

Somerset Council

Human Resources Committee

– 9 January 2024

Chief Officer Pay Award – 2023/2024

Executive Member: Cllr Theo Butt Philip, Lead Member for Transformation and Human Resources.

Lead Workforce Officer: Dawn Bettridge – Interim Service Director Workforce

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<i>Please complete sign off boxes below prior to submission to Democratic Services</i>			
	Seen by:	Name	Date
Report Sign off	Legal	Jill Byron	22.12.23
	Corporate Finance	Jason Vaughan	29.12.23
	Workforce	Dawn Bettridge	13.12.23
	Executive Member	Theo Butt Philip	28.12.23
	Monitoring Officer	David Clark	21.12.23
Summary:	<ul style="list-style-type: none">• The report sets out the Chief Officer pay structure which is inclusive of the 2023/24 pay award, agreed at Full Council in May 2023.• The report sets out the changes to Green Book pay following the national agreement on the 2023/24 pay award, agreed on 1 November 2023.• The report seeks a decision on the Chief Executive salary for the same period now that the Green Book and Chief Executive pay award has been agreed nationally.		
Recommendations:	<p>The members of the HR Committee are asked to:</p> <ol style="list-style-type: none">1. Note the nationally agreed Green Book pay award for 2023/24 as outlined in paragraph 1.2 below and the updated Somerset salary rates for grades 17 to 4 at Appendix 1.2. Note that the new pay structure for Chief Officers (Executive Directors and Service Directors) included the 2023/24 pay award as agreed at Full Council in May 2023.3. Agree that 3.5% is awarded to the Chief Executive for the financial year 2023/24, as outlined in paragraph 2.3 below.		

Reasons for Recommendations:	Determination of any salary/cost of living progression for Chief Officers and the Chief Executive is undertaken by the HR Committee. Following the national agreed percentage increase for the Chief Executive is intended to ensure fairness and equity in pay awards for the 2023/24 financial year, within the forecast budget.
Links to Priorities and Impact on Service Plans:	Appropriate pay provisions for all staff including our leadership team are fundamental to the delivery of the Council's objectives and services as set out in the County Plan.
Financial, Legal and HR Implications:	The forecast budget for annual cost of living increase for all staff was set at 5% for 2023/24.
Equalities Implications:	The Council's duty under Section 149 of the Equality Act 2010 is to have "due regard" to the matters set out in relation to equalities when considering and making decisions. Following consultation with Somerset Council's Equalities in Employment Officer, it is considered there are no direct equality impacts associated with the pay award.
Risk Assessment:	Failure to pay competitive salaries for the Leadership team may result in retention and recruitment issues and leadership instability across services.
Scrutiny comments / recommendation (if any):	N/A

1. Background

- 1.1 On 1 November 2023, the National Joint Council (NJC) for local government services reached agreement on a one year pay award for 2023/24, applicable to Green Book staff. This pay award will be backdated to 1 April 2023 and will cover the period until 31 March 2024.
- 1.2 The pay award confirms an increase of £1,925 (pro-rata for part time employees) for Spinal Column Points (SCP) 2 – 43, which reflects a different percentage increase, depending on basic salary. Staff on NJC Green Book conditions who are paid above SCP 43 will receive a 3.88 % pay increase.
- 1.3 For the lowest paid workers on SCP 2, on a new salary of £22,366 this will equate to a 9.42% increase from the previous year. The maximum Green Book NJC national pay spine is SCP 43, on a new salary of £51,515, this will equate to a 3.88% increase.

- 1.4 The Council has a legacy local agreement to vary some pay and conditions for Somerset Grade 8 and above. This introduced one pay point per grade from Grade 8 (SCP 38) up to Grade 4 (SCP 52). The Council's salaries therefore deviate from the NJC pay spine from SCP 39 and go beyond the maximum point.

