

SENIOR PAY RESTRUCTURE REPORT

1. INTRODUCTION

- 1.1 This report recommends a change to the existing pay structure for senior managers, this will provide greater flexibility and will utilise additional pay points.
- 1.2 The objective being to provide fit-for-purpose pay bands that will help the council to recruit and retain senior managers. The changes are also expected to help reduce the overall average pay of Senior Officers throughout the Council.
- 1.3 The Council currently has performance based increments for Service Managers (Band 11 in the new proposal), and to ensure we continue to improve performance and recognise exceptional performance within the council, it is proposed to introduce these in Bands 9 and above.
- 1.4 This issue is one identified within Employee Side Liaison Panel work programme, it is proposed that other pay issues within the work programme are also progressed in due course.

2. BACKGROUND

- 2.1 The current NFDC pay structure is inadequate towards the top of the pay spine, with 8 scale points not allocated to a pay band between the existing band 9 and band 10. This creates issues where market forces and conditions deem posts worthy of more than £50,652 (top of band 9 @ £48,377 + Lease Car Payment £2,275), but less than £64,540 (top of band 10).
- 2.2 The Senior Management structure has evolved over time since the original review that introduced Executive Heads and Service Managers in 2016. Service Manager numbers have increased to 19, with the eventual pay point for these 19 posts being a salary of £64,540 per annum.
- 2.3 When introduced in 2016 Service Managers were placed into a generic Job Description and therefore all graded at the same band.
- 2.3 The Lease Car scheme was removed in 2012. Since then, posts in Band 9 have retained an additional 'cash alternative', valued at £2,275 PA as part of their Pay package.

3. CURRENT SITUATION

- 3.1 The overall current pay scale is included as appendix 1 with the summary section being dealt with in this report included at table 1.
- 3.2 As can be clearly see from our current pay scale there is a considerable gap as indicated in red where we have spinal column points that are not within a pay grade.

Current Pay Spine Bands 9 – 10A with Employee Numbers (Table 1)

Leave Days	Salary (April 2020)	SCP	Band 9	Band 10	Band 10A	Employee Numbers	
27	£73,992	68				0	
27	£71,942	67				0	
27	£69,981	66			£69,981	0	
27	£68,088	65			£68,088	0	
27	£66,275	64			£66,275	0	
27	£64,540	63		£64,540		7	
27	£62,878	62		£62,878		9	
27	£61,238	61		£61,238		1	
27	£59,939	60		£59,939		2	
27	£58,729	59		£58,729		0	
27	£57,522	58		£57,522		0	
27	£56,323	57	NOT ALLOCATED WITHIN A PAY BAND				0
27	£55,341	56					0
27	£54,338	55					0
27	£53,344	54					0
27	£52,358	53					2
27	£51,351	52					2
27	£50,361	51					1
27	£49,184	50		1			
27	£48,377	49	£48,377	+ £2,275 = £50,652		11	
27	£47,395	48	£47,395	+ £2,275 = £49,670		2	
27	£46,408	47	£46,408	+ £2,275 = £48,683		5	
27	£45,397	46	£45,397	+ £2,275 = £47,672		5	
27	£44,375	45	£44,375	+ £2,275 = £46,650		1	
27	£43,317	44	£43,317	+ £2,275 = £45,592		1	
						50	

3.3 This reduces our flexibility in recruitment as although we can use market supplements for a band 9 post (which is why there are 6 employees in spine points 50 – 53), it prevents us from using spine points 54-57.

4. PROPOSED CHANGES

The Implementation of a new band and extension of performance pay

- 4.1 To introduce a new pay band between the current band 9 and band 10. The pay band will consist of 4 appointment and progression points, (subject to good performance), with 2 points reserved at the top of the band for exceptional performance. There will be no automatic right for any progression through the band. This will be called Band 10.
- 4.2 The current band 10 (Service Manager) will become band 11. For new appointments, 4 points will exist for appointment and progression (subject

to good performance), with a further 2 points reserved at the top of the band for exceptional performance. There will be no automatic progression through this band and it is not anticipated that all Service Managers will meet the criteria for exceptional performance.

- 4.3 Existing Service Managers that were appointed on the terms that subject to good performance they would be able to progress through to the top of the band will be protected in this regard.
- 4.4 The current band 10A will become band 12. This band is not currently used, so no further changes are proposed at this time.
- 4.4 For new appointments, band 9 will contain 4 points for appointment and progression (subject to good performance), with a further 2 points reserved at the top of the band for exceptional performance.
- 4.5 Existing Band 9 staff will be given the same protection as Service Managers in that that if they were appointed on the terms that subject to good performance they would be able to progress through to the top of the band 9 they will be protected in this regard.

