

**Manchester City Council
Report for Resolution**

Report to: Personnel Committee – 4 August 2016
Subject: Senior Salaries Review
Report of: Chief Executive

Summary

On the 1 June 2016 Personnel Committee approved changes to responsibilities for members of the Strategic Management Team (SMT) and noted that a further report would be submitted to the Committee in due course with recommendations for senior salaries and resourcing requirements to support key priorities.

This report contains the recommendations for senior salaries arising from the changes made on 1 June and from internal and external benchmarking of SMT level posts and those posts which directly support SMT. The report also recommends a more extensive evaluation of all posts above Grade 12.

Recommendations

The Committee is recommended to:

1. Recommend to Council the changes to salaries and role descriptions for SMT level posts listed in the Appendix to this report and to approve the changes to salaries for posts which directly support SMT as listed in the same Appendix.
 2. Request the Deputy Chief Executive (People, Policy & Reform), following consultation with the Executive Member for Finance and Human Resources and Trade Union Representatives, to commission external support to conduct an analytical job evaluation scheme for all senior officers above Grade 12 with recommendations being submitted to this Committee by 16 November 2016 and where appropriate to Council on 30 November 2016.
 3. Approve a re-grade of the post of Head of City Centre Growth and Regeneration from £62,533 to £75k within a band of £74-£77k in recognition of the increased responsibility and scope of the role.
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Wards Affected: All Wards

Implications for:

Equal Opportunities – The proposals in this report will strengthen the Council's ability to ensure equality in the way in which senior jobs are remunerated.

Legal Considerations - Proposals have been developed in line with the Council's legal obligations as an employer and the Council's corporate workforce policies.

Financial Consequences – Revenue and Capital

The additional costs of the changes to senior salaries recommended in this report is £51,467. This can be met from existing budgets.

The cost of the external support for the evaluation of all posts above Grade 12 will be met from within the revenue budget of the HR/OD service.

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1. Introduction

- 1.1 The Personnel Committee on the 1 June 2016 approved new senior leadership arrangements that changed the responsibilities of roles of members of the Strategic Management Team (SMT) and those roles that support SMT. The Committee noted that a further report would be brought to Personnel Committee in due course with recommendations for senior salaries and resourcing requirements to support key priorities.
- 1.2 This report therefore provides recommendations for senior salaries for SMT and support to SMT roles following the changes agreed by the Committee in June. These recommendations are based on a review conducted by the Council's HR / OD team. The findings of the review are set out in Section 2.
- 1.3 The Council currently uses a set of Senior Job Measurement Principles, together with benchmarking data to support decisions on salaries for senior roles made by Personnel Committee (up to £100k) and Council (over £100k). Senior officers consist of the Chief Executive, as head of the paid service and a senior job family subdivided into four bands:
- Strategic Management Team made up of Deputy Chief Executives and Strategic Directors
 - Support to the Strategic Management Team – Directors and Assistant Chief Executives
 - Wider Leadership Team – Heads of Service and Senior Strategic Leads
 - Senior Managers Forum – Senior Service Managers
- 1.4 At present salaries for senior roles are set using Senior Job Measurement Principles, which cover all significant features of senior jobs including:-
- breadth and depth of knowledge;
 - degree of creative thinking and policy direction;
 - level of internal and external influencing; and
 - responsibility for resources.
- 1.5 The criteria used acknowledges the high expectations placed on our strategic leadership team whatever portfolio they lead, the level of strategic vision and leadership required, the ability to influence and negotiate on a regional and national level and the responsibility for delivering the long term priorities for the City. This approach reinforces the flexibility required of our senior management team and recognises the breadth of knowledge and accountability required of all the team.
- 1.6 These criteria are used to assign posts to the appropriate 'band' and then benchmarking against comparable roles (externally and internally) is used to make a recommendation on salary within that band width to this Committee and when above £100k to Council.

2. SMT and Support to SMT Roles

- 2.1 An external benchmarking exercise has been carried out to compare the salaries of the SMT and support to SMT roles against other Core Cities comparators. The benchmarking took account of job content, overall levels of strategic responsibility and organisational position of the roles.
- 2.2 The review found that the salary levels of Manchester's senior officers at SMT and support to SMT level are broadly comparable with Core City comparators. However, it has been difficult to find directly comparable roles given the unique nature of many roles in Manchester given our position in the Greater Manchester Combined Authority, our leading role on the public sector reform agenda (e.g., health and social care) and the scale of our work in driving the economic growth priorities for the city.
- 2.3 In addition the external benchmarking roles have also been subject to an internal comparison process, taking into account the size, scope and overall strategic and delivery responsibility of each role to ensure fairness and equity of treatment.
- 2.4 The review found that at the level of roles which support SMT there is a level of consistency both in relation to the Senior Job Measurement Principles and in terms of internal comparison of salaries of officers at this level. At SMT level there is less consistency overall. Whilst in the main the pay levels fall within the Senior Job Measurement Principles, there is inconsistency of salary levels between roles of broadly similar accountability and it is important to ensure that there is no perception of unfairness or gender bias arising from salary changes that have taken place out of sequence over time.
- 2.5 Having regard for the lack of consistency of SMT level, it is proposed to adjust that band up to £135k. All posts on the support to SMT band are at or above £90k and it is therefore proposed to maintain that consistency by adjusting this band from £80 to £100k to £90k to £100k. The proposed changes are summarized below.