However, the national agreement address this by confirming, all locally determined pay points above the maximum of the pay spine but graded below deputy chief officer, should be increased by 3.88 per cent, in accordance with Green Book Part 2 Para 5.4 (The Green Book Part 2 Para 5.4 provides that posts paid above the maximum of the pay spine but graded below deputy chief officer are within scope of the NJC. The pay levels for such posts are determined locally, but once fixed are increased in line with agreements reached by the NJC).
- 1.5 The Somerset Council salary rates by spinal column points for Green Book staff are outlined at Appendix 1, showing Grades 17 to 4, with the 2023 pay award applied.
- 1.6 Employers are encouraged to implement the pay award and any backpay as swiftly as possible after agreement is reached. The Green Book pay award was implemented in the November 2023 payroll for Grades 17 to 4.
- 1.7 The Council is currently opted out of national pay agreements by the Joint Negotiating Committee (JNC) for Chief Officers and Chief Executives of Local Authorities. Under the Councils constitution (Part D3), the HR Committee acts as the Council's Remuneration Committee for Chief Officers pay which includes all Service Directors, Executive Directors, and the Chief Executive.
- 1.8 In recent years the pay awards for Chief Officers and the Chief Executive in the legacy Somerset County Council have mirrored the Green Book pay award for staff.
- 1.9 Although the Council is currently opted out of national pay agreements for its top three tiers, the national agreement can be an option for consideration by this Committee. The legacy District Councils followed the national approach for Chief Executives and had varying approached for Chief Officer pay award either following the Chief Executive, Chief Officer or Green Book nationally agreed pay awards. At Somerset County Council the HR Committee have considered the nationally agreed increases in the past. This year the national agreement for Officers in scope of the JNC for Chief Executive and Chief Officers of local authorities was confirmed as an increase of 3.5% to be backdated with effect from 1 April 2023.

- 1.10 The salaries for Somerset Council's Chief Executive (Tier 1) and Chief Officers (Tier 2 - Executive Director and Tier 3- Service Director) are recommended by Appointment Committees for endorsement at the next available Full Council, in line with the Council constitution. These salaries have been based on job evaluation outcomes and market factors including salary benchmarking and comparisons with other similar local authorities, recruitment adverts and advice from the recruitment partner for these roles.
- 1.11 The salary structure for Somerset Council Tier 2 Executive Director and Tier 3 Service Director roles were outlined in Full Council reports in February and May 2023. Executive Director roles have been set based on job evaluation outcomes and market factors within the range £129,000 to £150,000. Service Director roles have been set at three levels, to reflect job evaluation outcomes and market factors, these are as follows:
SD1: £115,000 - £118,000
SD2: £110,000 - £115,000,
SD3: £100,000 - £105,000.
New Service Director roles were appointed to on a spot salary basis in 2023 and have been confirmed as inclusive of the 2023/24 pay award, so no further consideration is required by this Committee.
- 1.12 The Chief Executive for Somerset Council took up his appointment in October 2022. The salary was agreed on appointment in the summer of that year pending a decision on the pay award. A report of the HR Committee went to Full Council in November 2022 which confirmed the decision that no pay increase would be awarded to the recently appointed Chief Executive for 2022/23. This HR Committee is now being asked to consider the options outlined below at paragraph 2.2 whether the Chief Executive salary should be increased for the 2023/24 financial year.
- 1.13 Any change to the Chief Executive pay requires Full Council approval following HR Committee recommendation. The next Full Council is scheduled for 20 February 2024 so any agreed pay award for the Chief Executive would be actioned in the March payroll at the latest (and backdated to 1.4.2023) and the Councils Pay Policy would be amended to reflect the change.
- 1.14 A separate report will be presented to the Committee in due course outlining options for the approach to the 2024/25 pay award.

2. Options considered and recommendation

- 2.1 No alternatives are available in relation to the application of the pay award for Green Book staff (staff in Grades 17 – 4 in both schools and SCC) as this is nationally agreed.
- 2.2 The 2023/24 pay award for Chief Officers was included as part of the appointment decisions and the new pay structure for Executive Directors and Service Directors agreed at Full Council in May 2023.
- 2.3 There are three options for consideration for the Chief Executive salary review covering the period 1 April 2023 to 31 March 2024, as outlined below:

2.3.1 Option 1

In recent years the Chief Executive at the legacy Somerset County Council received the same percentage pay increase as Green Book staff. On this basis a pay award of 3.88 % for the Chief Executive would be consistent with previous decisions of this Committee at Somerset County Council.