The Removal of the Lease Car Cash Alternative Payment and Revised Placement of Band 9

- 4.6 At the same time as the changes mentioned above it is proposed to implement changes to the current 'cash alternative' payment currently received by some staff on Band 9. This equates to £2,275 per annum.
- 4.7 The 'Cash Alternative' payment will be stopped from 1/4/21, with band 9 shifted up 2 scale points within the pay spine to compensate.
- 4.8 Spinal column points 46 – 50 will be adjusted so the new basic salary matches the current remuneration position (as shown by the grey text within table 1).
- 4.9 The revised pay spine covering the impacted bands as a result of the changes outlined above is shown in Table 2 (with proposed changes highlighted orange) with the complete revised pay spine at appendix 2.

Proposed Pay Spine Bands 9 – 12 (Table 2)

Leave Days	Salary (April 2020)	SCP	Band 9	Band 10	Band 11	Band 12
27	£73,992	68				
27	£71,942	67				
27	£69,981	66				£69,981
27	£68,088	65				£68,088
27	£66,275	64				£66,275
27	£64,540	63			£64,540	
27	£62,878	62			£62,878	
27	£61,238	61			£61,238	
27	£59,939	60			£59,939	
27	£58,729	59			£58,729	
27	£57,522	58			£57,522	
27	£56,323	57		£56,323		
27	£55,341	56		£55,341		
27	£54,338	55		£54,338		
27	£53,344	54		£53,344		
27	£52,358	53		£52,358		
27	£51,351	52		£51,351		
27	£50,652	51	£50,652			
27	£49,670	50	£49,670			
27	£48,683	49	£48,683			
27	£47,672	48	£47,672			
27	£46,650	47	£46,650			
27	£45,592	46	£45,592			
27	£44,375	45	remove			
27	£43,317	44	remove			

5.0 Job Evaluation and Pay Protection

- 5.1 In order to facilitate the proposal we would need to reassess the job evaluation system and the range for each Band.
- 5.2 Existing Service Manager roles (currently on a shared generic JD) would be retained on the current band (albeit from band 10 to band 11 due to the re-numbering as covered above) on the current progression terms and conditions. At the point a Service Manager role becomes vacant, or where organisational change takes effect, a specific JD would be written and scored against the new pay ranges.
- 5.3 New Service Managers (band 11) will progress into SCP's 62 and 63 only if their performance is considered exceptional. Where their standard of performance is considered to be good they will progress through the band to spine point 61.
- 5.4 New band 9 employees will progress into 50 and 51 only if their performance is considered exceptional. Where their standard of performance is considered good

they will progress through the band up to spine point 49 as indicated on the table above.

- 5.5 The 6 employee who are currently paid within the market supplement on band 9 will also have their lease car payment removed, but will receive an equivalent amount in their salary to compensate.

6.0 Future use of Market Supplements

- 6.1 It is recognised that, even with market related pay scales, there will be difficulties in attracting certain skills into employment during times of particular shortage. The Council's Pay and Reward strategy therefore provides, under delegated authority, for market supplements to be paid in exceptional circumstances. The current policy is based on reflecting a market supplement in an appointment scale point above the band (applicable up to and including band 9).
- 6.2 Going forward the market supplement will be based on a maximum of 10% (available in 2.5% increases) above the highest recruitment point available in the band and will be available up to and including the new band 10. The resultant market supplement salary will be fixed (i.e. not subject to annual pay award) until such a time that the top scale point within the band overtakes the market adjusted salary.

	Highest Recruitment Point	Max 10% Market Supplement	Maximum Fixed Remuneration
Band 9	£48,683	£4,868	£53,551
Band 10	£54,338	£5,434	£59,772

- 6.3 The 6 employees who are currently paid market supplements above band 9 will have their supplements protected where a contractual obligation exists.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no immediate financial implications as there are no plans to move any existing employees into the new proposed band.
- 7.2 Other changes such as the removal of the Cash Alternative will have a neutral cost.
- 7.3 It is envisaged that over time with natural turnover in current Service Manager roles that there will be future savings as roles are re-evaluated.
- 7.4 The impact in the medium to longer term will be to reduce the overall average pay of Senior Officers across the Council.

8. CRIME & DISORDER IMPLICATIONS

- 8.1 None

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 None

10. EQUALITY & DIVERSITY IMPLICATIONS

10.1 The main change is to implement a new pay band. There are no current staff on the proposed band.

10.2 Changes to the cash alternative payment relate to those on band 9, noting of course there is no overall impact to the level of total remuneration for these employees.