Band	Corresponding (Generic) Job Title	Current Salary Range	Proposed Salary Range
SMT	Deputy Chief Executive / Strategic Director	£121k- £133k	£125k-£135k
Support to SMT	Director	£80k-£100k	£90k-£100k

3 City Centre Growth and Regeneration

- 3.1 Arising from the changes approved by this Committee on 1 June 2016, the Chief Executive has concluded that there is also a requirement to review the salary of the Head of City Centre Growth and Regeneration. The responsibilities have increased significantly with requirements to support additional city centre development; including NOMA, First Street, Spinningfields, St Johns, Mayfield, The Corridor, including Oxford Road Station; Circle Square; and the North Campus, Castlefield, Kampus, Great Jackson Street, Piccadilly and St Michael's. External benchmarking against

this role found that £75k reflected the value of the role in relation to comparable authorities, it is therefore proposed that the Head of City Centre Growth and Regeneration be regraded from £62,533 to £75k, within a band of £74-77k.

4 Analysis of all Roles above Grade 12

- 4.1 The Council's Pay Policy first published in April 2012 sets out a commitment to a robust system for evaluating the appropriate level of remuneration for all posts in the organisation from Grade 1 to Chief Executive Level. Grades 1 – 12 are governed by the NJC Job Evaluation Scheme which is considered to be an analytical scheme whereas posts graded above grade 12 are graded using a set of Senior Job Measurement Principles, together with benchmarking data to support decisions on salaries. The introduction of an analytical scheme for all senior posts would clearly better fit with the Council's commitment to have a robust scheme in place for all its posts across the whole organisation.
- 4.2 It is therefore proposed to implement an analytical scheme by enlisting the support of a partner organisation to complete evaluations of all roles above Grade 12. This will provide independent advice to Members regarding the pay arrangements for senior staff.

5 Deputy Chief Executive (People, Policy & Reform) Comments

- 5.1 I have been involved with the development of the proposals set out within this report and agree with the recommendations made. I will support the Chief Executive in driving these proposals forward and engaging the support of an external provider to progress with the proposed Job Evaluation of all senior roles above Grade 12.

6 Trade Union Comments

To be tabled.

7 Conclusion

- 7.1 In conclusion the proposals set out within this report reflect the responsibilities and appropriate remuneration for members of the Strategic Management Team and the roles that support the Strategic Management Team. The report also proposes the introduction of an analytical Job Evaluation Scheme for all senior roles above Grade 12.

Appendix

Job Family/Title	Job Family/Title	Current Salary	Proposed salaries	Difference at Grade Maximum	Comment
Paid Head of Service	Chief Executive	£205,974	No change		
SMT	City Treasurer	£130,000	No change		
	Deputy Chief Executive (People, Policy & Reform)	£131,302	No change		
	City Solicitor	£113,120	£125k	8k	Post Grade set up to £117k
	Deputy Chief Executive (Growth & Neighbourhoods)	£111,100	£125k	4k	Post Grade set up to £121k
	Strategic Director of Education & Skills	£116,152	£125k	9k	Redesignate as "Strategic Director"
	Strategic Director of Children's Services	£126,250	No change		
	Strategic Director of Adult Services	£121,200	£125k	4k	
	Strategic Director (Strategic Development)	£121,200	£125k	4k	
	Joint Director Health and Social Care	£126,250	No Change		
Special Grade	Chief Information Officer	£101,000 plus £75k Market Rate Supplement	No change		Market Rate is subject to review after 2 years.
Support to SMT	Assistant Chief Executive (Growth)	£92,718	No change		
	Deputy City Treasurer	£97,718	No change		
	Director of Public Health	£97,970	No change		
	Director of Neighbourhoods	£90,900	£94,000	3k	
	Director of Highways	£90,900	No change		

Job Family/Title	Job Family/Title	Current Salary	Proposed salaries	Difference at Grade Maximum	Comment
	Head of HROD	circa £90,000	No change		Re-designate as Director of HROD
	Director of Housing	£88,057	£95,000	7k	
			TOTAL	39k	