

TITLE OF REPORT: Senior Officer Pay Framework**REPORT OF: Mike Barker Strategic Director Corporate Services and Governance****Purpose of the Report**

1. The purpose of the report is to:
 - a) Share with Cabinet the challenges experienced when attempting to recruit to new Head of Function Roles across Integrated Adult Social Care (ASC) and Childrens Social Care & Lifelong Learning (CSC & LLL).
 - b) To request Cabinet to recommend Council approval for a revised Senior Officer pay framework which will enable a better, more sustainable and positive approach to recruitment and retention to roles at this Senior level.

Background

2. In August 2023 agreement was reached to amend the previous Senior Officer Pay Framework, changing from three Service Director level grades and removing the overlap in salaries between Grade A and Grade B to a revised framework which changed Grade A from Service Director to Head of Function (HoF) and removed the overlap in pay, between the Head of Function grade and Service Director Grade B.
3. Following an unsuccessful recruitment attempt to five HoF roles a proposal has been prepared to amend the Senior Officer Pay Framework further.

Proposal

4. It is proposed that in order to achieve an improved salary scale for the HoF role that the salary scale points be amended as follows (proposed senior officer pay framework can be seen Fig 1. Below):
 - a) The starting salary for HoF roles would move to £71,829 (currently the top of salary band for the HoF role)
 - b) There would be four scale points across all Senior Officer grades.
 - c) The top of the HoF grade would be increased to £81,365 (currently this is the 4th scale point of Grade B in the current Senior Officer Pay Framework)
 - d) The Service Director grade B starting salary would be £85,450 (this is currently the bottom salary scale point for a Grade C Senior Officer).
 - e) The top of the salary band for a Grade B Senior Officer would increase to £91,728.
 - f) The Service Director grade C starting salary would increase to £93,821 and the top of the salary band would remain unchanged at £108,731.
 - g) The Strategic Director grade starting salary would be £115,309 and the top of the salary band will remain as £130,953. Only four scale points would remain

- within this grade. There are fewer scale points; however, it still provides for incremental progression.
- h) The gaps between grades are broadened to make the transition between roles more attractive.
 - i) The proposed framework continues to provide for incremental progression.
 - j) Salary overlaps are removed.

Fig 1. Proposed Senior Officer Pay Framework

Grade	Scale Point	Salary	NI	Pension	Total
		£	£	£	£
HoF	1	71,829	8,657	13,676	94,162
	2	73,790	8,927	14,050	96,767
	3	77,481	9,437	14,752	101,670
	4	81,365	9,973	15,492	106,830
Senior Officer B	1	85,450	10,536	16,270	112,256
	2	87,542	10,825	16,668	115,035
	3	89,740	11,128	17,086	117,954
	4	91,728	11,403	17,465	120,596
Senior Officer C	1	93,821	11,691	17,864	123,376
	2	98,791	12,377	18,810	129,978
	3	103,761	13,063	19,756	136,580
	4	108,731	13,749	20,702	143,182
Strategic Director	1	115,309	14,657	21,955	151,921
	2	118,804	15,139	22,620	156,563
	3	124,817	15,969	23,765	164,551
	4	130,954	16,816	24,934	172,704

Rationale for change

- a) The current starting salary for a HoF role is at the level that the only HoF role we were able to recruit to would start at, i.e., £71,829, which is currently the maximum of the HoF Salary grade, indicating that the external candidate market is looking for salaries of at least this amount.
- b) A broader and more attractive salary framework is available for HoF roles.
- c) The Council retains the two Service Director level grades.
- d) It improves our ability to attract, recruit and retain.
- e) It supports talent management and succession planning.
- f) It removes overlaps in salary across all grades.
- g) This option supports the potential increase to the grade levels of the NJC Green Book pay framework beyond grade N to include possibly grades O, P and Q also etc. Therefore, having a HoF salary starting at a higher pay point increases the opportunity for the Council to expand its Green Book Pay Framework beyond Grade N, now and in the future.
- h) The National living wage continues to increase which will result in Local Authority Green Book Pay Frameworks increasing accordingly. This will result in all grades increasing overtime. A higher HoF starting salary future proofs this growth and avoids an overlap of Green Book salaries with Senior Management ones.
- i) The recent NJC pay award request is seeking at an award of £3000 on each NJC green book grade or 10%, whichever is greater. This would increase the top of the NJC green book grade N role to £60,248 and therefore further narrowing the gap between this role and the Senior Officer pay framework as it currently stands,

therefore restricting the Council's ability to amend the NJC Framework further to the job evaluation review programme underway.

j) No employee within the framework is negatively impacted.

Trade Union engagement

5. The unions have been made aware of the proposed changes and while understand that there is an evidenced based rationale for the proposal, they remain concerned that this is additional funding in leadership roles.

