

LONDON BOROUGH OF SOUTHWARK
PAY POLICY STATEMENT 2024/25

Part 1. Introduction

In accordance with the requirements of the Localism Act 2011, the council prepares and publishes an annual pay policy statement. The purpose of this statement is to promote transparency about the council's approach to paying its most senior officers, including how this compares to the pay of other council employees.

The government has published the following guidance to assist councils in preparing their annual pay policy statement:

- Openness and accountability in local pay (2012)
- Openness and accountability in local pay: supplementary guidance (2013)

The council has taken this guidance into account.

For the purpose of preparing this pay policy statement, the council's most senior officers have been defined as its chief officers and deputy chief officers, in line with the guidance published by government.

The council's chief officer posts are as follows:

- Chief Executive
- Strategic Director of Children and Adult Services
- Strategic Director of Environment, Neighbourhoods and Growth
- Strategic Director of Finance
- Strategic Director of Housing
- Strategic Director of Integrated Care and Health
- Assistant Chief Executive – Governance and Assurance
- Assistant Chief Executive – Strategy and Communities
- Director of Children and Families
- Director of Public Health

Deputy chief officer posts are those posts that report into a chief officer. They are a mixture of director, assistant director, and head of service posts. Officers who provide support services are excluded from the definition of a deputy chief officer.

It is a requirement of the Localism Act 2011 that this pay policy statement is:

- approved by Council Assembly every year
- published on the council's website

The council may update its pay policy statement throughout the year, but any amendments must be approved by Council Assembly.

This pay policy statement does not apply to council employees working in local authority maintained schools.

Part 2. Appointment and pay of senior officers

Appointment of chief officers

Council Assembly is responsible for approving the appointment of the chief executive.

The Appointments Committee, which consists of seven councillors, is responsible for:

- recommending the appointment of the chief executive to Council Assembly
- making appointments to all other chief officer posts, including the council's monitoring officer and chief finance officer

Chief officers, including the chief executive, may only be appointed where no well-founded and material objection has been made by any member of the cabinet.

Appointment of deputy chief officers

The relevant chief officer is responsible for making appointments to all deputy chief officer posts in their department.

Deputy chief officers may only be appointed where no well-founded and material objection has been made by any member of the cabinet.

Pay of chief officers and deputy chief officers

All of the council's chief officers and deputy chief officers are assigned to one of the following grades in the council's pay structure:

Grade 14		Grade 15		Grade 16		Grade 17	
Pt.	Salary	Pt.	Salary	Pt.	Salary	Pt.	Salary
2	£52,271	7	£65,736	12a	£81,915	17	£96,126
3	£58,041	8	£67,836	13a	£84,552	18	£99,282
4	£59,868	9	£69,990	14a	£87,309	19	£102,531
5	£61,752	10	£72,240	15	£90,138	20	£105,900
6	£63,717	11	£74,562	16	£93,099	21	£109,398
7	£65,736	12	£76,965	17	£96,126	22	£113,019
8	£67,836	13	£79,437	18	£99,282	23	£116,745
9	£69,990	14	£82,023	19	£102,531	24	£120,630

Grade 18		Grade 19		Grade 20		Grade 21	
Pt.	Salary	Pt.	Salary	Pt.	Salary	Pt.	Salary
22	£113,019	28	£137,499	31	£156,561	38	£197,502
23	£116,745	29	£142,116	32	£161,835	39	£203,850
24	£120,630	30	£148,848	33	£167,274	40	£210,408
25	£124,638	31	£156,561	34	£172,911	41	£217,188
26	£128,778	32	£161,835	35	£178,731	42	£224,178
27	£133,071	33	£167,274	36	£184,764		
28	£137,499			37	£191,022		
29	£142,116			38	£197,502		

The council uses the Korn Ferry Hay job evaluation method to determine the specific grade that applies to each chief officer and deputy chief officer post. This method is based on three key factors:

- the skill, knowledge and experience required to meet the demands of the job
- the complexity of thought required to analyse problems and draw conclusions
- the extent to which the job is responsible for the achievement of results, and the degree to which the postholder can directly or indirectly influence the conduct of the organisation

In accordance with the requirements of the Accounts and Audit (England) Regulations 2011 and the Accounts and Audit Regulations 2015, the council publishes information about the pay of senior officers as part of its annual accounts. This includes the name, job title and pay of employees who are paid £150,000 or more. This information can be found on the open data pages of the council's website.

