

COMMITTEE: COUNCIL REF NO: C/18/07
DATE: 19 September 2018
SUBJECT: Changes to Chief Executive Officer and
Chief Operating Officer pay
HR PANEL CHAIR: COUNCILLOR MARTIN COOK
HEAD OF SERVICE: SHIRLEY JARLETT

Short description of report content and the decision requested:

This report outlines the recommendations of the HR Panel to change the Chief Executive Officer and Chief Operating Officer pay grades.

List of Appendices included in this report:

Appendix A Pay Scales

Appendix B Benchmarking Information

This report has been prepared by

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This report was prepared after consultation with:

The following policies form a context to this report:

IBC Recruitment and Pay Policies

IBC's 2017 Corporate Plan "Building a Better Ipswich"

(all relevant policies must also be referred to in the body of the report)

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(papers relied on to write the report but which are not published and do not contain exempt information)

None

OTHER HELPFUL PAPERS

(papers which the report author considers might be helpful – this might include published material)

None

1. Introduction and Background

- 1.1 On 24th January 2018 Council created a cross-party task and finish HR Panel to carry out the first pay and grading review since the implementation of Single Status in 2014.
 - 1.2 Part of the Panel's remit was to consider any changes that should be made to the Chief Executive and Chief Operating Officer pay and grading. The HR Panel was not authorised to determine pay and grading for these two officers but was able to make recommendations to Council if it chose to.
 - 1.3 Matters affecting other grades within the Council (grades 1-4 and grades 11-13) were completed and implemented via collective agreement with Unison and Unite on 26th April 2018. A key part of this agreement was that officers would work with the Unions to review pay and grading for current grades 5 to 10. This work is ongoing.
 - 1.4 On 15/02/2018, the Panel met and received independent external advice on pay for similar roles before considering any proposals it may wish to recommend to Council. At appendix 1 are details of the pay of the similar roles in the East Anglian region. The Panel also considered how the new pay and grading arrangements for other posts affected the Chief Executive and Chief Operating Officer posts and the potential retention risks of not increasing pay for these two posts. The Chief Executive and the Chief Operating Officer were not present when matters were considered and the recommendations made by the Panel.
- Chief Operating Officer**
- 1.5 The Chief Operating Officer pay is currently at the top of Grade 14 at £83,042.28. The Chief Operating Officer line manages five Heads of Service who are now on new Grade SM2 with a salary range of £72,420 to £76,500. The Panel concluded that this was an insufficient pay differential for the difference in duties and responsibilities. The Panel also considered benchmarking information, which highlighted that few councils of similar size and complexity had only one officer between the Chief Executive and Heads of Service or their equivalent, demonstrating the leanness of the Ipswich Borough Council structure but also the breadth of responsibility held by just one officer. The Panel acknowledged that if the present post holder left the Council would find it difficult to attract quality candidates at the current salary.
 - 1.6 The HR Panel unanimously recommends that the Chief Operating Officer should be moved onto a new pay grade to be known as SM3 with a salary range made up of three pay points - £92,820, £95,880 to £98,940.

Chief Executive

- 1.7 The Chief Executive's pay is currently at the top of Grade 15 at £99,999 which has been held at this level since 2015.
- 1.8 The Panel considered the differential between the Chief Executive's pay and that proposed for the Chief Operating Officer and deemed it insufficient. It also considered comparator information for the pay level of the Chief Executive Officer and the current pay for this post is significantly lower than comparator organisations. Since the Panel undertook this review, St Edmundsbury and Forest Heath Councils have decided to change their Chief Executive's salary when the new West Suffolk Council is formed on 1st April 2019. This role will be remunerated at between £130,000 and £142,500. The Panel acknowledged that if the current post holder were to leave, IBC would find it difficult to attract quality candidates on the current level of pay.
- 1.9 The HR Panel unanimously recommends that the Chief Executive is moved onto a new pay grade to be known as SM 4 with a salary range made up of three pay points -£117,300, £120,360 and £123,420.

Date of implementation

- 1.10 It is proposed that the recommended changes to the Chief Executive and Chief Operating Officer's remuneration are backdated to 26th April 2018 – the date on which changes to other grades resulting from the review came into effect.

2. Relevant Policies

- 2.1 IBC's Recruitment and Pay Policies
- 2.2 Ipswich Borough Council's 2017 Corporate Plan 'Building a Better Ipswich'.

3. Options Considered / Under Consideration

Option 1

- 3.1 Do not propose changes to pay and grading of Chief Executive Officer and Chief Operating Officer

Option 2

- 3.2 Propose changes to pay and grading of Chief Executive Officer and Chief Operating Officer as outlined in Appendix A

Option 2 is preferred to mitigate retention issues and to ensure that the pay of the Chief Executive Officer and the Chief Operating Officer are comparable to other authorities.

4. Consultations

- 4.1 The Chief Executive Officer and the Chief Operation Officer are aware of and have acknowledged the proposals.

5. Risk Management

Risk Description	Consequence of risk	Risk Controls	Probability of risk occurring taking account of controls (scale 1-6) 6 – very likely 1 – almost impossible	Impact of risk, if it occurred taking account of actions (scale 4 – catastrophic; 1 – negligible)	Actions to mitigate risk
Failure to change the pay Council's pay and grading structure for the Chief Executive Officer and Chief Operating Officer.	Failure to retain the skills and experience of the Chief Executive Officer and Chief Operating Officer.		6	3	Agree changes to pay and grading arrangements

6. Environmental Impact Assessment

- 6.1 There is no direct environmental impact arising from this report.

7. Equalities and Diversity Implications

- 7.1 An equalities screening has been completed for the HR Panel's recommendations to all grades within its remit and no negative impact was identified.

8. Financial Considerations

- 8.1 The funding will come from Transitional Vacancies in 18/19, and will be funded in the 19/20 MTFP as part of the annual re-forecast.

9. Legal Considerations

- 9.1 Decisions relating to Chief Officer pay are Council functions and are published in accordance with the transparency provisions relating to local authorities.

10. Performance Monitoring

- 10.1 It is intended that any changes to the pay and grading arrangements within the Council arising from this report will be implemented with effect from 26 April 2018 and will be included in October 2018 pay

11. Conclusions

- 11.1 There is a need to review the pay and grading of the Chief Executive and Chief Operating Officer in light of other changes to the Council's pay and grading, comparative information and retention risks.

12. Recommendations

- 12.1 Council is recommended to:
- i. Approve a new grade of SM3 for the Chief Operating Officer with three pay points of £92,820, £95,880 to £98,940 back dated to 26th April 2018
 - ii. Approve a new grade of SM4 for the Chief Executive with three pay points of £117,300, £120,360 and £123,420, back dated to 26th April 2018.