

**Report to:** County Council

**Date of Meeting:** 2<sup>nd</sup> July, 2019

**Lead Member / Officer:** Cllr Julian Thompson-Hill

**Report Author:** Catrin Roberts, HR Manager

**Title:** Senior Pay Changes 2019

---

**1. What is the report about?**

The report is about proposed changes to the remuneration of four Heads of Service which will be required to facilitate the Local Authority Trading Company for Leisure that was agreed at Full Council on the 30<sup>th</sup> May, 2019. **Please note that these changes will only be implemented once the Local Authority Trading Company for Leisure is implemented.**

**2. What is the reason for making this report?**

The establishment of the LATC for Leisure creates an opportunity to look at the distribution of responsibilities across Council service areas with the intention of absorbing these amongst the remaining heads of service, and at the same time provides savings for the Council of approximately £800k per annum.

This is not a full restructure of the senior leadership team. In these challenging times it is felt that maintaining stability and confidence is essential, although there are some changes proposed that are not a direct consequence of the LATC's establishment but which creates a better fit or distribution of responsibilities.

There is likely to be a second phase of senior leadership restructuring, dependent upon the outcome of the Corporate Support Services Review which is currently at the business case stage.

In addition to the above the Head of Finance left the Council at the end of June. As there are changes to this required to facilitate the LATC for Leisure, arrangements need to be made for the post to be advertised reflecting the amended grade and duties.

**3. What are the Recommendations?**

- Full Council agree to the recommendations of the Senior Leadership Remuneration Panel for the Senior Leadership Team.

**4. Report details**

The restructure proposed below allows the deletion of a Head of Service post (following the transfer of the existing FAH Head of Service to the LATC for Leisure) and creates the opportunity to enhance synergies between some key service areas.

<b>Service Area</b>	<b>Proposed Change</b>
FAH: Community Housing	Move to Customers, Communication & Marketing
FAH: Corporate Property & Housing Stock	Move to Finance
FAH: Contracts & Facilities	Move to Highways and Environment
FAH: Strategic Asset Management	Move to Finance
FAH: Community Wellbeing – Excluding Strategic Leisure*	Move to Customers, Communication & Marketing
FAH: Assets & Communities - Harbour only*	Move to Highways and Environment
HES: Countryside & Heritage Services	Move to Planning and Public Protection
HES: Passenger Transport	Move to Planning and Public Protection

\*The rest of FAH: Assets and Communities and Strategic Leisure are within the scope of the LATC for Leisure.

The staffing implications from the proposals are:

- One Head of Service post (Head of Facilities, Assets and Housing) to be deleted with current Head of Service transferring to the LATC for Leisure.
- Review the SLT service portfolio to ensure it reflects the increased operational responsibilities of remaining Head of Services. This will also give full flexibility for second stage of the restructure and properly reflect equal strategic responsibility of all Head of Service in working alongside lead members and in their roles as members of the Senior Leadership Team.

As a result the Head of Service job description and portfolios were updated (Appendix 1) to reflect the above changes. These were then submitted to Kornferry Hay for them to conduct an evaluation of the following roles who had significant changes:-

- Head of Highways & Environment
- Head of Finance & Section 151 Officer
- Head of Customer, Communications and Marketing
- Head of Planning and Public Protection

Evaluation rationales have been provided by Kornferry Hay (Appendix 1) and all four posts score in excess of 800 points.

In accordance with the grading structure as agreed by Full Council on the 10<sup>th</sup> May, 2016 as part of the original Senior Leadership review any posts which score in excess of 800 are to receive SLT 2 (£85,689 - £88,321). The Head of Customer,

Communication and Marketing and the Head of Finance and Section 151 Officer previously scored less than 800, so would increase to SLT 2.

The SLT Remuneration Panel discussed alternative options as follows:-

- Appoint an additional Head of Service at SLT 1 to lead on the remaining services which would cost an additional £70,267 - £72,422 per annum plus oncosts of approximately 40%
- Add the services to the portfolios of SLT 2 posts. However, this would result in large portfolios in both breadth and responsibility and which do not reflect the synergies between services. This would make the portfolios unmanageable and would have a negative impact on both operational service delivery and the Council's capacity to respond to changes in strategy and demand.

In accordance with the process, this proposal has been submitted to the Independent Review Panel for Wales for their consideration. The IRP have responded stating that they are content with the information and evidence that has been provided. A copy of their response is attached in Appendix 2

**5. How does the decision contribute to the Corporate Priorities?**

Having a fair and transparent approach to Senior Leadership pay will contribute towards retaining and recruiting high calibre of leaders as well as a well-motivated workforce who in turn will contribute towards achieving the corporate priorities.

**6. What will it cost and how will it affect other services?**

There will be an increased in the salary for the two posts as it changes the pay grade from SLT 1 (£70,267 - £72,422 per annum) to SLT2 (£85,689 - £88,321 per annum) which including on-cost will cost approximately £38,000 in total per annum. An estimate of the additional costs associated with this were assumed in the contingency noted within the business case for the Leisure ADM recently reported to council.

The overall number of posts within the SLT structure remaining within the Council will reduce by 1 and save £250,000 in senior management costs to the Council over a 3 year period.

The increased cost of £38,000 will help to facilitate the budgeted reduction of approximately £800,000 from the creation of the LATC for Leisure.

**7. What are the main conclusions of the Wellbeing Impact Assessment undertaken on the decision? The completed Wellbeing Impact Assessment template should be attached as an appendix to the report**

A Well-being Impact Assessment has not been completed as the change is covered by the Well-Being Impact Assessment for Senior Officer Pay.

**8. What consultations have been carried out with Scrutiny and others?**

This has been reported to the SLT Remuneration Panel who have agreed the proposal.

**9. Chief Finance Officer Statement**

The additional cost pressure to the revenue budget arising from the decision will be funded from the corporate contingency allocation that was established as part of the 2019/20 budget.

**10. What risks are there and is there anything we can do to reduce them?**

Failure to pay the level of the independent evaluation for these roles once the LATC for Leisure is set up and the restructure implemented, could potentially lead to a legal claim made against the authority as it is in breach of the agreed procedure for establishing Chief Officer Pay. There is also equal pay risk in that there are members of the opposite gender who are receiving the grade associated with their independently evaluated grade.

**11. Power to make the Decision**

S38 (1) of the Localism Act 2011 and section 112 of the Local Government Act 1972 covering the power to appoint officers.

Paragraph 6 of Part 2 of Schedule 3 to the Local Government (Standing Orders)(Wales) Regulations 2006 as amended, requires that the decision to determine the level of remuneration, or any change to the level of remuneration, of a Chief officer must be made by Full Council.