

## **Personnel Committee**

### **Minutes of the meeting held on 12 December 2016**

#### **Present**

Councillor Flanagan- In the Chair  
Councillors Andrews, Battle, Leese, N Murphy, S Newman, Priest and Rahman.

#### **Apologies**

Councillors Bridges and S Murphy

#### **PE/16/30 Business Withdrawn**

The Chair reaffirmed that the report on Career Progression for Lower Paid Staff had been withdrawn from the business of this meeting and would instead be considered in early 2017.

#### **PE/16/31 Minutes**

#### **Decision**

To agree the minutes of the meeting of 1 December 2016 as a correct record.

#### **PE/16/32 Exclusion of the Public**

A recommendation was made that the public be excluded during consideration of the next item of business.

#### **Decision**

To exclude the public during consideration of the following item of business which involved consideration of exempt information relating to the identity of particular persons and the public interest of maintaining the exemption outweighs the public interest of disclosing the information.

#### **PE/16/33 Chief Executive Recruitment Panel minutes**

#### **Decision**

To note the minutes of the meetings of the Chief Executive Recruitment Panel on 12 October, 14 November, 23 November and 1 December 2016.

#### **Readmission of the Public**

#### **PE/16/33 Terms of the Appointment of the Chief Executive**

The Committee considered a report of the Deputy Chief Executive and the City Solicitor which put forward a recommendation that Council approves the appointment of the new Chief Executive and Head of Paid Service

## **Decision**

1. To recommend that Council approves the appointment of Joanne Roney to the position of Chief Executive of Manchester city Council with effect from 1 April 2017, at a salary of £195,000 per annum.
2. To recommend that Council approves the designation of Joanne Roney as Head of Paid Service of Manchester City Council under Section 4 of the Local Government and Housing Act (1989) with effect from 1 April 2017.
3. To note that the Chief Executive is also the Electoral Registration Officer and Returning Officer for the election of councillors.

## **PE/16/34 Senior Pay and Grading**

The Committee received a report of the Deputy Chief Executive (People, Policy and Reform) which discussed the outcome of a review which had been undertaken to produce a new job evaluation scheme for all senior officers above Grade 12.

## **Decision**

1. To note the outcome of the review to create a new analytical job evaluation scheme for senior roles, and the application of this scheme to produce a new pay and grading structure for these roles.
2. To note the consultation to date and the on-going individual and collective consultations required.
3. To approve the proposed pay and grading structure and implementation with effect from April 2017, subject to the completion of the required consultation with individual members of staff and subject to approval by Council in March 2017 in relation to grades where remuneration is or could exceed £100,000.
4. To delegate to the Chief Executive the authority to complete the consultation with staff and Trade Unions, and to implement the scheme subject to any material changes which arise from the consultation exercise being reported to this Committee.
5. To note that the application of the scheme results in a saving over the three year budget period 2017/20 of £243,875.
6. To approve the Senior Manager Job Evaluation Appeals Process as set out in Appendix 1 of these minutes.
7. To note that following implementation the changes to how senior posts are evaluated and the senior pay and grading structure will require amendments to the Council's Pay Policy Statement in March 2017, following approval by the Personnel Committee in February 2017.

8. To note that a further report be submitted to this Committee on progression through incremental points on the new pay scales following wider consultation.

#### **PE/16/35 Market Rates Policy**

The Committee received a report of the Chief Executive which discussed the payment of market supplements as a legitimate means of increasing the salary of a given post where it is not competitive and therefore causes recruitment and retention issues.

#### **Decision**

To agree Market Rate Supplements (as set out in Appendix 2 of these minutes).

#### **PE/16/36 Chief Information Officer**

The Committee received a report of the Chief Executive which sought agreement to extend the two year fixed position of Chief Information Officer (ICT) to continue progress on the infrastructural changes of the Council's ICT service.

The Committee noted comments from UNISON regarding adequate notice of the proposals which would allow Trade Union comments to be incorporated in the published reports. The Committee asked officers to ensure that in future due notice is given to the unions to facilitate this.

#### **Decision**

1. To note the progress made within ICT over the last two years and recognise the significant planned improvements yet to be delivered.
2. To recommend that Council approves the two year fixed term post of Chief Information Officer for a further 18 months to September 2018, with the option to extend for a maximum 6 months beyond this to aid the transition to a permanent appointment. The extension being on existing terms and conditions including remuneration as set out in the Senior Pay and Grading Personnel Committee Report.
3. To note that the current post holder will remain with the Council for the extended period.

