

PAY POLICY STATEMENT 2016/17**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 2016:

Chief Executive
Corporate Directors x3
Director x1
Heads of Service x13

These posts (with the exception of the Director of Public Health and Head of Health Development) 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)	£128,423 - £150,370
SMG2 (Directors)	£101,920 - £117,658
SMG3 (Heads of Service)	£67,745 - £87,870

The Director of Public Health & Head of Health Development are employed on NHS Pay & Conditions. These roles transferred into the Council w.e.f. 1/4/13 and are protected under Transfer of Undertaking Protection of Employment (TUPE) regulations and are as follows:-

Director of Public Health	£95,860
Head of Health Development	£81,618

Each grade (with the exception of Public Health) 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.) In **February 2012**, the Council’s performance related pay panel resolved to award Chief Officers any annual cost of living pay rise that may be agreed for all other Council staff as negotiated by the national employers and trade unions. This recommendation was agreed by Cabinet and endorsed by Council.

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 2016/17, Southend will be paying the following market supplements to Chief Officers; although this may be reviewed during the year if required:

Associate Director – Integrated Commissioning – jointly funded post with the CCG). An annual allowance of £5,000 paid quarterly subject to the successful delivery of key targets as agreed by the Council and the CCG.

b. Payment for Section 151, Monitoring Officer and Director of Childrens & Adult Services

An additional allowance of £7,685 p.a. is paid to the Head of Finance & Resources, Head of Legal & Democratic Services and the Director of People 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.

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 £13,500 - £14,338. The Council currently employs 21 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 5.1:1 i.e. the Chief Executive (top earner) earns 5.1 times more than the Council's median earner (£23,698).

The Government has also recommended publishing the ratio in respect of the mean earner. Southend Council's current ratio in this respect is 4.8:1: i.e. the Chief Executive (top earner) earns 4.8 times more than the Council's mean earner (£25,294).

These ratios are based on the Chief Executive's current actual salary.

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) 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 £50,000 or more will also be disclosed.

**SOUTHEND BOROUGH COUNCIL
STAFF NUMBERS (HEADCOUNT) BY PAY GRADE (EXCLUDING TEACHERS)
(JANUARY 2015)**

Staff Numbers	Pay Grade
21	Level 1
12	Level 2
2	Level 3
189	Level 4
273	Level 5
358	Level 6
218	Level 7
287	Level 8
191	Level 9
83	Level 10
41	Level 11
34	Level 12
11	SMG3
3	SMG2
1	SMG1
2	Soulbury A (Educational Psychologists)
4	Soulbury B (Senior Educational Psychologists)
0	Soulbury C (Educational Improvement Specialists)
8	Youth & Community – Support Workers – Range 1
4	Youth & Community – Professional Range
16	NHS pay grades
12	Nursing Grades
1,770	TOTAL