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| Report to: | Council Business Management |
| Report of: | Chief Executive |
| Date of Decision: | 13th December 2016 |
| SUBJECT: | PAY AND GRADING FRAMEWORK FOR CHIEF OFFICERS |
| Wards affected: | None |

1. Purpose of report:

1.1. This report highlights the need to review the current pay and grading framework for JNC Officers. It outlines the design principles that have been applied to inform the new proposals and makes recommendations regarding the best fit.

2. Decision(s) recommended:

It is recommended that Council Business Management Committee:

- 2.1. Note the adoption of the Local Government Employers (LGE) job evaluation scheme as the mechanism for assessing the rank of JNC roles from 1st July 2017
- 2.2. Agree the adoption of a new four grade model for JNC officers as outlined in paragraph 3.5 of this report
- 2.3. Delegate authority to the Chief Executive to implement the new pay and grading framework on 1st July 2017. Applying a process of voluntary offer and then consideration of dismissal and reengagement if necessary

3 Report

3.1. The current JNC grading structure dates back to 2008 with the method of evaluation to align roles to a grade not being associated with any nationally recognised benchmarked scheme. The pay framework is locally designed with 10 overlapping grades, with no clear relationship between pay grades and job titles. The Council now needs to ensure it has a modern pay and reward framework for the JNC cadre going forward.

3.2. A review was undertaken to deliver a new grade structure that is aligned with our vision for our future leaders and provides the flexibility to both attract and retain the capabilities to deliver the vision of the of the future Council. The design principles to achieve this were defined as follows.

- Reduces the number of grades from 10 to be aligned with the future senior role profiles.
- Progression within the framework will be clearly linked to delivering on the Council priorities, values and the behavioral standards.
- Salary ranges with no set spinal points that will allow flexibility in the level of compensation, enabling the Council to relate reward in consolidated pay to actual performance and the ability pay.

- Contractual flexibility to allow growth within the role to reflect the changing organisational objectives
- It will support the notion of one Council with the expectations of corporate leadership and role flexibility
- Cost neutral on current budget spend for JNC consolidated pay
- Minimise equal pay risk in the new structure
- Transparent, clear and easy to understand

3.3. There has been an exploration of the efficacy of a number of different job evaluation schemes. It was identified that the Local Government Employers (LGE) job evaluation scheme was the best fit for supporting the design principles. Subsequently all of the JNC officer roles were evaluated under the scheme to establish the rank order of roles. The rank order has then been used to model the proposed new grading framework.

3.4. In order to reach a proposed grading structure a pay modeling process was developed working through multiple models on differing numbers of grades that were possible options. The models were then appraised and eliminated until they had the desired components. In addition to meeting the agreed design principles the chosen proposed model needed to meet the following criteria after the various options were appraised;

- There to be clear gaps between grades - this reduces the risk of equal pay issues where an employee in a lower grade can be paid higher than an employee scoring higher that is within the next grade.
- There to be logic in the structure design – this is where salary spans and gaps between grades follow logic rather than being random that could be interpreted as manipulation to achieve a desired outcome.
- The structure achieves the desired number of grades first time and doesn't use a phased approach to get to that number.

3.5. The number of grades within the models appraised varied and ranged from as high as seven down to four. For each of the models several variations were produced with differing logic for the spans and gaps before the model was discounted. The proposal for the new grading structure looked to reduce from ten grades down to four in order to align to senior role profiles of Assistant Director, Service Director, Strategic Director and Chief Executive.

The table below illustrates the main components of the recommended structure.

| Role | Grade Label | Min Score | Min £ | Max £ | Span £ | Span % | Gap £ | Gap % |
|--------------------|-------------|-----------|---------|---------|--------|--------|--------|-------|
| Chief Executive | B04 | 1900 | 172,272 | 211,033 | 38,761 | 22.5% | | |
| Strategic Director | B03 | 1490 | 128,802 | 157,782 | 28,980 | 22.5% | 14,490 | 50% |
| Service Director | B02 | 1170 | 96,300 | 117,968 | 21,668 | 22.5% | 10,834 | 50% |
| Assistant Director | B01 | — | 72,000 | 88,200 | 16,200 | 22.5% | 8,100 | 50% |

3.6. Meaningful consultation with the JNC cadre and their trade union representatives has been undertaken over the last 6 months regarding the options and proposals. A detailed business case was used to inform the consultation which incorporated wider proposals in relation to securing workforce savings. A copy of the business case can be found in appendix A of this report. Affected employees were predominantly in support of the adoption of a new proven, national job evaluation scheme and of a clear four grade pay framework.

3.7. An Equality Impact Assessment of the implications of the proposals has been undertaken and can be found in appendix B of this report.

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| Contact Officer: | Claire Ward Assistant Director Workforce Strategy |
| Telephone No: | 07500882952 |
| E-mail Address: | claire.ward.birmingham.gov.uk |

Signature:

Chief Officer(s):

Dated:

List of Appendices:

Appendix A – Business Case for Consultation
Appendix B – Equality Impact Assessment
Appendix C – Consultation Feedback