statement and the Council's Reward Policy will be published on the Council's website. In addition, details of all staff paid above £58,200 will also be disclosed.

Southend Borough Council

Staff Numbers by Pay Grade
(excluding Teachers)

(January 2013)

Staff Numbers	Pay Grade
34	Level 1
11	Level 2
20	Level 3
227	Level 4
313	Level 5
369	Level 6
234	Level 7
266	Level 8
184	Level 9
89	Level 10
42	Level 11
32	Level 12
11	SMG3
4 (3 wef 1/4/2013)	SMG2
1	SMG1
1	Soulbury A (Educational Psychologists)
4	Soulbury B (Senior Educational Psychologists)
4	Soulbury C (Educational Improvement Specialists)
8	Youth & Community – Support Workers – Range 1
5	Youth & Community – Professional Range



Reward Policy
for all Southend Borough Council Employees
(excluding schools)

January 2013 (Version 1)

Version no	1
Date	4 January 2012
Drafting Officer	Joanna Ruffle
Lead Officer	Joanna Ruffle
Equality Impact Assessment	25 April 2006
Revised Policy	January 2012
Policy Reviewed	January 2013

Appendices

- Appendix B1 Salary Levels 1 – 12
- Appendix B2 SMG Grades 1 – 3
- Appendix B3 Performance Related Pay for Senior Managers: Terms of the Scheme
- Appendix B4 Soulbury Salary Levels
- Appendix B5 Soulbury Agreement
- Appendix B6 Salary Levels – Youth and Community Workers
- Appendix B7 The Performance Related Pay Panel

Reward Policy

1. Introduction

Pay is a key factor affecting relationships at work and helps determine an organisational culture. The level and distribution of pay and benefits can have a considerable effect on the performance of an organisation, and on the engagement and productivity of its workforce.

The Council recognises the importance of pay systems that are appropriate, transparent, provide value for money and reward staff fairly for the work they perform.

In addition, through its pay system, the Council ensures that jobs are evaluated effectively and fairly; that all work is aligned to the organisational priorities and that only good performance is rewarded. This is particularly important in an organisation where job roles are complex and diverse and high standards of performance and conduct are expected by service users/customers.

2. Principles

In developing and implementing this reward policy, the Council will ensure that the way in which its workforce is rewarded will be:

- Fair
- Equitable
- Consistent
- Transparent
- Flexible

The following factors will also be included:

- The delivery of the organisational priorities
- The reinforcement of the organisational values
- The recruitment and retention of high calibre staff
- The motivation, engagement and development of staff
- The reward of good and excellent performance
- The promotion of staff flexibility – mobility, development, and future organisational needs
- The management of pay costs and ensuring value for money, both in the short and long term

This Reward Policy forms a key part of the Council's People Management Strategy which in turn underpins the Council's Corporate Plan and Strategic objectives. How staff are rewarded for their contribution is directly linked to the delivery of the council's key aims. This is done through an annual appraisal and target setting process which is applied to ALL staff.

3. Legislation

The legislation covering pay and reward includes:

a) Equal Pay Act 1970: The Council will ensure:

- All staff are appointed or assimilated, e.g. after re-grading, restructuring, or promotion at the same level into the pay grades where experience, skills, qualifications and hours of work are comparable, irrespective of gender
- All new starters are given the substantive rate for the job
- The average pay to men and women is equal for like work
- Staff involved in applying and administering pay schemes will be trained in equalities awareness
- Any differences in pay between men and women will be objectively justified
- Access to additional payments and allowances e.g. payments for skills, responsibility allowances will be based on equitable criteria
- All staff will be treated equally irrespective of gender
- Men and women doing like work or in the same grade will receive progression through the appropriate pay scale
- If there are bars to progression between grades/spinal column points, progression will be based on fair and objective criteria that staff are aware of and men and women will pass through them on an equitable basis

b) Localism Act 2011: Section 38(1) of the Localism Act 2011 requires Local Authorities to produce an annual pay policy statement about chief officers, low paid employees and the relationship between the two. This policy provides the detailed background to that statement.

4. Conditions of Service

a) Staff on salary levels 1-12 (Appendix 1)

These staff are employed on NJC terms and conditions (Green Book) supplemented by the Council's Collective Agreement 2005 (as amended 2006). This agreement can be found on the intranet – Amended Local Collective Agreement – Oct 06

b) Staff on senior management grades 1-3 (Appendix 2)

These staff are employed on JNC terms and conditions for chief officers except for pay which is determined by a local performance related pay scheme (Appendix 3)

c) Staff on Soulbury salary levels (Appendix 4)

These staff are employed on NJC terms and conditions (Green Book) except for pay which is determined in accordance with the recommendations of the Soulbury Committee as detailed in Southend Council's Soulbury Agreement (Appendix 5).

d) Staff on Youth and Community Workers Salary levels (Appendix 6)

These staff are employed on JNC terms and conditions for youth and community workers.

e) Teachers

Where teachers are employed directly by the Council, these staff are paid in accordance with the Teachers Pay and Conditions document 2012.

