

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Personnel Committee

24th October 2022

Head of People & Organisational Development – Sheenagh Rees

Matter for Decision

Wards Affected:

All Wards

Creation of a Strategic Manager Pay Grade

1. Purpose of Report

The purpose of this report is to seek Member authority to create a Strategic Manager Pay Grade to ensure the council's pay arrangements are competitive.

2. Executive Summary

A review of pay arrangements across the South West Wales region demonstrates that the council is not competitive when it comes to pay arrangements that bridge the gap between the NPT Grade 13 and NPT Head of Service Grade. The increased use of market pay supplements also suggests that pay arrangements should be reviewed to ensure that they remain fit for purpose – to attract, retain and motivate our employees to be the best they can be, balanced against the need to ensure value for money. A proposal has been developed to create a pay grade that will address these concerns, and whilst some pump prime funding will be required to establish the grade the intention is that within 3 years this proposal will be cost neutral.

Background information

The majority of Accountable Manager posts are subject to the council's job evaluation scheme for Local Government Services employees. Grades vary, with the majority graded at the top of the pay scale Grade 13.

The exception to this is three Accountable Manager posts within Education, Leisure and Lifelong Learning to which the Soulbury Officer terms and conditions are applied. The grade has been determined by the Director of Education with reference to the Soulbury Officer handbook.

Grade Breakdown (occupied posts)

Grade	Salary	Head count
9	£34,373 - £38,553	1
10	£38,553 - £42,614	3
11	£42,614 - £45,648	5
12	£45,648 - £47,665	8
13	£48,729 - £50,955	47
Soulbury 24 – 29	£66,093 - £72,016	3
TUPE Transferee	£61,479	1

Market supplements applied to Accountable Managers

19 of the 68 Accountable Manager posts attract a market supplement in line with the council's market supplement scheme. The supplements range from £5,351.35 per annum to £17,000 per annum.

Market Pay Scheme

The Market Pay Scheme was introduced in 2009 to give an element of flexibility to the council's pay arrangements following the introduction of an equality proofed pay and grading structure and implementation of job evaluation. The scheme enables the payment of a market rate of pay where there is evidence that the council's rate of pay falls below a 'market rate' for the job. There must be clear evidence that the basic rate of pay for a specific post determined by the Council's pay and grading structure is significantly less than the relevant market rate of pay for a similar post **and** also that there are recruitment and/or retention problems. A market pay supplement will normally be for two years, unless there is a strong business case to justify a longer period.

There is an element of risk attached to every market pay supplement, with the potential for an equal pay claim – it is only an Employment Tribunal who can make the determination that a market supplement business case sets out sufficient evidence and justification. Market supplements should therefore be used carefully and sparingly.

The increased use of supplements at accountable manager level suggests that pay arrangements should be reviewed to ensure that they remain fit for purpose – to attract, retain and motivate our employees to be the best they can be, balanced against the need to ensure value for money.

Head of Service pay arrangements

The council's 14 Heads of Service are paid on a pay grade that ranges from £77,269 to £84,991 per annum, on NJC for Chief Officer terms and conditions of employment.

Pay Comparison – South West Wales Region

A pay comparison of regional local government has been carried out. The nationally agreed pay spine that applies to LGS employees sets out pay points from 1 to 43. In Neath Port Talbot we have extended the pay spine to SCP 46 which equates to £50,955.

Four of the five other councils in the region have extended their respective pay spines to point higher than in NPT, as follows:

Carmarthenshire = **£78,842**

Ceredigion = **£57,992**

Pembrokeshire = **£66,416**

Swansea = **£53,065**

In addition, Powys have two Senior Manager Grades, (on Chief Officer terms and conditions) to bridge the gap between the top of the LGS pay scale and Head of Service starting at the bottom of SM2 = £56,452 up to the top of SM1 = £65,646. Swansea have 3 Head of Services bands: HOS Band 1 £73,386 to £90,321, HOS Band 2 £62,096 to £79,030 and HOS Band 3 £56,452 to £67,742.

This pay comparison suggests a disparity between senior manager pay rates in Neath Port Talbot, and the other councils in the region.

3. Proposal

To ensure that the council remains an employer of choice, and can attract and retain the best employees into senior positions, it is proposed to create a Strategic Manager pay grade that will bridge the gap between the top of pay grade 13, £50,955, and the bottom of the Head of Service pay grade £77,269. The proposed pay grade is:

Point 1	£58,771
Point 2	£60,241
Point 3	£61,711
Point 4	£63,179
Point 5	£64,649

It is proposed that the NJC for Chief Officers terms and conditions of employment will be applied to any jobs created at this grade, reflecting the seniority of the pay.

This proposal will not only support recruitment and retention of senior people, it will also support succession planning, providing a bridge post between Accountable Manager level and Head of Service; the learning curve for newly appointed Heads of Service will be significantly reduced. It will increase strategic capacity at the top of the organisation, and support the delivery of the council's corporate plan priorities.

Recruitment arrangements will be in line with the council's Officer Employment Rules set out in the constitution, i.e. jobs below Head of Service level, and above SCP 38, will be determined by the Chief Executive, Corporate Director or Head of Service.

4. Next Steps

If approved, the next step will be to develop the job role and competencies that will be required of this post, and to review the organisational structure to determine where Strategic Manager posts can be created to have maximum impact on both service delivery and succession planning. It is intended that jobs will be appointed to via the council's agreed management of change processes, and that where a Strategic Manager

job is created, another job in the relevant structure will be deleted, either immediately or within a maximum period of 3 years.

5. Financial impact

Some pump prime funding will be required to establish the Strategic Manager pay grade, however as a number of funded market supplements will cease on creation of the new pay grades the expectation is that within 3 years, this proposal will be cost neutral to the council.

6. Integrated impact assessment

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

The first stage assessment has indicated that a more in-depth assessment is not required. A summary is included below:

“A full impact is not required as at this stage there is no impact on any protected group; there may of course be equality impacts through the consequential appointment processes – our recruitment and appointment processes are equality proofed so this risk should be limited. Equality monitoring, including the Equal Pay Gap assessment will help the council to identify if any adverse equality risks do occur in practice and take action to remedy this”.

7. Workforce impacts

This proposal will support succession planning and ensure that the council remains competitive as an employer of choice.

8. Legal impacts

No implications

9. Risk Management impacts

No impact.

10. Crime and Disorder Impacts

No impact.

11. Counter Terrorism Impacts

No impact.

12. Consultation

There is no requirement for external consultation on this item.

13. Recommendation

It is recommended that Members approve the proposal to create a Strategic Manager Pay Grade.

For decision

14. Reasons for proposed decision

To ensure the council's pay arrangements are competitive.

15. Implementation of decision

The decision is proposed for implementation after the three day call in period.

16. Appendices

Appendix 1 – Integrated Impact Assessment.

17. Officer contacts

Sheenagh Rees, Head of People & OD, s.rees5@npt.gov.uk