

SOUTH STAFFORDSHIRE COUNCIL**COUNCIL – 5 SEPTEMBER 2023****REPORT OF THE PERSONAL DEVELOPMENT REVIEW & APPOINTMENTS PANEL****SENIOR PAY REVIEW****PART A – SUMMARY REPORT****1. SUMMARY OF PROPOSALS**

- 1.1 On 14 September 2021, Council approved a two-yearly review of senior manager pay.
- 1.2 This report sets out the recommendations of the Personal Development Review and Appointments Panel who met on 28 July 2023 to consider an external independent report to inform the 2023 senior pay review.

2. SUMMARY IMPACT ASSESSMENT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	Flexible and skilled Council.
	Has an Equality Impact Assessment (EqIA) been completed?	
	No	Covered within established policy.
SCRUTINY POWERS	N/A	
KEY DECISION	No	
TARGET DATE	Yes	5 September 2023
FINANCIAL IMPACT	Yes	This is set out in para 4.1.
LEGAL ISSUES	Yes	¹ JNC pay decisions are reserved to Personal Development Review & Appointments Panel (PDR&AP). If the decision relates to Corporate Leadership Team (CLT) the decision is reserved to Council based on the recommendation of the PDR&AP.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Maintaining market pay for posts is essential in mitigating recruitment, retention, and service delivery risks.
IMPACT ON SPECIFIC WARDS	No	

PART B – ADDITIONAL INFORMATION

¹ JNC posts - The Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities is the national negotiating body for the pay and conditions of service of Chief Executives and Chief Officers in England and Wales.

3. BACKGROUND

- 3.1 Periodic reviews for posts on JNC conditions are recommended to ensure salary levels are in line with market rates. JNC posts include the post of Chief Executive, Corporate Director, Director, and Assistant Director posts.
- 3.2 The last pay review took place during 2020/21. A report was considered by Personal Development Review and Appointments Panel on 29 May 2021 and approved by Council on 14 September 2021 where a salary increase was approved for the post of Chief Executive. No salary increase was recommended for the Corporate Director, Director ², or Assistant Director posts.

Scope

- 3.3 This year's pay review applies to all JNC posts except the Chief Executive at his request.
- 3.4 Quotations were sought from suitable providers and Westwood Harris Burns was appointed to undertake the pay review and provide an independent report and set of recommendations to the Council's Personal Development Review and Appointments Panel. The brief provided to Westwood Harris Burns is below.

Brief and Methodology

- 3.5 It is important to emphasise that every Council is different in relation to management structures and service delivery complexity. However, the scope proposed that District and Borough Councils in the Staffordshire area was appropriate as a benchmark group because market conditions were directly comparable. Where possible the review has taken account of the following points.
- Eliminate (where known) any factors that could skew the results e.g., allowances and election fees. These have been excluded from the data set where identified.
 - Remove the risk of inconsistency in the data by considering the date of reporting salary information and whether pay awards are included/excluded in the data.
 - Observe South Staffordshire Council's Pay Policy Statement which is to pitch our senior salaries in the middle of the market pay data set.
- 3.6 Westwood Harris Burns collected data from published Statements of Accounts 2021/22 which were the latest version available at the point of data collection. Pay Policy Statements are published at various times throughout the year, and therefore these have only been used as a secondary source to sense check data.

² A shared service allowance was approved for the former Director of Legal and Governance.

- 3.7 As explained in the methodology the pay review has discounted any allowances from the data that has informed the salary comparisons. However, for clarification South Staffordshire Council has a separate car allowance scheme³ for post-holders which is applied to specified posts including JNC. The car allowance is nationally agreed and part of the post-holders' terms and conditions of employment. The Council also pays one professional membership fee for postholders where appropriate.
- 3.8 The full report from Westwood Harris Burns, appendix A is attached to this report.