5. **Delegated Authority**

The Constitution of the Council Part 3, Schedule 3, details the delegations in respect of pay and grading. In summary:

- a) For posts below chief officer level – salary grades will be determined by the relevant chief officer in consultation with the Head of HR & Communications who will be responsible for ensuring that the relevant Job Evaluation scheme and processes have been applied. Actual salary within the evaluated grade will be determined by the relevant chief officer in accordance with this policy, the relevant terms and conditions of employment and any local agreements that are operating at that time. Advice will be sought from HR Services before any final decision on actual salary is made.
- b) For posts at chief officer level – salary grades will be determined in accordance with the relevant Job Evaluation scheme and agreed by Full Council.

Actual salary (including any pay awards) will be determined by the Council's Performance Related Pay Panel (Appendix 7). This panel will also review the salary ranges on an annual basis to ensure that these are competitive within the market (see paragraph 32 of the PRP scheme for Senior Managers – Appendix 3).

6. Confidentiality

The application of this Reward Policy will be undertaken in an open and transparent way but the salary details of individual members of staff shall remain confidential as appropriate in accordance with relevant legislation.

7. Process for Grading Posts

- a) The Council has adopted the NJC and the Hay Job Evaluation schemes. All posts with the Authority, with the exception of Teachers, Youth Workers, Soulbury and transferring Public Health staff have been reviewed under the appropriate scheme and graded accordingly.
- b) All new posts and any posts whose duties and level of responsibility change significantly on a permanent basis will be reviewed under these schemes. Details of the job evaluation process are available on the Intranet.
- c) HR Services are responsible for administering the job evaluation process within the Authority.

8. Pay Structure and Progression

The pay structure and progression arrangements for the relevant staff group is as follows:

- a. Staff on salary levels 1-12 (Appendix 1)
 - (i) Increments will be paid on 1 April each year until the maximum of the level is reached subject to the following:

Increments may be accelerated within an officer's scale at the discretion of the authority on the grounds of special merit or ability, subject to the maximum of the level not being exceeded in accordance with Chief Officer delegation.

It is anticipated that this will only occur in exceptional circumstances, after careful consideration of equal pay requirements and consultation with the HR Business Partner.
 - (ii) An increment may be withheld due to poor performance but will only apply where correct capability procedures have been followed. Any increment withheld may be paid subsequently if the officer's performance improves.
 - (iii) Employees with less than six month's service in the grade by 1 April shall be granted their first increment six months from the actual date of their appointment, promotion or re-grading. All future increments will then be paid on 1 April.

N.B. Any action under (i) or (ii) shall not interrupt the payment of subsequent increments on 1 April.

b. Staff on Senior Management grades 1-3 (Appendix 2)

Any progression within these salary ranges will be based SOLELY ON performance in accordance with the terms of the Council's Performance Related Pay scheme for senior managers (Appendix 3).

c. Staff on Soulbury salary levels (Appendix 4)

d. Staff on Youth and Community Worker Salary levels (Appendix 6)

Increments will be paid as per paragraph 8(a).

e. Teachers

Progression will be in accordance with the School Teachers Pay & Conditions document 2012.

9. Pay Protection

The Council has developed a pay protection policy for those staff whose posts are downgraded as a consequence of implementing structural change or job evaluation where this results in a salary reduction.

This policy can be found on the Intranet

10. Pay Awards

Staff on all terms and conditions other than chief officers will receive an annual cost of living pay award where this is negotiated nationally by the relevant negotiating committee. For staff on chief officer terms and conditions there is no pay award other than that which may be determined by the Council's Performance Related Pay Panel and which is based SOLELY ON performance.

N.B. Payments under this scheme have been suspended since 2010 until 2013 at the earliest. In the interim the Performance Related Pay Panel has resolved to award any annual cost of living pay rise that may be agreed for all other Council staff as negotiated by the national employers and trades unions. To date, no such award has been negotiated.

11. Salary at Recruitment

New members of staff will start at a salary point within the job evaluated range for the post having regard to the knowledge, skills and competencies of the individual as well as their current and previous salary levels. Consideration must also be given to the salary levels of any existing members of staff in the same job group and the impact this may have on them.

All requests to appoint above the minimum of the level must be agreed by the relevant Head of Service and HR Business Partner before any salary offer is made to the candidate.

In the case of chief officers, all requests to appoint above the minimum of the level must be agreed by the relevant Appointments Committee of the Council.