. The number of employees currently in Band 9 is 31. This can be broken down by gender as follows:

- 22 males 71%
- 9 females 29%

10.3 Other changes proposed such as the new exceptional performance points will only relate to new staff and not existing employees.

11. EMPLOYEE SIDE COMMENTS

11.1 UNISON is Britain's biggest trade union, representing 1.3 million workers across both the public and private sector. As a union we have a long-standing recognition agreement with New Forest District Council (NFDC) and represent a significant proportion of the council's workforce, including some in senior grades.

11.2 We would therefore like to make the following comments with regards to the Senior Pay Restructure Report:

- Item 1.3 outlines that the council currently uses performance based increments or Service Managers, but it does not explain the mechanism or process that is used to assess this performance. Further detail on this would therefore be appreciated.
- UNISON has submitted its detailed comments on our opposition to performance based pay as part of a separate document on Performance Review.
- The document makes it clear that a significant driver behind the proposal is the need to amend the pay structure so as to avoid the need to use market supplements in the future. However, item 6 suggests that even under a revised pay spine, the council still intends to use market supplements for certain posts. This seems rather contradictory.
- On examining the council's current pay spine it appears that there are even greater inconsistencies that need addressing beyond those raised by this report. For example, staff on Band 6 have 6 incremental points, whereas those on Band 7 only have 5. UNISON would therefore be keen to see how this situation could be addressed going forward.

12. RECOMMENDATION

12.1 That the HR Cttee supports and recommends to Council the implementation of the proposed changes to the senior management pay structure, the lease car scheme, job evaluation and Market Supplements as covered in the report from 1 April 2021.

For Further Information:

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New Forest District Council - 1st April 2020

Leave Days	April 2020	Hourly Rate Apr 2020	SCP	BAND 1	BAND 2	BAND 3	BAND 4	BAND 5	BAND 6	BAND 7	BAND 8	BAND 9	BAND 10	BAND 10A	BAND 11	Chief Exec (CX)
27	£121,371	£62.91	CX3													121,371
27	£117,731	£61.02	CX2													117,731
27	£114,198	£59.19	CX1													114,198
27	£108,040	£56.00	81													
27	£104,897	£54.37	80													
27	£101,841	£52.79	79													
27	£98,875	£51.25	78													
27	£95,997	£49.76	77													
27	£93,186	£48.30	76													
27	£90,485	£46.90	75													
27	£87,897	£45.56	74												87,897	
27	£85,396	£44.26	73												85,396	
27	£82,960	£43.00	72												82,960	
27	£80,594	£41.77	71												80,594	
27	£78,316	£40.59	70												78,316	
27	£76,115	£39.45	69													
27	£73,992	£38.35	68													
27	£71,942	£37.29	67													
27	£69,981	£36.27	66												69,981	
27	£68,088	£35.29	65												68,088	
27	£66,275	£34.35	64												66,275	
27	£64,540	£33.45	63										64,540			
27	£62,878	£32.59	62										62,878			
27	£61,238	£31.74	61										61,238			
27	£59,939	£31.07	60										59,939			
27	£58,729	£30.44	59										58,729			
27	£57,522	£29.81	58										57,522			
27	£56,323	£29.19	57													
27	£55,341	£28.68	56													
27	£54,338	£28.16	55													
27	£53,344	£27.65	54													
27	£52,358	£27.14	53													
27	£51,351	£26.62	52													
27	£50,361	£26.10	51													
27	£49,184	£25.49	50													
27	£48,377	£25.07	49									48,377				
27	£47,395	£24.57	48									47,395				
27	£46,408	£24.05	47									46,408				
27	£45,397	£23.53	46									45,397				
27	£44,375	£23.00	45	Politically Restricted Above Point 43											44,375	
27	£43,317	£22.45	44												43,317	
27	£41,939	£21.74	43													
26	£41,356	£21.44	42									41,356				
26	£40,320	£20.90	41									40,320				
26	£39,316	£20.38	40									39,316				
26	£38,290	£19.85	39									38,290				
26	£37,300	£19.33	38									37,300				
26	£36,123	£18.72	37								36,123					
26	£35,080	£18.18	36								35,080					
26	£34,099	£17.67	35								34,099					
26	£33,207	£17.21	34								33,207					
26	£32,536	£16.86	33							32,536	32,536					
26	£31,622	£16.39	32							31,622						
26	£30,705	£15.92	31							30,705						
25	£29,825	£15.46	30							29,825						
25	£28,895	£14.98	29							28,895						
25	£27,950	£14.49	28							27,950						
24	£26,876	£13.93	27							26,876						
24	£26,271	£13.62	26							26,271						
24	£25,436	£13.18	25							25,436						
23	£24,624	£12.76	24							24,624						
23	£23,872	£12.37	23							23,872						
23	£23,214	£12.03	22							23,214						
23	£22,206	£11.51	21							22,206						
22	£21,556	£11.17	20							21,556						
22	£21,023	£10.90	19							21,023						
22	£20,314	£10.53	18							20,314						
22	£19,719	£10.22	17							19,719						
22	£19,141	£9.92	16							19,141						
22	£18,582	£9.63	15							18,582						
22	£18,037	£9.35	14							18,037						
22	£17,842	£9.25	13							17,842						
Employee Notice Period				1 Month					Two Months				Three Months			