Recommendations

6. Cabinet is asked to recommend Council to agree:

- a) The amended Senior Officer Pay Framework as set out in the report to address the recruitment difficulties experienced.
- b) The date for implementation of the changes be from 1 April 2024.
- c) The Senior Officers affected by the proposed changes be engaged, with immediate effect.
- d) The Pay Policy be amended to reflect the changes to the Senior Officer Framework
- e) All interested stakeholders including Trade Unions, Senior Officers, Payroll, HR, Finance etc. be updated on the changes to the pay framework.

For the following reasons:

To enable a better, more sustainable and positive approach to recruitment and retention to roles at this Senior level.

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APPENDIX 1

Policy Context

This section needs to be completed eg “The proposals support delivery of the Corporate Plan”.

Background

1. In August 2023 agreement was reached to amend the previous Senior Officer Pay Framework to the one outlined in **Appendix 2**. The changes made were made to:
 - Achieve a framework that had only two levels of Service Director i.e., Grade B and Grade C instead of three (see Fig 1. below); and
 - To remove the overlap in salaries between Grade A and Grade B to a revised framework (Fig. 1 below).
2. The revised framework resulted in:
 - The job title for the role, Senior Officer Grade A i.e., Service Director being changed to the job title of Head of Function; and
 - The overlap in salaries between Senior Officer Grade A and Grade B being removed.

Issues arising from the new Senior Officer Pay Framework

Attraction to the role of Head of Function role (HoF)

3. Further to the current HoF Grade being approved, work began immediately with the Service Groups Integrated Adults and Social Care (IASC) and Childrens Social Care & Lifelong Learning (CSC & LLL) to create, job evaluate and recruit to six new HoF roles.
4. Given the urgency to recruit to these roles and the specialist areas within which they are required, Adecco were engaged to support a search for the roles within IASC and Gatenby Sanderson were engaged to support a search for the roles within CSC & LLL.
5. The adverts for the roles in CSC & LLL and IASC closed in November 2023.
6. The adverts yielded a less than positive response for CSC and while there was a shortlist of candidates to be interviewed for the roles in ASC, the feedback was that many strong candidates did not apply as the salary was not attractive enough.
 - ASC took the decision to proceed to a selection process based on the shortlist they had for their roles but were only able to identify one credible candidate who would only accept the role if the salary matched the current HoF salary i.e. £71,829.
 - Details of the shortlist for interview for each of the recruitment searches across ASC and CSC & LLL are outlined in **Appendix 3**.

Recruitment and Retention Allowances

7. The Council's Pay Policy allows for a recruitment or retention allowance to be applied to roles where we are either struggling to attract/recruit to the role or where we are at risk of losing key staff i.e., retain them. In these circumstances the recruiting manager can outline a business case with supporting evidence to have a temporary allowance paid of up to a 15% uplift on base salary.
8. While this policy approach could be considered for the HoF roles which we have struggled to recruit to, and only after having met all of the terms of the associated policy, which requires at least one more attempt at recruitment, there are other risks to adopting this approach which are:
9. The current Senior Officer Pay Framework is new and to apply a recruitment supplement to roles within it is acknowledging, that the salaries for HoF are not correct.
10. An uplift of 15% to the top of the current HoF grade would make the salary £82,603 which is midpoint of Service Director Grade B. i.e., HoF roles being paid Service Director salaries for a role that has been job evaluated as lower in value.
11. Recruitment or retention premiums should only be paid on a temporary basis and are subject to annual review as they are at risk of equal pay claims and therefore could be removed at any point in the future if the market changes.
12. A removal of a recruitment and retention payment will likely result in those in receipt looking to source alternative roles elsewhere.

Consultation

13. The Leader and Deputy Leader and Trade Unions have been consulted. The additional costs will potentially be received negatively by the Trade Unions and workforce.

Alternative Options

14. Alternative options considered included:
 - a) Do nothing which was discounted given the evidence outlined in the report linked to recruitment already attempted and failed due to the salary.
 - b) Continue to try and recruit and the apply a recruitment and retention premium the current salary framework which was considered and discounted for the following reasons:
 - The current Senior Officer Pay Framework is new and to apply a recruitment supplement to roles within it is acknowledging, that the salaries for HoF are not correct.
 - An uplift of 15% to the top of the current HoF grade would make the salary £82,603 which is midpoint of Service Director Grade B. i.e., HoF roles being paid Service Director salaries for a role that has been job evaluated as lower in value.

- Recruitment or retention premiums should only be paid on a temporary basis and are subject to annual review as they are at risk of equal pay claims and therefore could be removed at any point in the future if the market changes.

