

HAVANT BOROUGH COUNCIL

HR Committee

SENIOR PAY POLICY REVIEW

FOR DECISION

Portfolio Holder: Cllr T Denton

Key Decision: No

Report number: HBC/081/2022

1. Purpose

- a. This paper is submitted to the Human Resources Committee for approval of the senior pay policy (Appendix 1)

2. Recommendation

- a. Members are requested to:
 - i. Approve the senior pay policy (Appendix 1)
 - ii. Note the levels of senior pay as set out in the senior pay policy

3. Executive Summary

- a. The senior pay policy is adopted by the Council as a public document to provide transparency on levels of senior pay
- b. The senior pay policy has been revised to take account of the senior management restructure
- c. The changes in pay levels reflect the increased responsibilities for the Executive Heads of Service, Chief Finance Officer (s.151 officer) and Chief Legal Officer (Monitoring Officer) and senior managers
- d. The recruitment exercise has advertised roles based upon this review of the senior pay policy

Background

3.1 The current senior pay policy was adopted in June 2020 and applied to the Chief Executive, x2 Directors and x14 Heads of Service in the former shared management team with EHDC. The current policy is at Appendix 3.

3.2 The current senior salary pay bands are as follows:

Role	Minimum	Mid-point	Maximum
CEO	£105,494	£124,110	£142,727
Director	£86,368	£101,609	£116,850
Head of Service	£62,506	£73,536	£84,566

3.3 The restructure of the Havant Borough Council Management Team led to redesign of the existing structure. The x2 Director roles were *deleted*, their responsibilities merged with the Heads of Service and reduced from x14 to x5.

3.4 A review of senior pay was undertaken to take account of:

- (a) the revised responsibilities for new Executive Heads of Service
- (b) the national market trend increases in senior pay since June 2020

3.5 The review of the current market levels of pay for the CEO, Directors and Head of Service are set out in Appendix 2.

Changes explained

3.6 Based upon existing market trends and the increased responsibilities for the new Executive Heads of Service roles, the following is proposed:

- CEO: no increase
- Director: deleted therefore reducing the upper limits of pay for senior officers
- Executive Heads of Service: pay increased at upper limit to reflect additional responsibilities and market trends

Statutory Officers

3.7 Chief Officers have become increasingly difficult to recruit, in particular statutory officers (s.151 and MO) are in demand in a recruitment market which is currently short on the skills and expertise necessary for the Chief Legal

Officer and Chief Finance Officer roles. It is proposed therefore that pay for statutory chief officers will be the same as the Executive Heads of Service

Senior technical officers

3.8 Some senior officers with particular professional expertise (Chief Planning Officers, Environmental Health Officers, Property and Regeneration specialists) are particularly hard to recruit to within local government. Councils cannot match the salaries offered to such professional experts in the private sector. The Council will remain a competitive employer if it can offer a senior grade salary alongside the wider benefits of LGPS pension, work-life balance, generous annual leave and family friendly policies.

3.9 The pay policy proposes that the Management Team will determine whether it is appropriate to advertise a salary at the senior level, taking into account an evaluation of the role, professional expertise, market forces and ability to remain within budget.

New pay proposals

3.10 The proposed new levels of pay are as follows:

Role	Minimum	Mid-point	Maximum
CEO	£105,494	£124,110	£142,727
Chief Officers (Executive Heads of Service and statutory officers)	£74,000	£87,500	£101,000
Senior Technical Officers (subject to Management team approval)	£68,000	£74,000	£80,000

4. Budgetary Implications

- a. An affordable revenue budget has been established for the Havant BC Senior Management Team as part of the 2022/23 rebase process. This budget reflects the proportionate financial share of the previous Joint Management Team arrangements with EHDC.
- b. The revenue budget has been set around the midpoint of these newly proposed senior grades. However, appointments will be made based on the experience and calibre of individual candidates. We will review

the senior management revenue budget following the conclusion of this recruitment process.

5. Background and relationship to Corporate Strategy and supporting strategies and policies

- a. In creating our Corporate Strategy and our new Management Team new skills are required at senior level. Ability to lead for the whole Borough, to work collaboratively with our stakeholders and contribute at strategic level to ensure better outcomes for the Havant Borough.

6. Options considered

- a. The HR Committee could consider retaining the current Senior Pay Policy (Appendix 3), this will not however align pay to the current senior management structure. It is also likely to have a negative impact upon the recruitment exercise for the current vacant roles.

7. Resource implications

a. Financial implications

- i. A relevant revenue budget has been set to meet the costs of the newly established Havant BC Senior Management Team.

Section 151 Officer comments

The established revenue budget is based around the midpoint of the proposed revised Senior Officer grades as detailed in this report.

b. Human resources implications

- i. Human Resource implications are set out in this report

c. Information governance implications

- i. None

d. Climate and environment implications

- i. None

e. Other resources implications

- i. None

8. Legal implications

Monitoring Officer comments

Section 38 of the Localism Act 2011 requires local authorities to prepare, approve and publish a pay policy statement. The statement must detail the authority's own policies towards a range of issues relating the pay of its most senior staff.

As each local authority is an individual employer in its own right it has the autonomy to make decisions on pay that are appropriate to local circumstances and changing employment markets. Those decisions should comply with the authority's approved pay policy statement. These policy proposals are consistent with the approach contained within Paragraph 4 of the Council's current policy pay statement which provides that, "... remuneration at all levels needs to be adequate to secure and retain high-quality employees..."

The adoption of pay policies is a matter reserved for Human Resources Committee under SECTION F 1 of the Council's Constitution

9. Risks and mitigations

- a. The budget for the new senior management structure is affordable based upon the revised structure.
- b. Should recruitment markets become more challenging, Management Team will want to recruit at more senior salary levels. The Management Team are however restricted by the Constitution and the budget. This means that the budget cannot be exceeded by the Management Team unless this is authorised by Cabinet and Council.
- c. Failure to agree senior salary levels will impact the current recruitment process.

10. Consultation

- a. Informal consultation has been undertaken with the Cabinet. Advice and guidance has been taken from external HR advisors who have undertaken a market review of salary trends.

11. Appendices

- a. Appendix 1: Proposed senior pay policy
- b. Appendix 2: Salary market trend review
- c. Appendix 3: Current senior pay policy

12. Background papers

- a. None

Agreed and signed off by:

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