New Forest District Council - 1st April 2021

Leave Days	April 2020	Hourly Rate Apr 2020	SCP	BAND 1	BAND 2	BAND 3	BAND 4	BAND 5	BAND 6	BAND 7	BAND 8	BAND 9	BAND 10	BAND 10-11	BAND 11-12	BAND 10A-13	Chief Exec (CK)
27	£121,371	£62.91	CX3														121,371
27	£117,731	£61.02	CX2														117,731
27	£114,198	£59.19	CX1														114,198
27	£108,040	£56.00	81														
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27	£93,186	£48.30	76														
27	£90,485	£46.90	75														
27	£87,897	£45.56	74													87,897	
27	£85,396	£44.26	73													85,396	
27	£82,960	£43.00	72													82,960	
27	£80,594	£41.77	71													80,594	
27	£78,316	£40.59	70													78,316	
27	£76,115	£39.45	69														
27	£73,992	£38.35	68														
27	£71,942	£37.29	67														
27	£69,981	£36.27	66												69,981		
27	£68,088	£35.29	65												68,088		
27	£66,275	£34.35	64												66,275		
27	£64,540	£33.45	63										64,540				
27	£62,878	£32.59	62										62,878				
27	£61,238	£31.74	61										61,238				
27	£59,939	£31.07	60										59,939				
27	£58,729	£30.44	59										58,729				
27	£57,522	£29.81	58										57,522				
27	£56,323	£29.19	57										56,323				
27	£55,341	£28.68	56										55,341				
27	£54,338	£28.16	55										54,338				
27	£53,344	£27.65	54										53,344				
27	£52,358	£27.14	53										52,358				
27	£51,351	£26.62	52										51,351				
27	£50,652	£26.25	51									50,652					
27	£49,670	£25.75	50									49,670					
27	£48,683	£25.23	49									48,683					
27	£47,672	£24.71	48									47,672					
27	£46,650	£24.18	47									46,650					
27	£45,592	£23.63	46									45,592					
27	£44,375	£23.00	45	Politically Restricted Above Point 43													
27	£43,317	£22.45	44														
27	£41,939	£21.74	43														
26	£41,356	£21.44	42									41,356					
26	£40,320	£20.90	41									40,320					
26	£39,316	£20.38	40									39,316					
26	£38,290	£19.85	39									38,290					
26	£37,300	£19.33	38									37,300					
26	£36,123	£18.72	37								36,123						
26	£35,080	£18.18	36								35,080						
26	£34,099	£17.67	35								34,099						
26	£33,207	£17.21	34								33,207						
26	£32,536	£16.86	33							32,536	32,536						
26	£31,622	£16.39	32							31,622							
26	£30,705	£15.92	31							30,705							
25	£29,825	£15.46	30							29,825							
25	£28,895	£14.98	29							28,895							
25	£27,950	£14.49	28							27,950							
24	£26,876	£13.93	27							26,876							
24	£26,271	£13.62	26							26,271							
24	£25,436	£13.18	25							25,436							
23	£24,624	£12.76	24							24,624							
23	£23,872	£12.37	23							23,872							
23	£23,214	£12.03	22							23,214							
23	£22,206	£11.51	21							22,206							
22	£21,556	£11.17	20							21,556							
22	£21,023	£10.90	19							21,023							
22	£20,314	£10.53	18							20,314							
22	£19,719	£10.22	17							19,719							
22	£19,141	£9.92	16							19,141							
22	£18,582	£9.63	15							18,582							
22	£18,037	£9.35	14							18,037							
22	£17,842	£9.25	13	17,842													
Employee Notice Period				1 Month						Two Months				Three Months			