

LONDON BOROUGH OF SOUTHWARK – PAY POLICY STATEMENT

Introduction

1. The Localism Act 2011 (“the Act”) requires local authorities to prepare and publish a pay policy statement every year.
2. This statement relates to the financial year 2023-24 and is presented to Council Assembly for approval.

Scope of the pay policy statement

3. This statement describes the council’s policies about the pay of senior officers (referred to in the Act as “chief officers”) and also the pay of the council’s lowest paid employees.
4. The provisions in the Act do not apply to the employees of local authority schools.
5. Under the requirements of the Act, a chief officer is defined as:
 - the head of the authority’s paid service
 - the monitoring officer
 - statutory chief officers
 - non-statutory chief officers
 - deputy chief officers
6. For Southwark Council, the roles included in this definition are the Chief Executive, Strategic Directors, Assistant Chief Executives, and Directors. These roles represent the council’s senior management. A structure chart containing these roles can be found on the [open data page of the council's website](#).

Remuneration

7. The term remuneration is used to describe the salary, expenses and other monetary benefits or allowances paid to employees.
8. All senior managers are paid via the council’s payroll – or, in the case of interim senior managers, via the council’s agency worker supplier – with appropriate tax and national insurance deductions made in accordance with HMRC regulations.
9. The council does not employ senior managers via contracts for services.

Pay structures and arrangements

10. The council participates in the pay structures and arrangements negotiated via:
 - the Joint National Council (JNC) for local authority chief executives
 - the JNC for local authority chief officers
 - the National Joint Council (NJC) Greater London Provincial Council (GLPC) inner London pay agreement, which applies to most posts across the council
 - a number of different national structures which cover a comparatively small number of posts, including the JNC for Craft and Associated Employees and the JNC for Youth and Community Workers

Grading structure

11. All council posts, including senior manager posts, are evaluated using the Hay methodology. When senior manager posts are evaluated, independent verification is provided via the Korn Ferry Group, who are responsible for the Hay job evaluation framework.
12. The evaluation outcome for each post determines its placement on the council's grading structure. Each grade contains multiple spinal column points. Employees are able to progress up their grade on the basis of their performance, as measured once a year through the council's annual appraisal scheme.
13. The council's grading structure is attached at **Appendix 1**.
14. For posts at grade 14 and above, further benefits are available such as a season ticket, additional pension contributions or a health plan. Depending on the grade of the post, the value of this additional contribution ranges from £2,724 to £6,190.
15. Market supplements may be paid where a role is designated as "hard to fill" and there is evidence the salary offered by the council is uncompetitive, which in turn is adversely impacting on the council's ability to recruit to the role or retain an existing postholder. All market supplements are subject to a business case and regular review.

Other payments and expenses

16. Senior managers are not eligible for overtime. Their contract for employment states they are required to work whatever hours are necessary to get the job done. Where senior managers work outside "normal hours", they do not receive any enhancements or shift allowances.

17. Senior managers do not receive an expenses allowance. In line with all other council staff, if a senior manager incurs essential expenses during the performance of their duties, these expenses may be reclaimed so long as they are reasonable and it can be demonstrated that public money is being spent prudently.
18. The council does not operate a bonus scheme for senior managers.

Fees for election duties

19. Council staff may be employed by the Returning Officer for the purpose of undertaking election duties of varying types. The fees payable will vary depending on the type of election and the nature of the duties discharged.
20. Returning Officer and Deputy Returning Officer duties are paid in accordance with the guidance determined by the body responsible for the conduct of the election.

Recruitment of senior managers

21. Vacant senior management posts are filled in line with the requirements of the council's recruitment and selection policy, which has been designed to support the overarching aim of recruiting on merit – in other words, to appoint the best available person for the job.
22. Senior managers joining the council:
 - typically start at the bottom of the grade – unless there is a business case for starting the employee further up the grade, for example if this is necessary to match their existing salary
 - do not receive a lump sum for joining the council
 - may receive expenses to support their relocation if they meet the eligibility criteria set out in the council's policy covering relocation expenses

Leaving the council

23. Employees leaving the council as a result of resignation, including senior managers, do not receive a severance payment.
24. If the council decides to end an employee's service on the basis of redundancy, a compensatory payment is made in line with the provisions set out in the council's reorganisation, redeployment and redundancy procedure. Payment is made as a multiple of the employee's actual week's pay. In addition, for employees aged 55 and over, the relevant pension regulations mean the employee made redundant is entitled to an immediate

pension, which may generate additional cost for the council. In these circumstances, this entitlement is not discretionary and must be provided.

25. If a senior manager is made redundant, the value of the associated payment is reported in the Statement of Accounts for the year the redundancy occurred. If an employee is made redundant, the council will not re-engage the individual on a consultancy basis.
26. Under the Local Government Pension Scheme (LGPS) regulations, employees may be considered for one of the Scheme's flexible retirement options. This includes instances where the employee reduces their hours to a part-time basis or moves into a lower graded role. On such occasions, the council's remuneration arrangements, as described in this policy, continue to apply, and in addition the employee will receive a pension paid in line with the requirements of the LGPS regulations and the employee's accrued entitlement.

Lowest paid employees

27. As a Living Wage Employer, the council is committed to ensuring all its employees are paid at least the London Living Wage, which is calculated annually by the Resolution Foundation using the best available evidence about living standards in London and the UK.
28. The latest London Living Wage is £11.95 per hour. This rate was announced in September 2022 and represents an 8.1% increase on the previous year's London Living Wage of £11.05. The council's minimum rate of pay continues to exceed the London Living Wage.
29. The Local Government Transparency Code 2015 includes a specific requirement for local authorities to publish their pay multiplier, which is defined as the ratio between the salary of the highest paid employee and the median (or average) salary paid to the council's workforce. On 31 January 2023, the council's pay multiplier was 5.48. In other words, the salary of the council's highest paid employee was 5.48 times greater than the median (or average) salary paid to the council's workforce.

Further information

30. In addition to this pay policy statement, the council publishes further associated information on the open data pages of its website, including the council's:
 - [grading structure](#)
 - [organisational structure](#)
 - [annual statement of accounts](#), which includes the number of people earning £50,000 per year or more in £5,000 bandings, and

further information about those senior managers whose annual salary is £150,000 or more