12. Pay on Promotion or Transfer

a. Move to a new post at the same level

Where a member of staff moves to a new permanent post at the same level, they will normally be appointed on the same salary point and retain the incremental date (where this is relevant) from their original post.

b. Pay on promotion

Where a member of staff receives a promotion they will normally be appointed on the minimum point for the new level unless their qualifications or relevant experience qualify them for additional points.

All requests to appoint above the minimum level must be agreed by the relevant Head of Service and HR Business Partner before a salary offer is made to the candidate.

In the case of chief officers, all requests to appoint above the minimum of the level must be agreed by the relevant Appointments Committee of the Council.

c. Move to a new post when the member of staff is at the top of their current level

Where a member of staff is at the top of their level and is appointed to a post at the next level which starts at the same salary point:

- (i) where the appointment is due to re-evaluation or "slotting-in", there will be no movement and the member of staff will be appointed on the same salary point if it already exists.
- (ii) where the appointment is due to promotion or "ring-fencing" and the member of staff has gone through a selection process (i.e. interview) then an additional increment will be given.

d. Move to a new post at a lower level

Where a member of staff moves to a new post at a lower level as part of a restructuring process, then the Council's Pay Protection Policy will apply. Pay Protection will not apply however where such a move is voluntary.

13. Allowances: Overtime, Bank Holiday Working, Night Work, Standby etc

Staff on all terms and conditions **other than Chief Officers** may be paid allowances, where appropriate, in accordance with Appendix 3 of the Council's Collective Agreement.

Chief officers are not eligible for such allowances but are expected to undertake duties outside their contractual hours and working patterns as is commensurate with their salary level without additional payment.

14. Additional Payments

Staff on all terms and conditions **other than Chief Officers** may be eligible for additional payments in accordance with the Additional Payments scheme (see Appendix 4 of the Council's Collective Agreement).

Chief officers will not normally be eligible for additional payments other than:

- a. Market Supplements – where market fluctuations and demands are such that an additional payment is necessary in order to recruit or retain high calibre staff with the appropriate skills, knowledge and experience.
- b. Additional payment for Monitoring Officer and Section 151 Officer – these 2 roles attract a supplement over and above the SMG3 grade in respect of the additional legal and financial functions undertaken by the postholders on behalf of the Authority. This supplement is paid separately to basic salary and is not subject to any PRP awards. It is reviewed periodically.

15. Other payments

Returning Officer

The Chief Executive undertakes the role of Returning Officer in respect of local, national and European elections.

The Returning Officer is an officer of the Borough Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Borough Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the Borough Council. As Returning Officer, he/she is paid a separate allowance for each election for which he/she is responsible.

Other Council staff may undertake duties on behalf of the Returning Officer, e.g. polling clerks, count supervisors, etc. They will receive separate payments for these duties based on their role in any election process.

16. Payments on Termination of Employment

Staff on all terms and conditions will receive payment on termination of their employment (other than in cases of dismissal for misconduct) in accordance with the following Council policies:

- a. Pensions Policy
- b. Severance Policy for Redundancy and Early Retirement

Staff who have left the Authority on grounds of redundancy or early retirement will not normally be re-employed by the Council in the same capacity unless there is an exceptional business reason to do so. This will be determined by the Chief Executive and Director (in the case of all staff below Chief Officer level) and by the PRP Panel (in the case of Chief Officers).

<p>Scope</p> <ul style="list-style-type: none">• This policy applies to all employees of Southend-on-Sea Borough Council (excluding schools) <p>Delegation</p> <ul style="list-style-type: none">• See paragraph 5 of this policy <p>Amendments</p> <ul style="list-style-type: none">• June 2003 - new policy• January 2006 - Amendment• January 2007 - Amendment• January 2009 - Amendment• April 2010 - Clarification• September 2010 – Amendment• January 2012 – Revised policy to incorporate requirements of the Localism Act 2011 and other legislative changes• January 2013 – Updated to reflect annual review

Appendix B1

Pay Structure – With Effect From 1st April 2009

Level 1		Level 2		Level 3	
SCP 4	12,145	SCP 8	13,189	SCP 10	13,874
5	12,312	9	13,589	11	14,733
6	12,489	10	13,874	12	15,039
7	12,787	11	14,733	13	15,444
8	13,189	12	15,039	14	15,725
9	13,589				
10	13,874				

Level 4		Level 5		Level 6	
SCP 13	15,444	SCP 17	16,830	SCP 20	18,453
14	15,725	18	17,161	21	19,126
15	16,054	19	17,802	22	19,621
16	16,440	20	18,453	23	20,198
17	16,830	21	19,126	24	20,858
18	17,161	22	19,621	25	21,519
				26	22,221
				27	22,958

Level 7		Level 8		Level 9	
SCP 26	22,221	SCP 33	27,849	SCP 40	33,661
27	22,958	34	28,636	41	34,549
28	23,708	35	29,236	42	35,430
29	24,646	36	30,011	43	36,313
30	25,472	37	30,851	44	37,206
31	26,276	38	31,754	45	38,042
32	27,052	39	32,800	46	38,961
33	27,849	40	33,661	47	39,855

