

# North Somerset Council

## REPORT TO THE EMPLOYMENT COMMITTEE

<b>DATE OF MEETING:</b>	<b>11 JUNE 2019</b>
<b>SUBJECT OF REPORT:</b>	<b>CHIEF OFFICER PAY</b>
<b>TOWN OR PARISH:</b>	<b>ALL</b>
<b>OFFICER PRESENTING:</b>	<b>CHIEF EXECUTIVE</b>
<b>KEY DECISION:</b>	<b>NO</b>

## RECOMMENDATION

That the Employment Committee adopt the proposal to amalgamate JM9 and JM10 as set out in this report. These grades are related to the current Deputy Chief Officer roles.

### 1. SUMMARY OF REPORT

The Employment Committee requested a review of the pay and grading of all roles across the council to help ensure the council remains attractive to job applicants and pay levels are competitive in the jobs market.

Korn Ferry (HAY) undertook the review and identified that all roles in the council are currently being paid at a level which is competitive in the jobs market with the exception of those pay levels for Deputy Chief Officer roles (those officers currently paid at Grade JM9 and JM10). These were found to be below the market level of pay for similar sized jobs in other local authorities and confirmed that this is a significant factor in recruitment and retention. It is therefore recommended that this issue be addressed through the measure outlined in the report.

### 2. POLICY

The Council's Pay Policy is the responsibility of Council and is reviewed annually.

### 3. DETAILS

During the past year it has become increasingly apparent that the pay scale attached to some Chief Officer roles has had a major impact on recruitment and retention at that level across the organisation.

Over the last year key members of the senior leadership team have left our employment citing the level of pay as the key factor in their decision.

The Pay Policy, which is agreed each year by Full Council, currently states:-  
*It is the council's current practice that salaries for its senior officers are set 10% below the median for comparable roles. Recent comparison shows that senior officer salaries in North Somerset Council are significantly less than other similar local authorities, including similar authorities in the South West.*

All council roles are sized using the HAY job evaluation methodology.

Two roles have recently been re-evaluated under the HAY job evaluation scheme (Director of Public Health and Director of Finance) and have been placed into higher job grades.

As well as re-evaluating some individual roles, Korn Ferry (HAY) have undertaken a benchmarking exercise of all the council's pay grades to help ensure pay levels across the council are competitive in the jobs market. Pay data and analysis was also provided by the Local Government Association. Both sets of data separately identified that the pay attached to Deputy Chief Officer roles (those officers currently paid at Grade JM9 and JM10) was significantly below the market value and that this would continue to have a considerable impact on retention and recruitment unless addressed.

### **3.1 Proposed Way Forward**

A number of options have been explored and considered to address the recruitment and retention issue.

Job evaluation would not resolve the issue of pay alone and it is not thought that job sizing is a major issue within the current structure. However a job evaluation of roles would need to be undertaken should there be any future changes in job roles at the senior level to ensure fairness and consistency. In this situation job evaluation scores could remain the same or increase/decrease, however the proposal is focussed on resolving the recruitment and retention issue the council has been faced with rather than a restructure of job roles/scope.

Members are asked to consider the following proposal to address the immediate issue:

**To merge grades JM9 and JM10 into a Single 'Deputy Chief Officer' Grade and widen the HAY points band for the combined grade to accommodate existing job evaluation scores**

Currently there are two grades

JM9	£74,670 - £81,185
JM10	£82,967 - £88,895

These would be merged into a single grade at a new salary of £74,670 - £88,895.

#### **4. CONSULTATION**

The Chief Executive will oversee the implementation and will undertake discussions/consultation with individuals as necessary.

#### **5. FINANCIAL IMPLICATIONS**

The cost of implementing this proposal could be up to a maximum of £46,210. Chief Officers are subject to performance related incremental progression, this is determined each year at the appraisal review and increments are awarded accordingly. Therefore, the cost of implementation is variable. The cost can be contained within the budget for the 2019/20 pay award.

#### **6. RISK MANAGEMENT**

Any change to pay grades will need to consider equal pay factors and the risk of challenge, whilst securing levels of pay which are attractive in the jobs market and help to avoid further turnover at the most senior levels. The proposal in this report ensures this.

#### **7. EQUALITY IMPLICATIONS**

The HAY job evaluation scheme is designed to address equalities and ensure there are no equal pay issues in its application.

#### **8. CORPORATE IMPLICATIONS**

The proposals in this report reflects the need to fill senior posts and retain senior officer leadership resource to support the council priorities and to support more stable senior officer leadership for the future.

#### **9. OPTIONS CONSIDERED**

Considering the pay benchmarking outcomes and recent turnover, doing nothing will further impact on the senior officer leadership of the organisation and our ability to successfully recruit to these critical roles.

#### **AUTHOR**

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#### **BACKGROUND PAPERS**

Employment Committee Reports May 2018 and September 2018