2.3.2 Option 2

Although Somerset Council is currently opted out of national pay negotiations for Chief Executives of Local Authorities as a legacy from the continuing authority, it is open to the Council to follow the 2023/24 pay agreement for those within scope of the JNC. The legacy District Councils all followed national pay for their Chief Executives. National agreement was reached on 1 November 2023 on the pay award applicable from 1 April 2023 to be increased by 3.5%. It is recommended that the Committee considers this option for adoption which is intended to ensure fairness and equity in pay awards for the 2023/24 financial year and to ensure our pay remains competitive with other Councils. This is not intended to set a precedent for the future.

2.3.3 Option 3

Another option is to freeze the Chief Executive salary for a second year at the level he was appointed on in October 2022 with no pay increase for 2023 for the period up to 31 March 2024.

3. Consultation

- 3.1 Updates on the Green Book NJC national pay negotiations have been discussed with the recognised Trade Unions at the Joint Negotiation Forum in Somerset. Union members were consulted throughout 2023 as to their views on the pay offer and the recognised Unions conducted a national ballot of their members.

3.2 This report has been circulated to the recognised trade union representatives of the Joint Negotiation Forum for information and comment at the meeting on 13 December 2023, with requests for final responses by end of the day on 4 January 2024. Any comments received will be shared verbally at this Committee in January.

4. Implications

4.1 The 2023/24 budget provision for pay award increases to salary was set at 5% which would equate to £9,750 for the Chief Executive. The financial impact of the three options for the Chief Executive pay award all fall within budget forecasts. The cost of the proposed Chief Executive pay award at 3.5% is £6,825

5. Background papers

5.1 Appendix 1: Updated Somerset Council salary rates by spinal column points for Green Book staff with 2023/24 pay award applied (Excel spreadsheet attached separately)

5.2 Full Council report of the Chief Executive – 24 May 2023 Agenda item 9 (available separately on request) - confirmation of salary structure for Executive Directors (Tier 2) and Service Director (Tier 3) roles.

Appendix 1

Somerset Council Pay Scale April 2023						
SCP	Grade		Salary 01/04/23	Hourly 01/04/23	Rate	SCCSpot Points
1	17		N/A	N/A		
2	17	16	22,366	11.59		
3	15		22,737	11.79		
4	15	14	23,114	11.98		

5		14	23,500	12.18	
6	13	14	23,893	12.38	
7	13		24,294	12.59	
8	13		24,702	12.80	
9	13		25,119	13.02	
10	13		25,545	13.24	
11	13		25,979	13.47	
12		12	26,421	13.69	
13		12	26,873	13.93	
14		12	27,334	14.17	
15		12	27,803	14.41	
16		12	28,282	14.66	
17		12	28,770	14.91	
18		12	29,269	15.17	
19		12	29,777	15.43	
20	11		30,296	15.70	
21	11		30,825	15.98	
22	11		31,364	16.26	
23	11		32,076	16.63	
24	11		33,024	17.12	
25	11		33,945	17.59	
26		10	34,834	18.06	
27		10	35,745	18.53	
28		10	36,648	19.00	
29		10	37,336	19.35	
30		10	38,223	19.81	
31	9	10	39,186	20.31	
32	9		40,221	20.85	
33	9		41,418	21.47	

34	9		42,403	21.98	
35	9	8	43,421	22.51	
36		8	44,428	23.03	
37		8	45,441	23.55	
38		8	46,464	24.08	SCC Spot Point
39	7	8	47,536	24.64	
40	7		48,613	25.20	
41	7		49,744	25.78	
42	7		51,106	26.49	
43	7		52,069	26.99	SCC Spot Point
44	7		53,339	27.65	
45		6	54,618	28.31	
46		6	55,942	29.00	
47		6	57,279	29.69	
48		6	58,669	30.41	
49		6	60,087	31.14	
50		6	61,533	31.89	SCC Spot Point
51		5	76,261	39.53	SCC Spot Point
52		4	86,078	44.62	SCC Spot Point