Level 10		Level 11		Level 12	
SCP 46	38,961	SCP 53	45,162	SCP 57	48,879
47	39,855	54	46,065	58	49,857
48	40,741	55	46,974	59	50,849
49	41,616	56	47,917	60	51,872
50	42,519	57	48,879	61	52,905
51	43,406	58	49,857	62	53,963
52	44,315	59	50,849	63	55,044
53	45,162	60	51,872		

Southend Council

Senior Management Grades

SMG1 (Chief Executive)	£127,152 - £148,881
SMG2 (Directors)	£100,911 - £116,493
SMG3 (Heads of Service)	£67,074 - £87,000



**Performance Related Pay
for Senior Managers**

Terms of the Scheme

Amended 2012

1. The performance related pay scheme has been introduced to help support the continued change in culture and service delivery required by the Council. It is designed to help manage performance effectively across the organisation with the aim of improving performance.
2. The scheme rewards only effective performance; ineffective performance is not rewarded.
3. The scheme applies to the Chief Executive, Corporate Directors and Heads of Service.
4. The performance review year will run from 1st April to 31st March. Objectives and leadership competencies will need to be in place at the start of each review year on 1st April in order to ensure that staff have a clear idea of what is expected of them in order to achieve a specified level of reward.
5. Individuals must be in post at the end of the review year in order to be eligible to receive a performance assessment and any subsequent performance related payment.
6. A review of the scheme will be undertaken at the end of each year and changes may be made in the light of this evaluation.
7. A key date checklist is attached (Appendix A).
8. The scheme seeks to measure the achievement of objectives and actions within target dates. It also measures the behaviours/values that are brought to the working environment by the individual through the use of the Council's Leadership competency framework and the Council's values (see Appendix B)
9. The objectives need to be clearly defined and actions need to have a time and quality indicator in order to ensure that individuals can evidence their performance through showing what they have achieved by the end of the review year. The objectives/targets set must be SMART (Specific, Measurable, Achievable, Relevant and Timebound) and will be independently verified by the PRP Panel to ensure consistency across the organisation. Objectives may be reviewed during the year if circumstances change. Some objectives will be standard and will be around **for example** equality and diversity, health and safety and ensuring that individuals act within agreed policy, e.g. financial regulations.
10. The required leadership competencies and adherence to the Council's values also need to be demonstrated and will count towards the assessment of overall performance. The Leadership competency

framework must be used. The measures within the framework can be amended to best fit the nature of the job but must be agreed within the line manager.

11. Pay will be dependent upon the achievement of a number of defined objectives within specified targets and the demonstration of required competencies/values. Some of those objectives will be defined by the Chief Executive and/or Members and all will relate to the Corporate Plan and/or other documents setting out corporate priorities. If there is disagreement between the individual and his/her line manager in respect of the objectives set, this will be referred to the next level up for arbitration or, in the case of the Chief Executive, to the PRP Panel advised by an independent adviser.
12. The scheme provides for a mid year review of performance normally in October, in order that progress can be monitored and if there are development areas required these can be addressed within the Personal Development Plan.
13. The Performance Management and Development Framework principles must apply but separate documentation has been developed and must be used in order to ensure consistency of approach across the organisation.(See Appendix C)
14. The scheme is built around a salary range and PRP payment. This means that some earnings are consolidated each year and others paid as a one off PRP payment. Consolidation is possible until the maximum value of the range is reached, then non-consolidated PRP payment only is payable.
15. For new recruits previous experience and existing salary level will be used to determine an appropriate entry point.
16. However, no appointments will be made at above the 100% point of the range (i.e. the maximum of the range) and appointments at the 100% point of the range should be avoided wherever possible.
17. Individuals must be at work and working subject to the performance pay scheme for a minimum of 4 months in the performance year in order to be eligible for a performance assessment and payment at the end of the review year.
18. Any unconsolidated salary increase made to individuals who take up post part way through the performance year will be pro-rata'd accordingly – subject to the criteria of 4 months minimum as outlined in 17 being met.
19. Individuals must be in post at the end of the review year in order to qualify for payment.