Findings

- 3.9 Corporate Directors are currently on a spot salary of £89,647. This includes the 2023/24 pay award to Chief Officers, 3.5%, which was nationally agreed on 5 May 2023. The pay analysis supported an increase to the salary of Corporate Director posts and confirmed that the middle of the salary data set was around £99,000 (including the recent pay awards). The report proposed this is a top of scale figure and recommended a salary range.
- 3.10 It is recommended that Corporate Directors will be paid on a spot point of £97,012 but the Chief Executive will have the discretion to award an additional two points (£98,012, £99,012). This will apply if a Corporate Director undertakes additional responsibilities. (The payment will be an honorarium if the duties are temporary but if the duties are a permanent change to the job description the payment will take the form of an accelerated increment/s). Other circumstances where this discretion may be exercised will be to meet the demands of the recruitment market.
- 3.11 There are no direct comparable structures in the same data set for the Director of Finance post however both the independent report from Westwood Harris Burns and the Council's recruitment partner Penna concurs that circa £90,000 is appropriate for the role and current market pay conditions based on their experience of the market.
- 3.12 The salary range for the Assistant Directors is £68,252 to £70,411. This includes the 2023/24 pay award to Chief Officers, 3.5% which was nationally agreed on 5 May 2023. The pay analysis concluded that £70,411, the top of the Assistant Director pay scale is lower than the average pay for this tier of posts across Staffordshire District and Borough Councils and recommended a top of scale figure of £72,226. The report also recommended that the salary scale is adjusted to accommodate this.
- 3.13 Personal Development Review and Appointments Panel have therefore determined that with effect from 14 September 2023 the salary range for Assistant Directors will be a 5-point scale e.g., 1. £64,966, 2. £66,781, 3. £68,596, 4. £70,411, 5. £72,226.

³ https://www.sstaffs.gov.uk/sites/default/files/2023-03/njc_car_allowance_0.pdf

- 3.14 Existing Assistant Directors will assimilate to point 5 as they are already at the top of their scale. However, this broader salary range provides a better career grade which will help the Council with succession planning. Again, the Chief Executive will determine the placement on the above pay scale for new post-holders.
- 3.15 The report from Westwood Harris Burns confirms recent pay policies indicate an uplift in senior salaries driven by structural changes and the challenging operating environment. The post of Chief Executive was also outside of the scope of this review. In view of this, the author of the pay review report recommended consideration be given to the timing of the next review. The next review will take place in two years' time. However, if there are significant changes in the CEO salary market Personal Development Review and Appointments Panel will be advised and provided with the option of considering an earlier report.
- 3.16 It should be noted that other aspects of the Council's pay structure are being reviewed to assess market rates for other posts in known hard to recruit areas including where we are already paying a market supplement. It is important that we continue to have strong workforce plans to future proof ourselves against the risk of losing key staff in a challenging recruitment market.

4. FINANCIAL IMPLICATIONS

- 4.1 The proposed increase to the Corporate Directors salary will be approximately £28,095. The increase to the Assistant Directors salary will be approximately £12,705. The total amount is £55,080⁴. All financial implications arising from this report can be met within the MTFS budgetary provision agreed by Members in February 2023.

5. CONSULTATION

- 5.1 NA.

6. POLICY CONSIDERATIONS

- 6.1 Pay decisions for JNC posts are reserved to Personal Development Review and Appointments Panel. If the decision relates to Corporate Leadership Team, the decision is reserved to Council based on the recommendation of the Panel.
- 6.2 Subject to Council's agreement the Council's Monitoring Officer will make any necessary staffing changes to the constitution arising from this report and the

⁴ Based on top of the grade and including oncosts.

Assistant Director Organisation and People Development will make any necessary amendments to the Council's Pay Policy Statement.

- 6.3 It should be noted the proposals are not contrary to the existing Pay Policy but if the recommendations are approved Section 14 of the Pay Policy Statement – Senior Pay, will need to be updated to reflect the new salary bands for the Corporate Director and Assistant Director posts. Once approved the Pay Policy Statement will also be published on the Councils website.

7. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 7.1 N/A.

8. BACKGROUND PAPERS

- 8.1 N/A

9. APPENDICES

- 9.1 Appendix A – Pay Review Report from Westwood Harris Burns.

10. RECOMMENDATIONS

- 10.1 That Council is asked to note the independent senior pay review findings and approve a new pay scale of £97,012 - £99,012 for Corporate Director pay, noting the progression criteria set out in para 3.10, with effect from 14 September 2023.
- 10.2 Provide authorisation to the Council's Monitoring Officer to make any necessary staffing changes to the Constitution arising from this report.
- 10.3 Provide authorisation to the Assistant Director Organisation & People Development to make any necessary amendments to the Council's Pay Policy Statement arising from this report.

Report prepared by: Councillor Roger Lees, Leader, and Chairman of the Personal Development Review & Appointments Panel.