



Regularising the Senior Officer Pay System

Context: Reasons for Review

Organisational Context

- We have significantly fewer senior managers than in 2016.
- The demands on our managers are significant and have grown as we have reduced numbers
- These demands have increased through the pandemic and will continue into the foreseeable future.
- Dissatisfaction and morale issues amongst affected employees.
- Potential equalities issues.

History

- Previous performance pay scheme formally ended in 2015 with a 'buy out'.
- Revised scheme for senior officer pay introduced in 2016. The intention with this scheme was to allow for progression. This has not occurred. and in practice, all employees stay on the pay point they are appointed on. There is no progression.

Purpose of Review

To regularise the pay framework for senior managers with the rest of the workforce, allowing for structured progression and to ensure it is fair and equitable.

Pay Structure

S+R Committee at a previous meeting regularised the annual cost of living award process, linking the annual inflation based increase to the national negotiations. The Chief Executive, in line with the Pay Policy Statement, has now regularised the pay structure and progression by retaining the current pay bands and overall policy for Senior Officer remuneration whilst allowing for progression:

- Introduced 6 equally spaced spinal points within each pay band.
- Formalised progression arrangements through annual review process.
- Progression will not be automatic and increments will be withheld where performance is judged not to meet the required standard. New appointments will be on the bottom of scale unless objectively justified.
- Employees must be in post for 12 months to be considered for an increment
- No progression or additional payments for those on top of band.
- Only one increment may be awarded each year.
- This scheme is non-contractual.

Annual Review

- Line Manager agrees objectives and CPD at the start of the year. Includes any corporate objectives that postholder needs to deliver.
- Guidance will be provided by HR on the type of objectives that should be set and measured to ensure an equitable and fair decision.
- End of year review in March. Increments applied in April.
- Where performance means an increment is proposed to be withheld, this will be moderated by the Chief Executive in conjunction with the Director. HR will facilitate the process.
- Continue to use My Conversation approach for one to ones throughout the year to avoid 'end of year' surprises and retain a council wide approach.
 - For clarity, the increment judgement is a yes/no decision. The performance rating process is separate.

Implementation

- Implement new arrangements on 1 March 2021 and hold first pay review in March 2022, with increments then awarded in April 2022.
- Year 1 will require some movement to align employees with new spine points. Employees will be placed on the SCP next up from their current actual basic pay. This will give all a pay rise of varying amounts on 1 March 2021.
- The scheme has been equality impact assessed and there is a neutral impact on the current management population.

Costs

- There are 87 employees currently on senior manager contracts affected by this process. The total pay bill is c.£7.5m (£10.4m with on-costs)
- The initial implementation year of 2021/22 will cost £117k plus on costs (1.55% of the total pay bill)
- This is lower than the average increment awarded to the remainder of the workforce, where the gaps between increments in the nationally agreed pay structure are c.1.8%.
- The average gap between increments in the senior management pay structure is 3%.
- The overall increase in pay for the population will be lower than this as some employees reach the top of the band in the implementation year.
- For equality purposes, it is important that there are no more than 6 increments. In order to maintain the current pay structure and achieve this, the gap between increments can be no lower.

Payscale – no change to min and max

Level	Category	Step	Point 1	Point 2	Point 3	Point 4	Point 5	Point 6
A	Chief Executive	HC2	£185,600	£190,500	£195,400	£200,300	£205,200	£210,100
B	Directors / Asst. Directors	HB3	£146,400	£151,200	£155,900	£160,700	£165,400	£170,200
		HB2	£119,200	£123,100	£127,000	£130,900	£134,800	£138,700
		HB1	£102,300	£105,600	£109,000	£112,300	£115,700	£119,000
C	Heads of Service / Senior Prof. III	HC3	£86,700	£89,700	£92,700	£95,800	£98,800	£101,800
		HC2	£74,000	£76,500	£79,000	£81,600	£84,100	£86,600
		HC1	£63,900	£65,900	£67,900	£69,900	£71,900	£73,900

Examples

Position	New Salary	Pay increase
Example 1 - AD currently close to the bottom of the grade	£105,600.00	£3,261.00
Example 2 - AD currently close to the top of the grade	£119,000.00	£15.50
Example 3 - AD currently in the middle of the grade	£112,300.00	£1,638.25
Example 4 - AD currently in the middle of the grade	£112,300.00	£798.95
Example 5 - HoS currently close to the top of the grade	£101,800.00	£663.30
Example 6 - HoS currently close to the bottom of the grade	£76,500.00	£2,417.29
Example 7 - HoS currently in the middle of the grade	£67,900.00	£717.78