20. Where an individual leaves the Council's service through redundancy or retirement, provided that they have been at work and were working subject to the scheme for a minimum of 4 months during the review year, the requirement to be in post at the end of the review year to receive an assessment and performance payment will be waived. Subject to the level of assessment made they will be eligible for a one-off PRP payment pro-rata to the number of completed weeks in post. There will be no increase to consolidated basic salary in these circumstances.
21. Individuals deemed as less than satisfactory within this scheme will receive no increase in pay for that particular review year. In these cases, performance issues should be addressed through other mechanisms e.g. capability procedures.
22. Staff subject to this scheme will cease to have a contractual entitlement to NJC pay awards as the Council will no longer be part of the national machinery for pay bargaining for staff within the Performance Related Pay Scheme. All other terms and conditions of service remain within NJC unless otherwise stated in contractual documents and amendments.
23. Grades are determined by the relevant job evaluation scheme.
24. All payments, including PRP payments, are superannuable.
25. Assessments on the level of pay to be awarded will be based on the Performance Management and Development Framework, Leadership competency framework, and the Council values. Evidence of achievement against objectives, competencies and values will be recorded by the individual throughout the year. Before the end of year assessment interview, the individual will provide the line manager with a completed set of documentation demonstrating delivery against objectives, competencies and values. Supporting evidence may be needed in order to clearly demonstrate delivery. Stating 'met' against the objectives/competencies/values will not be acceptable evidence.
26. Following the assessment interview the documentation will then need to be signed by the individual member of staff, manager and relevant portfolio holder. If there is disagreement over any aspect of the narrative, then this must be highlighted for those taking the final decision on the level of performance who will act as final arbitrators. The recommendation for level of salary award should not be shared with the individual at this stage.
27. Decisions on level of pay awarded will be taken by a Member panel based on recommendations from the Chief Executive and advised by the Head of Human Resources. For the CEO's pay, recommendations will be made by the Leader of the Council.

28. There is no appeal against the assessment level of performance and level of pay award.
29. The scheme is applied as set out in the grid below. There is no automatic cost of living award.
30. The percentages in the grid will be reviewed each year having regard to the Retail Price Index, comparator salaries, the National Cost of Living Award and the overall performance of the Council.
31. A decision on the percentages to be applied to be grid is taken by the appropriate panel of Members in line with recommendations made by the Chief Executive, advised by the Head of Human Resources. Any changes will be applied from 2nd April each year.

In light of the current economic climate and the financial challenge facing the public sector, there will not be any payments made under this Scheme until further notice. This will be reviewed in June 2013. In the interim, senior managers will be awarded any annual cost of living pay rise that may be agreed for all other Council staff on National Joint Council (NJC) Conditions as negotiated by the national employers and trades unions. However, senior managers will continue to be assessed against the following levels:

Performance Related Pay for Senior Managers

Not Met	Individuals who are not delivering against their objectives and/or who are not demonstrating the Council's values and leadership competencies.
Under –achieving	Individuals who are not quite meeting their objectives and/or who are not fully demonstrating the Council's values and leadership competencies.
Met	Individuals who are meeting their targets and objectives and who are demonstrating the Council's values and leadership competencies.
Exceeds	Individuals who are delivering above expectation against some targets and objectives and/or who are champions of the Council's values and leadership competencies.

32. A separate review will be undertaken to ensure that the pay range is competitive with the market. Consideration will be given to the Retail Price Index, comparator salaries and the National Pay Award. Any changes will be effective from 2nd April each year.
33. Therefore, not only may percentages in the grid vary each year, the overall grade range may also vary.
34. The scheme includes a review of development requirements at mid year. Those who are under achieving will be given an opportunity to improve. If no improvement occurs, then other relevant policies will need to be applied.
35. The expectation is that the organisation will continuously improve through the use of this scheme.

Scope:	The scheme will apply to the Chief Executive Officer, Corporate Directors and Heads of Service
Delegations:	Decisions on level of pay awarded will be taken by a Member panel based on recommendations from the Chief Executive and advised by the Head of Human Resources. For the CEO's pay, recommendations will be made by the Leader of the Council.
Amendments in this Issue:	New Policy : September 2008 Amended November 2009 Amended November 2010 Amended November 2011 Amended January 2012

Appendix A

Key Dates/Checklist

Date	Action	Action By
March	<p>Prepare end of year evidence to support delivery of objectives and demonstration of values and competencies.(Form PRP2)</p> <p>Prepare draft objectives, targets, competencies and values for new year (Form PRP 1) and highlight any known development needs</p>	Individual
April	Appraisal meeting with Line manager and relevant portfolio holder to agree final year assessment and new years objectives, targets, competencies and values	Individual, line manager and portfolio holder.
May	<p>Line manager and portfolio holder to agree performance level and to forward this to the Chief Executive.</p> <p>N.B. THIS RECOMMENDATION SHOULD NOT BE SHARED WITH THE INDIVIDUAL</p>	Line manager/Portfolio holder
May	<p>Agreed documentation in place to be used throughout the year as management tool. Any changes to be agreed and recorded.</p> <p>Chief Executive to collate all of the performance levels (PRP2s) and new objectives/competencies/values (PRP1s). Chief Executive to conduct a moderation exercise on both sets of paperwork advised by the Head of HR and Communications.</p> <p>Chief Executive to prepare a report for the Members PRP panel</p>	<p>Individual and line manager</p> <p>Chief Executive/Head of HR & Communications</p>

Soulbury Pay Agreement 2009 (Southend Pay Range)

Educational Psychologists – Scale A

<u>Spine Point</u>	<u>Salary from 01.09.09</u>
1	£33,934
2	£35,656
3	£37,378
4	£39,100
5	£40,822
6	£42,544
7	£44,165
8	£45,786

Notes:

Salary scales to consist of six consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.