Pay upon appointment

New chief officers and deputy chief officers are typically appointed at the bottom of the pay scale for their post. However, in some circumstances, it may be necessary to make an appointment further up the pay scale – for example, to match a candidate's existing salary or to secure a specific candidate with particular experience and competence.

The Appointments Committee is responsible for agreeing the starting salary of the chief executive. The starting salary for all other chief officers and deputy chief officers is determined by the relevant line manager in consultation with the council's Human Resources (HR) department. The line manager must ensure that pay upon appointment is consistent with the grades and salary ranges set out in this pay policy statement unless a market supplement applies to the post (see "additional payments and allowances" below).

Annual pay award

In common with all council employees, chief officers and deputy chief officers receive an annual pay award which is negotiated nationally. The pay award for the chief

executive is determined by the Joint National Committee for Chief Executives of Local Authorities. The pay award for all other chief officers and deputy chief officers is determined by the Joint National Committee for Chief Officers.

The salary ranges presented in this pay policy statement reflect the outcome of the national negotiations in 23/24, which resulted in a pay award of 3.50% for all chief officers and deputy chief officers. The pay award for 24/25 remains subject to negotiation and will be implemented once the relevant joint committees have reached an agreement.

Incremental progression

In common with all council employees, chief officers and deputy chief officers are able to move up the pay scale for their post, a process referred to as incremental progression.

Arrangements for making decisions about incremental progression are set out in the performance management policy maintained by the council's HR department. In summary, chief officers and deputy chief officers may be awarded one increment per annum – ie. move up one point on the pay scale for their post – if this is justified by their performance during the previous year.

Any employee who is not awarded an increment has the right to appeal this decision.

Additional payments and allowances

Chief officers and deputy chief officers are not eligible for overtime, standby allowances, shift allowances, or any other allowances for working irregular hours.

In common with all council employees, chief officers and deputy chief officers may be paid any of the following:

Payment type	Paid when:
Honoraria	An employee is: <ul style="list-style-type: none">temporarily covering some, but not all, of the duties of a higher graded postundertaking exceptionally onerous duties outside the normal expectations of their post
Acting up allowance	An employee is temporarily covering all of the duties of a higher graded post
Market supplement	There is evidence that the pay scale for a post is uncompetitive and this is adversely impacting on the council's ability to attract and retain employees

Arrangements for calculating and making decisions about these payments are set out in the relevant policies and procedures maintained by the council's HR department. Any such payments must be authorised in advance and made on the basis of a robust business case.

Bonuses

Bonuses are not paid to chief officers, deputy chief officers, or any other employee.

Pay protection

The council does not offer pay protection to chief officers, deputy chief officers or any other employee. If a chief officer or deputy chief officer is deployed to a lower graded post, they are assigned to a point on the pay scale for that post with immediate effect.

Taxation

The council aims to directly employ all chief officers and deputy chief officers. Where this is the case, officers are paid using the council's payroll system with tax and national insurance contributions deducted at source.

From time to time, it may be necessary or desirable to fill a chief officer or deputy chief officer post using an agency worker or consultant – for example, when a post has been established, or needs to be covered, for a fixed period of time. In these circumstances, the council is responsible for assessing whether “off-payroll working rules” apply. These rules are designed to ensure that agency workers or consultants are classified as “employed for tax purposes” if they are working like an employee.

In deciding whether “off-payroll working rules” apply, the council follows all guidance and advice published by HM Revenue and Customs.

Pension arrangements

In line with the requirements of the Pensions Act 2008, and in common with all council employees, chief officers and deputy chief officers are auto-enrolled into the Local Government Pension Scheme (LGPS) so long as they:

- are aged between 22 and the State Pension age
- have a contract for at least three months

The LGPS is a public service pension scheme and its rules are made with the approval of Parliament. Employees' contribution to the scheme varies on the basis of their salary; similarly, the council's contribution varies to ensure the benefits of the scheme are properly funded.

In common with all council employees, chief officers and deputy chief officers may pay Additional Voluntary Contributions (AVCs) to increase their pension benefits. Conversely, all employees may elect to join the 50/50 section of the LGPS, which offers half the normal benefits in return for half the normal contribution.

All employees, including chief officers and deputy chief officers, can choose to opt out of the LGPS if they wish.

Under the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, the council is required to maintain a policy

describing how it applies certain discretionary powers associated with its operation of the LGPS. The council's policy, "Statement of Employing Authority Discretions Policy", is published on the council's website. This policy is subject to periodic review.