## **Appendix 1: Appeals Policy (Senior Management Job Evaluation)**

### **SENIOR MANAGER JOB EVALUATION APPEALS PROCESS Manchester City Council**

#### Scope

This procedure shall apply to all posts within the remit of the Senior Manager Job Evaluation Scheme.

The aim of this appeals procedure is to:

- provide an objective and transparent process for Council employees whose jobs have been evaluated, to exercise their right of appeal;
- define the criteria that employees may use as grounds for appeal;
- provide the employee, his/her representative and his/her manager the opportunity to state their views on the reasons for the appeal; and
- give structured consideration to the line of argument put forward and provide a prompt response to the appellant

The purpose of this process is to resolve matters related to the grading of senior roles; there is no recourse to other procedures e.g. the Employee Dispute Resolution Policy on matters of pay/grading.

#### **Grounds for Request**

Where a new post has been evaluated, appeals may be submitted within 20 working days of receipt of notification of the job evaluation outcome, on the following grounds only:

- a) the scheme has been wrongly applied
- b) the job questionnaire did not provide complete information
- c) it is believed that an equivalent job is more highly graded and paid

In submitting an appeal the employee must set out the grounds for the appeal. Employees need to be aware that following a formal appeal, the job will be assessed 'in the round' and grade of the role could increase, decrease or stay the same. All JE appeal requests must be evidence-based. Employees may seek the assistance of a trade union representative or colleague, in the preparation of their case.

JE appeals will not be accepted from employees who have left the employment (or submitted their resignations) of the Council nor where the request does not meet the criteria outlined above.

#### Stage 1 – Informal Review by Line Manager, supported by HR

- The employee will need to raise the issue with his/her line manager on an informal basis in the first instance.

- The manager will consider the issues raised and provide an explanation to the employee. In clarifying such matters the manager will be supported by an HR officer trained in job evaluation.
- If the employee is not satisfied with the explanation then they can submit the appeal to HR for formal consideration.
- If pursuing to the next stage, the employee will need to ensure that the appeal against the grade awarded is accompanied by the grounds of appeal and the evidence supporting these grounds.
- In circumstances where the manager does not validate or agree with the request, the manager must provide the rationale/evidence for their decision.
- Information from both the employee and the line manager will be sent through to the HR team.

### Stage 2 - Formal Review of the Evaluation

- i) The role will be analysed (desktop review) by a trained specialist, who will take account of the information received from employee and the line manager.
- ii) As the job will be assessed 'in the round', the grade of the role could increase, decrease or stay the same
- ii) Following this revaluation a recommendation will be made to a Panel comprising the Director of HR/OD and the Trade Union Joint Secretary for consideration.

### Stage 3 – Consideration of Appeal and Outcome

The Panel (Director of HR/OD along with the Trade Union Joint Secretary) will review the independent assessment and the appeal information and provide a final outcome. This may be done in writing or after a meeting with the appellant, the line manager and the independent evaluator, although this is not a requirement.

In the event the panel members fail to agree, the original decision i.e. the recommendation by the trained specialist, will stand.

There are no further routes for appeal following this stage.

### Note:

The above process will apply to appeals against job evaluation outcomes immediately following the implementation of Senior Manager Job Evaluation. Requests for re-grading relating to job changes, further down the line, will not be put forward for re-evaluation unless validated by the line manager. In such circumstances the employee will have the right to request a review of that decision by another appropriate manager within the service/directorate.

# Market Rate Supplement

Employee Relations Team  
HROD  
December 2016

DRAFT



MANCHESTER  
CITY COUNCIL

## **TABLE OF CONTENTS**

1. Purpose
2. Scope
3. Legal Provision
4. Organisational Arrangements
5. Determination of Market Rate Supplement
6. Qualifying Criteria
7. Approval Process
8. Review
9. Monitoring

## 1. Purpose

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Manchester City Council is committed to the provision of high quality public services to our residents and it is therefore essential the organisation recruits and retains a workforce of the highest standard. The City Council is committed to being seen as an Employer of choice for high caliber candidates.

In order to ensure equal pay for work of equal value the council sets pay levels for roles through an analytical job evaluation process. The job evaluation process does not, however, take account of levels of pay within the wider employment market (i.e. pay within other authorities or elsewhere in the public or private sectors).

It is possible, therefore, that job-evaluated rates of pay may not match the current employment market for some posts and that this may present the organisation with recruitment and/or retention challenges. Where this is proven to be the case it may be appropriate to pay an additional supplement to attract new staff coming into the organisation.