Senior & Principal Educational Psychologists – Scale B

<u>Spine Point</u>	<u>Salary from 01.09.09</u>
1	£42,544
2	£44,165
3*	£45,786
4	£47,305
5	£48,825
6	£50,243
7	£50,825
8	£51,912
9	£52,989
10	£54,085
11	£55,159
12	£56,255
13	£57,370

Notes:

Salary scales to consist of not more than four consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit, retain and motivate staff.

*Normal minimum point for the Principal Educational Psychologist undertaking the full range of duties at this level.

Soulbury - Educational Improvement Professionals – Scale C

<u>Spine Point</u>	<u>Salary from 01.09.09</u>
4	£35,714
5	£36,817
6	£37,920
7	£39,079
8*	£40,192
9	£41,491
10	£42,649
11	£43,792
12	£44,899
13**	£46,152
14	£47,269
15	£48,503
16	£49,620
17	£50,739
18	£51,837
19	£52,969
20***	£53,554

Notes:

Salary scales to consist of not more than four consecutive points, based on the duties and responsibilities attaching to posts and the need to recruit and motivate staff.

*Normal minimum point for EIP undertaking the full range of duties at this level

**Normal minimum point for Senior EIP undertaking the full range of duties at this level

***Normal minimum point for Principal EIP undertaking the full range of duties at this level

Trainee Educational Psychologists

<u>Spine Point</u>	<u>Salary from 01.09.09</u>
1	£21,801
2	£23,397
3	£24,991
4	£26,587
5	£28,182
6	£29,777

Southend on Sea Borough Council

SOULBURY AGREEMENT

PROCEDURE FOR STRUCTURED PROFESSIONAL ASSESSMENTS

PREAMBLE

1. The Soulbury Committee has an agreement for local assessments which recognise the contribution of Soulbury officers to the authority's role in raising standards in schools, improving involvement of young people in community activities and the promotion of child development and learning.
2. The national agreement provides a framework for local decisions relating to an assessment of the officer's contribution.
3. This procedure has been subject to local consultation and negotiation with the relevant trades unions and professional associations and will be kept under regular review. It builds on the national framework in order to provide a local mechanism by which Soulbury officers may apply to the Director of Children and Learning to progress to the first or, subsequently, the second or third levels. Successful enhancement to the first level will result in the award of one additional point on the Soulbury spine and successful enhancement to the second level will result in the award of a further additional point. Thus there is the provision for a Soulbury officer to extend his or her pay scale by up to 3 points, subject to satisfactory assessment.
4. The local assessment process is part of the LA's overarching performance management process and performance appraisal and development scheme, and as such links to service planning, team planning and the Children and Young Persons Plan. The appraisal scheme will be used as a basis for officers to evidence applications for assessment.

THE ASSESSMENT PROCESS

5. **Soulbury officers may apply for assessment after four years' continuous Soulbury service with one or more local authorities. In normal circumstances this will be after not less than two years in the current post (see para. 7 below). Only in exceptional circumstances, which should be discussed with the Head of School Support & Preventative Services, will applications be considered before the four years have elapsed. A Head of Service may also agree, as an exception, the transfer of SPA points from another LA, where the job to be undertaken is the same or broadly similar, but not a promotion to a higher post.**

Assessments will be based on the officer's contribution over the four year period. This will be at three levels:

LEVEL 1

- 5.1 **Local assessments will be based on the range of duties and responsibilities and achievements against targets and objectives for the post. This assessment of the overall contribution will need to take account of the following national criteria:**

- **Development - Officers must show that they are fully informed of the developments in their area of specialism;**
- **Developing the Services - Officers must make a recognised contribution to the policy, planning and meeting of performance targets for their authority;**
- **Improving Standards - Officers must make an identified contribution to the improvement and evaluation of service delivery across all appropriate aspects of the authority's functions;**
- **Management and Administration - Officers must manage and assess resources to provide efficient delivery of services;**
- **Equal Opportunities - Officers must contribute to the development of the authority's policies in improving access to their services in raising achievement levels for their local communities.**

LEVEL 2

- 5.2 **Assessment of officers' contributions to the service of the LA will be based on showing that they have made a sustained contribution to the efficiency and effectiveness of the service.**

LEVEL 3

5.3 Officers will:

- Demonstrate that they have made an exceptional contribution to the development of the service over a sustained period, for instance in developing the Children's Services agenda in the authority.
- Be involved in a programme of cpd focused on the requirements of the service and the aspirations of the officers for their own professional development.

