

DECISION-MAKER:	COUNCIL
SUBJECT:	Pay Policy 2024 - 2025
DATE OF DECISION:	20 March 2024
REPORT OF:	Chief Executive

<u>CONTACT DETAILS</u>		
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STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

The Council is required under the Localism Act 2011 to prepare and publish a Pay Policy Statement annually. This report explains the parameters of the Pay Policy Statement and the statement for 2024-2025 is provided at Appendix 1.

In addition, proposed changes to the Severance & Pensions Payments: Discretionary Powers Policy are outlined, including redundancy payment levels, that will be considered by Governance Committee and reflected in the Pay Policy once agreed.

RECOMMENDATIONS:

	(i)	To approve the Pay Policy statement for 2024 -2025.
	(ii)	Delegate authority to the Executive Director Corporate Services to amend the Pay Policy once the proposed revisions to the Severance & Pensions Payments: Discretionary Powers Policy are agreed by the Governance Committee.

REASONS FOR REPORT RECOMMENDATIONS

- Under the Localism Act 2011 only full Council is authorised to approve the Pay Policy Statement annually.

DETAIL

- Scope**
This Pay Policy Statement sets out Southampton City Council's pay policies relating to its workforce for the financial year 2024-2025, including the remuneration of its Chief Officers, lowest paid staff and the relationship between its Chief Officers and the staff who are not Chief Officers.

The proposals reflect proposed national agreements and affect all employees of the council with the exception of: teachers and support staff in Voluntary Aided (VA)/Trust schools; Modern Apprentices (separate pay framework); Non council staff who work for the council (NHS, including Public Health staff who transferred

	<p>under COSOP (Transfer of Undertakings (TUPE) equivalent) and have retained NHS pay.</p> <p>The Act requires councils to include the following in their Pay Policy Statement:</p> <ul style="list-style-type: none"> the level and elements of remuneration for Chief Officers; the remuneration of its lowest-paid employees the definition of “lowest-paid employees” and reasons for adopting that definition); policy on the relationship between the remuneration of Chief Officers and other officers; policy on other specific aspects of Chief Officers’ remuneration; remuneration on recruitment, increases and additions to remuneration; use of performance-related pay and bonuses, termination payments, and transparency. <p>Remuneration includes charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.</p> <p>The Pay Policy Statement can be amended in-year but must be:</p> <ul style="list-style-type: none"> approved formally by Council; approved by the end of March each year; published on the authority’s website (and in any other way the authority chooses); complied with when the authority sets terms and conditions for Chief Officers.
3.	<p>Transparency</p> <p>As part of the council’s commitment to being open and transparent and ensuring it is delivering value for money, gender pay gap information is published on the website.</p> <p>The current gender pay gap shows that women’s hourly rate is:</p> <ul style="list-style-type: none"> 1.4% lower (mean) 5.2% lower (median) <p>The Council’s mean and median gender pay gap is significantly lower than the UK national average, which is estimated at 14.9% based on data from the Office of National Statistics (ONS).</p> <p>Whilst the council does have a much lower gender pay gap than the national average, we recognise that a small gender pay gap does still exist due to the nature of our workforce profile and the job roles that men and women are employed to do.</p> <p>Whilst we have higher female representation than men in all our pay quartiles, we have a larger proportion of women in our lower pay quartiles, which explains our mean and median gender pay gap. Most of the roles in our lower pay quartiles are part time, that tend to be held by women. 87% of our part time workers are female, which is higher than estimates that 74% of part time workers in the UK are women.</p>

	<p>The Council has significant female representation in our upper pay quartiles; 57% and 59% in highest two pay quartiles demonstrating that we have a good gender balance amongst our most senior roles.</p>
4.	<p>Severance and Pensions Payments: Discretionary Powers Policy In light of the council's financial situation, it is proposed that the Council adopts statutory redundancy payment levels for Compulsory Redundancy (CR) and Voluntary Redundancy (VR). The latter is currently 1.25 x CR. These are decisions for the Governance Committee as employment policies fall within its terms of reference.</p> <p>Council redundancy rates match statutory redundancy pay rates in terms of being based on the same employee's age and length of employment, and length of service being capped at 20 years. The key difference is that statutory weekly pay is capped at £643, with the maximum amount of statutory redundancy pay being £19,290.</p> <p>This would result in the Council being in step with some other Local Authorities, it is considered to be a more appropriate use of public money, and ensures we meet our statutory responsibility to employees going forward. It will reduce the cost of needed transformation and will not have a detriment to the lowest graded employees.</p> <p>Other changes to the discretions policy are also recommended in order to reduce potential costs in future:</p> <p>As we will no longer be paying above the statutory maximum, remove allowing employees to use any redundancy payment in excess of the statutory amount to be used to buy additional pension.</p> <p>Not have the discretion to grant extra annual pension of up to £7,579 (figure at 1 April 2023) to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency. We haven't used this discretion, and it would cost us more money to do so.</p> <p>These proposed changes will be considered by Governance Committee in April 2024 It is recommended that delegated authority is given to the Executive Director Corporate Services to amend the Pay Policy once agreed.</p>
5.	<p>Equal Pay In order to ensure that Council employees are paid fairly, an Equal Pay Audit will be undertaken in 2024/2025 and any required actions will be taken as a result.</p>
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
6.	N/A
DETAIL (Including consultation carried out)	
7.	N/A
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
8.	The implementation of the Pay Policy is in accordance with the council's Revenue Budgets approved for 2024/25.

<u>Property/Other</u>	
9.	N/A
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
10.	Local Government Act 1972 and Localism Act 2011
<u>Other Legal Implications:</u>	
11.	Equalities Act 2010, in particular s.149 (The 'Public Sector Equality Duty')
RISK MANAGEMENT IMPLICATIONS	
12.	None
POLICY FRAMEWORK IMPLICATIONS	
13.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Pay Policy Statement
2.	Chief Officer Pay scales
3.	Main pay scales Grades 2 -13
4.	Allowances Framework
5.	Equality and Safety Impact Assessment

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None