Implications of Recommended Option

15. Resources:

a) **Financial Implications** – The Strategic Director, Resources and Digital confirms:

- There are three Service Director Grade B role holders whose salary will increase as a result of the proposed changes.
- There are two Service Director Grade C role holders whose salary will increase as a result of the proposed changes. This increment would have occurred in line with pay progression.
- All HoF roles have an increased bottom of the grade starting salary.
- The costs have been validated by Finance and based on the proposed changes the following additional costs would apply:
 - Grade B role impact = £31,758
 - Grade C role impact = £6,293
 - Strategic Director impact = £0 as no change to individual salaries is required.
 - HoF roles impact = £120,178

Costs Summarised

Change to Salaries		
	No of Posts Impacted	£
Heads of Function	14	120,178
Grade B Senior Officer	3	31,758
Grade C Senior Officer	2	6,293
Total		158,229

b) **Human Resources Implications** –

There are no negative HR implications.

The implications are associated with timely communication and engagement with affected Senior Officers for the following reasons:

- There are three Service Director Grade B role holders whose salary will increase as a result of the proposed changes.
 - There are two Service Director Grade C role holders whose salary will increase as a result of the proposed changes.
- Communication
- If the proposal is agreed, affected employees would need to be consulted with to explain the changes, albeit the changes proposed would only result in a positive outcome.

- If the proposal is agreed the Trade Unions are informed of the agreed and revised pay framework.
- If the proposal is agreed all other relevant and appropriate stakeholders i.e., HR, Payroll etc. are informed.

c) Property Implications - There are no property implications.

16. Risk Management Implication -

There are no risk management implications other than difficulties to fill essential roles should the proposed changes to the Senior Officer Pay Framework not be implemented.

17. Equality and Diversity Implications -

There are no equality and diversity implications as the framework is applied equally to men and women.

18. Crime and Disorder Implications – There are no crime and disorder implications.

19. Health Implications - There are no health implications.

20. Climate Emergency and Sustainability Implications - There are no climate emergency and sustainability implications.

21. Human Rights Implications - There are no human rights implications.

22. Ward Implications - There are no Ward implications.

Background Information

There is no further background information.

Current Senior Officer pay Framework

Grade	Point		Salary	NI	Pension	Total
					19.04%	
			£	£	£	£
Head of Function	1	11	65,158	7,736	12,406	85,300
	2	12	68,411	8,185	13,025	89,621
	3	13	71,829	8,657	13,676	94,162
Senior Officer B	1	21	73,790	8,927	14,050	96,767
	2	22	77,481	9,437	14,752	101,670
	3	23	81,365	9,973	15,492	106,830
	4	24	85,450	10,536	16,270	112,256
	5	25	89,740	11,128	17,086	117,954
Senior Officer C	1	31	89,330	11,072	17,008	117,410
	2	32	93,821	11,691	17,863	123,375
	3	33	98,545	12,343	18,763	129,651
	4	34	103,511	13,029	19,708	136,248
	5	35	108,731	13,749	20,702	143,182
Strategic Director	1	41	109,766	13,892	20,899	144,557
	2	42	115,309	14,657	21,955	151,921
	3	43	118,804	15,139	22,620	156,563
	4	44	124,817	15,969	23,765	164,551
	5	45	130,954	16,816	24,934	172,704

1. ASC Adverts for recruitment to four HoF Vacancies (Adecco feedback)

Role	No. of applications shortlisted
Commissioning	3 (1 is a maybe i.e., met some of the criteria but not all)
Performance & Service Development	5 (1 is a maybe i.e., met some of the criteria but not all)
Safeguarding	2 (these applied for this role and the Localities role so shortlisted for both)
Localities	23. (1 is a maybe i.e. met some of the criteria but not all)

1.1 Candidates who have been approached by Adecco have cited the following reasons for not making an application or withdrawing from the process:

- Geography: too far to consider even with hybrid working arrangements.
- Salary: less than the Head of Service level at most other Northeast Councils and even individuals at the level below, have stated that there is not enough salary scope to develop to make a move worthwhile.

2. CSC & LLL Adverts for recruitment to two HoF Vacancies (Gatenby Sanderson feedback)

Role	No. of applications shortlisted	No. of applicants to interview
HoF CSC (Assessment)	1	1
HoF CSC (Care)	1	1

2.1 Candidates who have been approached by Gatenby Sanderson have cited the following reasons for not making an application or withdrawing from the process:

- Just not interested in a move at this time (either new in role or happy in current role or see this as a sideways move i.e., the salary and scope of the role are not different enough to where they are now) – c.50%
- Location – c.25%
- Salary – c.25%

2.2 In more recent weeks two attempts have been made to recruit to the role of Head of Communications and Engagement with neither yielding a positive outcome.