PROCEDURE

6. On completion of four years' continuous Soulbury service with one or more local authorities, two of which have been in the current post, an officer may choose to apply for Level 1 Assessment. For the purpose of this procedure 'current post' means overall job 'type', at the same level, as it is recognised that some responsibilities within that may change from time to time. These areas of responsibility will also be reflected in the officer's current specialism. A Head of Service may also agree, as an exception, the transfer of SPA points from another LA, where the job to be undertaken is the same or broadly similar, but not a promotion to a higher post.
7. Form SASS1 should be completed, providing evidence on how the officer meets the national criteria, in relation to the range of duties and responsibilities outlined in the job description and to achievements against targets and objectives for the post, as discussed by means of the Performance Management Development Scheme and 1 to 1 meetings. The paperwork may be supplemented by a portfolio of evidence, other written records, including externally verified records, but the completion of the proforma is not expected to be extensive.
8. Form SASS1 should be endorsed by the relevant line manager, who will not be involved in the assessment process, but may support the officer should any review be necessary (paragraph 18). The applicant may choose to proceed even where the application is not supported by the line manager. Regardless of whether or not the application is endorsed, a brief written commentary will be provided by the line manager.
9. The application will be considered by the appropriate Head of Service (where this is the line manager, this will be the Corporate Director of Children and Learning).
10. Successful assessment to the first level will result in the payment of an additional point on the Soulbury spine from the date on which the application was made.

11. Assessment to the second level will be subject to a sustained contribution to the efficiency and effectiveness of the service. There is no automatic entitlement to progression. Where annual reviews have taken place the officer's line manager may submit a written recommendation, with documentary evidence, for progression to Level 2. Should the officer wish to apply without the recommendation of the line manager, or where annual review information is not available, the officer may submit a written application. Form SASS2 is provided for this purpose. Regardless of whether or not the application is endorsed, a brief written commentary will be provided by the line manager. Application to the second level will normally be after a minimum of at least one year on the first level and will relate to the annual appraisal interview.
13. The award of a third SPA point will not be made until at least two years after officers have achieved SPA2. Application should be made on form SPSS3, as outlined in paragraph 12.
14. The assessment process will be as outlined in paragraph 10. After each assessment the officer is entitled to oral feedback from the line manager, which may feed into the annual appraisal process.

REVIEW

15. Should officers wish to challenge an assessment to Levels 1, 2 or 3 they have the right to request a review. This right should be exercised in writing, to the Director of Children and Learning, within 14 calendar days of written notification of the formal assessment, outlining the reasons for the review.
16. The Director of Children and Learning will undertake a review of the application. Where the Director of Children and Learning is the line manager, the review will be undertaken by an alternative Corporate Director of the Council.
17. The applicant may be accompanied by a trades union representative or work colleague to that meeting, and may wish to call their line manager in support of their case.
18. The decision will be given in writing within seven calendar days of the date of the review.
19. The decision of the Director will be final. No other procedure will take precedence over the Assessment and Review procedure outlined above.

SOULBURY ASSESSMENT

LEVEL 1

NAME: -----

SERVICE: -----

JOB TITLE: -----

SPECIALISM: -----

DATE APPOINTED TO SOULBURY POST AT SOUTHBURY BOROUGH
COUNCIL:

DATE APPOINTED TO CURRENT POST: -----

CURRENT SALARY RANGE: -----

CURRENT SPINE POINT: -----

SIGNATURE OF APPLICANT: -----

DATE: -----

This application is/is not* supported by the line manager.
The applicant does/does not* meet all five standards.

LINE MANAGER: ----- SIGNATURE: -----

DATE: -----

HEAD OF SERVICE: ----- SIGNATURE: -----

DATE: -----

A PORTFOLIO OF EVIDENCE MAY BE ATTACHED.

*Delete as appropriate.

REF SASS1

11 January 2008

1.

DEVELOPMENT

Please summarise evidence that you are fully informed of the development in your area of responsibility/specialism over the last 4 years.

(As part of your ongoing professional development it is anticipated that this section will include evidence of **outcomes** arising from up to date knowledge and understanding of local and national developments).

2.

DEVELOPING THE SERVICES

Please summarise your personal, and recognised, contribution to the policy, planning and meeting of performance targets for the LEA.

(It is anticipated that the evidence in this section will have a direct correlation to service plans, the Education Development Plan, the Equal Opportunities Action Plan, the Education Strategic Plan and any other departmental plans over the past 4 years. Please cross reference the evidence as appropriate).

3.

IMPROVING STANDARDS

Please summarise evidence of your personal contribution to the improvement and evaluation of service delivery across all appropriate aspects of the authority's functions over the past 4 years.