Fees for election duties

In common with all council employees, chief officers and deputy chief officers may be engaged to undertake election duties of various types. The fees paid to council employees for this work will vary depending on:

- the nature of the work they undertake
- the type of election
- the scale of fees approved for the election

Fees are paid by the body responsible for the conduct of the election, which may be the UK Government, the Greater London Authority (GLA) or the council, depending on the type of election.

Leaving the council

The following arrangements are applicable to all employees, including chief officers and deputy chief officers.

Redundancy

The council is committed to working with employees and trade union representatives to avoid redundancies wherever possible. However, if an employee leaves the council as a result of being made redundant, it is the council's policy to make a redundancy payment calculated through reference to the employee's age and years of completed service. This payment can range from one week's pay up to a maximum of thirty weeks' pay.

Arrangements for consulting and deciding on redundancies are set out in the reorganisation, redeployment and redundancy policy maintained by the council's HR department.

Flexible retirement

Employees may apply for flexible retirement once they are aged 55 or over. Flexible retirement allows an individual to begin receiving their pension while remaining an employee by working reduced hours or moving to a lower graded post. All requests for flexible retirement are considered in line with the relevant policies and procedures maintained by the council's HR department.

Early retirement: ill health and efficiency

Employees may be considered for early retirement, either on the grounds of ill health or in the interests of efficiency. Applications for ill health retirement must be supported by an independent occupational health assessment. All requests for early retirement

are considered in line with the relevant policies and procedures maintained by the council's HR department.

Special severance payments

On occasion, it may be appropriate to make a special severance payment to an employee who is leaving the council. Reasons for making such a payment include settling potential or actual claims that may otherwise result in legal proceedings. The council operates under a best value duty and will only make a special severance payment when there is a clear, evidenced justification for doing so. Any such payments are considered and authorised in line with the relevant policies and procedures maintained by the council's HR department.

Re-employment

Any employee, including chief officers and deputy chief officers, who leaves the council as a result of redundancy, or in the interests of efficiency, or following receipt of a special severance payment, will not be permitted to work for the council in any capacity for at least one year, unless exceptional circumstances apply and approval is obtained from the council's monitoring officer and chief finance officer.

There is no such restriction on employees who are made redundant by another local authority. However, should the council employ an individual in receipt of a redundancy payment from another local authority, officers in the council's HR department will refer to the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 (as amended) to determine if the recovery of a redundancy payment should be made.

Part 3. Relationship between senior officers' pay and pay of other employees

Lowest-paid employees

For the purpose of preparing this pay policy statement, the council's lowest-paid employees have been defined as employees on the lowest pay point used by the council, which is grade 1, point 2. Employees on this pay point who work full-time receive an annual salary of £27,206.

A small number of employees are paid less than this amount because they transferred into the council on the terms and conditions of their previous employer, and this included a rate of pay below the lowest point on the council's pay scale. In these circumstances, it is the council's policy to offer the opportunity for employees to transfer on to the council's terms and conditions. However, there is no requirement for employees to agree they will do so.

London Living Wage

The council is an accredited Living Wage Employer and committed to ensuring all its employees are paid at least the London Living Wage. Currently, the lowest pay point on the council's pay scale exceeds the London Living Wage.

Employees on the terms and conditions of their previous employer are always paid at least the London Living Wage, irrespective of the pay they received before they transferred into the council.

A new London Living Wage is announced every year, usually in October or November. Accredited employers are expected to implement the new rate by 1 May the following year. It is the council's policy to implement each new rate with immediate effect.

Average pay of council employees

For the purpose of preparing this pay policy statement, the average pay of council employees has been defined as the median salary. This is determined by arranging every employee's salary from the lowest to the highest and selecting the salary in the middle. The council's average, or median, salary is £40,389.

Pay ratios

The council publishes two pay ratios every year:

- the ratio between the pay of the chief executive and the council's lowest-paid employees
- the ratio between the pay of the chief executive and the average pay of council employees

This information is set out in the following tables:

	2022/23	2023/24
Chief executive's pay	£216,597	£224,178
Lowest-paid employees' pay	£24,771	£27,206
Ratio	8.7	8.2

	2022/23	2023/24
Chief executive's pay	£216,597	£224,178
Average pay of council employees	£39,653	£40,389
Ratio	5.8	5.6

Part 4. Other information

In addition to this pay policy statement, the council publishes the following related information on the open data pages of its website:

- the council's senior management structure
- the council's pay scale
- the number of employees who are trade union representatives, and an estimate of the time and cost associated with trade union activities