

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT TO CABINET**

**28 NOVEMBER 2017**

**REPORT OF THE CHIEF EXECUTIVE**

**JNC PAY STRUCTURE**

**1. Purpose of Report.**

- 1.1 The report seeks Cabinet approval to recommend to Council the implementation of a new approach to senior management pay.

**2. Connection to Corporate Improvement Objectives/Other Corporate Priorities**

- 2.1 The proposals are consistent with the Council's commitment to make smarter use of resources.

**3. Background.**

- 3.1. The current JNC salary structure has been in existence since 2008.
- 3.2. A decision was taken at that time to have one salary band for: all Corporate Directors; all Heads of Service (plus an Assistant Chief Executive grade which has since been deleted)
- 3.3. The other local authorities in Wales have a variety of management structures and use a variety of pay and grading schemes.

**4. Current situation / proposal.**

- 4.1 The current "pay envelope" for JNC officers and Group Managers is illustrated below:

<b>Grade</b>	<b>Max of Grade</b>	<b>FTE</b>	<b>Total Cost</b>
Chief Executive	£133,726	1	£133,726
Corporate Director	£106,160	4	£424,640
Head of Service	£81,210	8	£649,680
Group Manager – Soulbury*	£61,851	2.6	£160,813
Group Manager - JE Grade 16	£49,336	23	£1,134,728
		38.6	<b>£2,503,587</b>

\* Soulbury is a separate set of terms and conditions. The criteria for employees being placed on Soulbury terms and conditions are that they are either: education and improvement professionals; educational psychologists; young people/community service managers

- 4.2 The Authority's pay band structure has large gaps between the senior management tiers – most notably a £32k gap between Group Managers and Heads of Service, a £25k gap between Heads of service and Directors and a £27K gap between Directors and the Chief Executive.
- 4.2 This results in an inability to be sufficiently flexible in positioning roles such that the Council provide a remuneration package which can attract staff of the appropriate calibre. This also limits our ability to support succession planning and career progression towards the top of the organisation.
- 4.4 A more flexible senior manager pay scale is proposed with the objectives of addressing these concerns whilst enabling a targeted 20% reduction in senior management] costs to the Council over the next two years, which equates to approximately £500,000 a year ). This is expected to largely arise from staff turnover and consequent restructuring of the organisation and with the proposed pay structure in place the Council will be in a position to more ably respond to market forces.
- 4.5 This can be achieved by amending the JNC pay structure (JNC officers are Heads of Service to Chief Executive). It is proposed that no changes are made to the NJC structure as part of this exercise
- 4.6 The intention is that, subject to consultation, the proposed new pay structure be in place by the end of the financial year.
- 4.7 It is proposed that additional tiers are added to the JNC framework – effectively extending it downwards to bridge the gap with the top end of NJC scale to populate the current gap between Group managers and Heads of service, Heads of Service and Directors and Directors and the Chief Executive.
- 4.8 Further flexibility can be achieved by adding in additional pay tiers between Heads of Service, Directors and the Chief Executive.
- 4.9 It is important to recognise that creating these pay tiers does not imply that all would be populated – this is not about creating more posts – but that there would be greater flexibility. A formal evaluation of both existing roles and any new roles subsequently created will be undertaken to ensure a defence to any equal pay claims, consistent with our approach to NJC scales
- 4.10 The evaluation system for JNC grades will be designed in house.
- 4.11 The proposed JNC pay structure is outlined below:

<b>Job Title</b>	<b>Max of Grade</b>	<b>SCP</b>
Chief Executive	£133,726	25
Deputy Chief Executive	£119,943	24
Corporate Director [1]	£106,160	23
Corporate Director [2]	£93,684	22
Head of Service[1]	£81,210	21
Head of Service [2]	£73,242	20
Head of Service [3]	£65,273	19
“Group Manager” – [1] Soulbury*	£61,851	18
Group Manager [2]	£55,593	17
Group Manager – [3]	£49,336	16

4.12 The trade unions will be informed of the proposed changes to the JNC pay structure and notice of formal consultation would be issued to existing JNC postholders [Directors and Heads of Service as the pay grade for the post of Chief Executive is unaffected by these proposals] if approved by Council.

4.13 Should Council agree the proposals these will be referred to the Independent Remuneration Panel in Wales in order to seek their agreement.

## **5. Effect upon Policy Framework& Procedure Rules.**

5.1 None.

## **6. Equality Impact Assessment**

6.1 Once the JNC pay and grading system has been developed, an EIA and audit will be conducted externally which is consistent with the approach for the pay and grading system for NJC officers.

## **7. Financial Implications.**

7.1 There are no financial implications arising from the recommendations of this report, however it is intended that the proposed changes will facilitate a reduction in the overall cost of senior manager salaries by £500,000 over the next two years.

## **8. Recommendation.**

8.1 It is recommended that Cabinet approves for submission to Council the new JNC pay structure with an effective date of 01.04.18.

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**26 November 2017**

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**Background documents : None**