4.

MANAGEMENT AND ADMINISTRATION

Please summarise evidence of your management and assessment of resources over the past 4 years, in order to provide efficient delivery of services.

5.

EQUAL OPPORTUNITIES

Please summarise evidence of your contribution, over the past 4 years to the authority's policies in improving access to our services and in raising achievement levels for the local community.

6. EVALUATION BY LINE MANAGER

Line managers are required to carry out an initial assessment of the application, as endorsed on the cover sheet.

In addition, please explain below what evidence additional to this form which you have taken into account. Set the officer's performance in the overall context of the authority's role in raising standards in schools, improving involvement of young people in community activities and the promotion of child development and learning. Indicate to the best of your knowledge whether the information provided by the applicant is correct, that it derives from the applicant's own practice and is representative of their overall performance.

SOULBURY ASSESSMENT

LEVEL 2

NAME: -----

SERVICE: -----

JOB TITLE: -----

SPECIALISM: -----

CURRENT SPINE POINT: -----

DATE PROGRESSED TO LEVEL 1: -----

SIGNATURE OF APPLICANT: ----- DATE: -----

This application is/is not* supported by the line manager.
The application has/has not* made a sustained contribution to the efficiency and effectiveness of the service.

LINE MANAGER: ----- SIGNATURE: -----

DATE: -----

HEAD OF SERVICE: ----- SIGNATURE:-----

DATE: -----

* Delete as appropriate.

REF SASS2

PLEASE SUMMARISE AGAINST
EACH STANDARD EVIDENCE OF YOUR SUSTAINED
CONTRIBUTION TO THE EFFICIENCY AND EFFECTIVENESS OF THE
SERVICE SINCE PROGRESSION TO LEVEL 1

(You may choose to use direct extracts from you annual appraisal where these match
the criteria below).

1.	DEVELOPMENT
2.	DEVELOPING THE SERVICES
3.	IMPROVING STANDARDS

4.	MANAGEMENT AND ADMINISTRATION
5.	EQUAL OPPORTUNITIES
6.	EVALUATION BY LINE MANAGER
<p>Please endorse the cover sheet and explain below any additional evidence you have taken into account to assess the officer's sustained contribution to the effectiveness of the service. Indicate to the best of your knowledge whether the information provided by the applicant is correct, that it derives from the applicant's own practice and is representative of their overall performance.</p>	

SIGNED: ----- LINE MANAGER: -----

SOULBURY ASSESSMENT

LEVEL 3

NAME: -----

SERVICE: -----

JOB TITLE: -----

SPECIALISM: -----

DATE PROGRESSED TO LEVEL 2: -----

SIGNATURE OF APPLICANT: ----- DATE: -----

This application is/is not* supported by the line manager.
The application has/has not* made a sustained contribution to the efficiency and effectiveness of the service.

LINE MANAGER: ----- SIGNATURE: -----

DATE: -----

HEAD OF SERVICE: ----- SIGNATURE: -----

DATE: -----

* Delete as appropriate

REF SASS3

PLEASE SUMMARISE BELOW EVIDENCE AND EXAMPLES WHICH SUPPORT AN EXCEPTIONAL CONTRIBUTION TO THE DEVELOPMENT OF CHILDREN'S SERVICES IN SOUTHEND (YOU MAY USE APPRAISAL STATEMENTS).

1.	CONTRIBUTION TO SOUTHEND'S CHILDREN'S SERVICE

PLEASE IDENTIFY YOUR INVOLVEMENT AND CPD, SINCE THE AWARD OF SPA2, WHICH SUPPORTS BOTH SERVICE DEVELOPMENT AND YOUR OWN ASPIRATIONS.

2.	CPD

Youth & Community Workers Salary Levels

Support Worker Range (1)

Points 3-6	JNC 367 – 370	£15,324 - £17,100
------------	---------------	-------------------

Support Worker Range (2)

Points 12-15	JNC 384 – 387	£21,525 - £24,166
--------------	---------------	-------------------

Professional Range

Points 19 – 22	JNC 391 – 394	£26,975 - £29,352
----------------	---------------	-------------------

The Performance Related Pay Panel Membership and Terms of Reference

1. Membership

Leader (Chairman)
Deputy Leader
Executive Councillor for Resources
Leaders of other 3 political groups
Independent member

(Advisor – Chief Executive, save that in the case of his own PRP it will be a SOLACE consultant).

Substitutes: Permitted in accordance with Standing Order 31
Proportionality: Does not apply

2. Quorum

3

3. Terms of Reference

- To consider and moderate objectives set for the senior managers subject to PRP (the Chief Executive, Corporate Directors and Head of Service)
- To consider recommendations from end of year reviews and agree performance related pay awards within the parameters of the Council's PRP scheme

4. Status of Meeting

Private