This policy sets out the process for requesting a market rate supplement and the procedure for the determination, implementation and review.

## 2. Scope

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A Market Rate Supplement may be paid to any job providing the post has been subject to a job evaluation and a grade has been set in accordance with the Council's pay and grading arrangements.

## 3. Legal provision

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In determining the remuneration of its employees, the Council complies with all relevant employment legislation. For the payment of a market rate supplement the organisation must ensure that the application adheres to the principles of Equal Pay. In order to comply with Equal Pay legislation requests for a Market Rate Supplement must be subject to a systematic, clear and consistent process, there must be substantial evidence to support the payment and any comparisons should take account of the total reward package (including holiday entitlement, overall responsibilities, flexible working arrangements etc).

## 4. Definition of a Market Rate Supplement:

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A Market Rate Supplement is a time limited additional payment to the basic salary of a Job Evaluated role. This discretionary payment will be limited to a restricted number of jobs and will be by exception rather than the rule. These cases will be where there is clear evidence that the position of the role on the new pay structure is, in monetary terms, significantly lower than the market rate and there are recruitment and/or retention difficulties.

There are two types of Market Rate Supplements:

A **Market Rate Recruitment Supplement** is a temporary payment applied to a post by enhancing the salary, bringing the overall reward up to the market rate.



A **Market Rate Retention Supplement** is a temporary payment made to retain an individual in a business critical role over and above their basic salary in order to retain their services, bringing their total reward package up to a competitive Market Rate.

The payment of a Market Rate Supplement must be justified and alternatives to an additional payment must be considered demonstrable, including possible succession planning arrangements should the market rate not be applied or removed at a later date.

## 5. Organisational arrangements

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Under the Council's Pay Policy Statement remuneration and the main contractual conditions of all employee's are linked to the National Pay bargaining structures.

Whilst this policy applies to all Council roles covered by the Pay Policy Statement, payment of Market Rate Supplements in respect of roles above SCP 57 will continue to be referred to Personnel Committee for approval.

Market Rate Supplements for posts on Grades 1-12 may be determined by Heads of Service in conjunction with the Director of HR&OD.

Once a market rate supplement is established for a role, the overall remuneration set will be frozen for the period it is agreed. For example:

If the basic salary of a post of £40,000 and a £5,000 MRS is agreed the overall package will be £45,000. If there is any increase to the basic salary, for example a Pay Award or incremental progression, the level of Market Rate will be adjust so the overall package remains the same (i.e. £45,000)

Market rate supplements are non consolidated or index linked and are normally paid monthly as part of salary, the payment is subject to tax and national insurance and, except in the case of certain lump sum payments, is pensionable.

## 6. Qualifying criteria for requesting a Market Rate Supplement

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It is not sufficient to establish that market rates are higher in general. It is necessary to determine that the disparity in salaries causes an organisational or operational problem and that an additional supplement will resolve or alleviate the issue.

## 7. Approval process

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Once the Head of Service has collated the relevant evidence, the Market Rate Supplement Request form ([insert link](#)) should be completed and together with the evidence should be sent to HR&OD via ([insert email address](#))

HR&OD will verify the benchmarking information submitted, considering rates of pay for similar posts, with similar levels of overall responsibility, job content and general rates of pay for a range of similar posts in the local (or relevant) market. These will be compared with the evaluated grades

or rates for the post(s) to determine if a prima facie case for the payment of a market supplement exists.

If the evidence collected and the benchmarking exercise concludes there is a case for a market rate supplement, the case will be considered by the Director of HR&OD. This determination will be final and there is no right of appeal either by the relevant service manager, the trade unions or individual employees.

If the requested supplement is for an amount greater than the parameters of this policy (i.e. above SCP 57), the request must be submitted to Personnel Committee.

## **8. Review**

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After the initial approval, the Market Rate Supplement will be reviewed jointly every eighteen months by the relevant Head of Service and the Director of HROD Service Delivery. This review will establish whether the current labour market warrants the continuation of the payment.

The service will need to conduct a further full market analysis exercise, collating the same breadth of evidence as submitted for the initial request.

If it is determined the payment is no longer necessary, the employee will be notified of the termination of the supplement and contractual notice will be given.

If the market dictates ongoing payment of the supplement is necessary, this will be reviewed every 12 months.

## **9. Monitoring**

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A bi-annual report will be placed before Personnel Committee detailing an analysis of the application of the market rate policy across the whole of the Council during this period.

In addition the Payment of any Market Rate Supplements will be reported through the Corporate Joint Consultative Committee as a standing item.