

<b>EMPLOYMENT COMMITTEE</b>	<b>AGENDA ITEM No. 5</b>
<b>10 NOVEMBER 2016</b>	<b>PUBLIC REPORT</b>

Contact Officer(s):	Kim Sawyer: Director of Governance	Tel. 452361
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## SENIOR MANAGEMENT PAY STRUCTURE

R E C O M M E N D A T I O N S	
<b>FROM : Director of Governance</b>	<b>Deadline date : N/A</b>
<ol style="list-style-type: none"> <li>1. That Employment Committee approve the senior management pay structures (Appendix 1);</li> <li>2. That progression be linked to performance as detailed in this report; and</li> <li>3. That in-grade progression be determined by the employees' line manager subject to the performance criteria being met.</li> </ol>	

### 1. ORIGIN OF REPORT

- 1.1 This report arises following an agreement reached in 2014 whereby spinal column points were established for senior managers. However, they did not contain provision for incremental progression.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to propose that the City Council incorporate a five point incremental scale for Senior Managers on Hay grades.
- 2.2 This report is for the Committee to consider under its terms of reference No 2.3.1.1 to determine terms and conditions of employment.

### 3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	<b>N/A</b>
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### 4. BACKGROUND

- 4.1 In 2014 Peterborough City Council undertook a review of senior manager pay. As a result of this, 7 Hay grades were established with each grade having a minimum, a median and a maximum.
- 4.2 Since this time exiting staff or new staff have been assimilated or appointed onto these pay scales. Currently there are 30 employees on Hay scales with a further 5 employees remaining on the older senior manager pay scales. The latter group would not be affected by these proposals.
- 4.3 The current pay arrangement has certain limitations as follows:
- There is no formal mechanism for movement within grades (for example for high performance)
  - There is a lack of clarity on what salaries staff may be appointed on. In particular Employment Committee, when appointing staff have expressed concerns over what salary can be used.

- In some cases, market supplements have been used as an alternative to in grade progression which is not always satisfactory

## **5. PROPOSAL**

### **Incremental Progression**

- 5.1 It is proposed to supplement the existing 3 point pay range with further points thus allowing for incremental progression. The proposed pay scales are appended to this report.
- 5.2 The existing minimum, median and maximum points are retained but a further 2 increments have also been added to each grade. These represent approximately a 5% step by step increase from the minimum until the grade maximum is reached. There are no changes to the minimum, median and maximum points and therefore should not be viewed as a pay increase for senior managers
- 5.3 For administrative ease, all pay points have been rounded to the nearest pound.
- 5.4 It is proposed that incremental progression within these grades is solely linked to performance. Work is in hand to develop a progression related appraisal scheme for all staff. A separate senior manager scheme will also be developed to come into effect on 1st April 2017.
- 5.5 In the meantime, it is proposed that progression is linked to PDR outcomes for Hay graded staff and, in order to progress through the grade, a PDR score of at least 4 must be achieved. In exceptional circumstances (evidenced by a PDR score of 5) it may be possible to progress by more than one incremental point at the manager's discretion.

### **Governance**

- 5.6 Previously the Employment Committee have had delegated authority with regards to setting salaries for senior staff on appointment or regrading. The terms of reference, which are under review are unclear on the position with regards to in grade progression. It is therefore, proposed that as performance management and PDRs are undertaken by officers, incremental progression (by being a key part of the PDR process) is also an officer function. The exception being the Chief Executive who has a separate contractual appraisal scheme.

### **Assimilation**

- 5.7 A number of employees paid on Hay Grades are currently on salaries that do not correspond to any of the proposed increments. It is therefore proposed not to amend pay as it stands. However as employees are appraised and (assuming that they achieve PDR 4 or above) then they will progress to the next appropriate increment. Each case will be dealt with on its merits.

## **6. CONSULTATION**

- 6.1 Trades Unions have been consulted on the proposals at Joint Consultation Forum on 21st October 2016.

## **7 REASONS FOR RECOMMENDATIONS**

- 7.1 The recommendations would not only provide a formal mechanism for movement within grades but would also provide clarity for Employment Committee on what salaries staff may be appointed on.
- 7.2 The Employment Committee, as the Committee responsible for determining Chief Officers and Deputy Chief Officers' pay, would be clear with regards to appointment salary.

## **8. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985).

- Report to Council 16 April 2014 Peterborough City Council Pay Policy and Senior Management Pay Report

## **9. APPENDICES**

Appendix 1 – Propose Senior Management Pay Structure

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