

## **Manchester City Council Report for Resolution**

**Report to:** Personnel Committee – 29 January 2019

**Subject:** Senior Pay and Grading Update

**Report of:** Chief Executive

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### **Summary**

On 12 December 2016 Personnel Committee approved a new senior pay and grading structure with effect from April 2017, subject to completion of the required consultation with individual members of staff, amendment to the Council's Pay Policy Statement and approval by Council of grades where remuneration is or could exceed £100k.

This report proposes a change to the senior pay and grading structure, to account for the newly-created post of Deputy Chief Executive and City Treasurer, relative to the Chief Executive and the Council's Senior Management Team tier.

### **Recommendations**

Personnel Committee are requested:

1. To approve the proposed amendments to the senior pay and grading structure set out below:
    - a) Retain Grade Bands SS1 – SS5
    - b) Delete Grade Band SS6 and replace with two new grades:
      - - Deputy Chief Executive £150,000
      - - Chief Executive £198,900
  2. To recommend to Council that the changes are implemented with immediate effect.
  3. To recommend to Council that the Council's Pay Policy Statement in March 2019 is amended to reflect the changes in the senior pay and grading structure.
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### **Wards affected:**

All

### **Financial considerations – Revenue:**

The cost of circa £10k relating to the increase between the salary of the former City Treasurer post and the proposed Deputy Chief Executive and City Treasurer post will be contained within existing approved staffing budgets.

## **Financial considerations – Capital:**

None

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### **Contact Officers:**

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### **Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Personnel Committee: 12 December 2016	Senior Pay and Grading
Personnel Committee: 7 March 2018	Pay Policy Statement 2018/19
Personnel Committee: 29 January 2019	Senior Management Capacity
Review	

## 1. Introduction

- 1.1 On 12 December 2016, following an extensive job evaluation exercise, Personnel Committee approved a new senior pay and grading structure, subject to amendment to the Council's Pay Policy Statement and approval by Council of grades where remuneration is or could exceed £100k. The necessary approvals were granted and new grades and rates of pay were applied with effect from 1 April 2017.
- 1.2 The Chief Executive post was assigned to Grade SS6 on a 'spot' salary. The remaining ranked order of posts were divided into logical management bands to recognise and reflect management tiers. New grades for SS1 - 5 were developed through this exercise, with incremental progression to manage the transition from previous spot salaries and to support building a performance management culture.
- 1.3 Each of the senior grades comprised an initial six incremental points, which were reduced to five increments in April 2018 and are scheduled to reduce to four spine points. The current grade structure is set out below, however the penultimate point in each grade will be deleted with effect from April 2019;

<b>Senior Management Grades/Salaries</b>			
<b>Current Grade</b>	<b>Proposed Grade</b>	<b>SCP</b>	<b>Salary</b>
SS1	SS1	12	£59,664
		13	£60,849
		14	£62,066
		15	£63,307
		16	£64,574
SS2	SS2	22	£67,182
		23	£68,527
		24	£69,897
		25	£71,295

		26	£72,721
SS3	SS3	32	£77,172
		33	£78,715
		34	£80,289
		35	£81,895
		36	£85,507
SS4	SS4	42	£94,072
		43	£95,953
		44	£97,872
		45	£99,830
		46	£101,826
		47	£103,863
SS5	SS5	52	£121,692
		53	£124,860
		54	£130,063
		55	£134,358
		56	£139,786
	DCX		£150.000
SS6	CEX		£198,900

## 2. Pay and Grading Structure

- 2.1 The Job Evaluation exercise conducted in 2016 and applied to all senior management posts thereafter has provided objective evidence to rank senior jobs in terms of their relative skills and importance to and within the Council. The robust arrangements put in place will continue in their current form, including methodology, oversight and governance, to provide fairness whilst ensuring that the Council continues to attract, retain and manage talent.
- 2.2 The Job Evaluation scheme used to inform decisions on grading senior posts looks at four key characteristics within the job:
- (i) Knowledge · Technical depth · Breadth and diversity of service managed: Integration with other organisations
  - (ii) Challenge and discretion · Nature and variety of problems · Planning timescales and scope to develop new solutions: Level of discretion
  - (iii) Impact · Nature of impact - effect of job across the organisation and community: Managerial responsibility
  - (iv) Responsibility for resources · Freedom to take action · Area affected by job, e.g. resources managed.
- 2.3 The new Deputy Chief Executive and City Treasurer role will have overall responsibility for all services across the Corporate Core (with the exception of legal and democratic services which will continue to be led by the City Solicitor), and will deputise for the Chief Executive, undertaking key duties both within the City and with partners at local, regional and national levels. The role will deliver strategic financial planning for the organisation, financial advice and information for service leads and Councillors maintaining a sound financial management framework across all services and ensuring economic, efficient, and effective use of resources available to the Council. Additionally, the postholder provides leadership to HROD, Policy, Partnerships & Research, Performance, Research & Intelligence and Reform & Innovation services.
- 2.4 The scale and scope of the post of Deputy Chief Executive and City Treasurer post, which is the subject of a separate report to this meeting meant that it scored significantly higher than other posts assigned to Band SS5, which are grouped within 100 points of each other, and was much closer to the Chief Executive post in Band SS6. This is due to the breadth of the portfolio and the unique skill mix incorporated within the role which combines Deputy Chief Executive responsibilities with those of the Chief Financial Officer.
- 2.5 It is therefore proposed to retain Bands SS1 – SS5, but delete Band SS6 and replace with two new, separate grades:

·	<b>Deputy Chief Executive</b>	<b>£150,000</b>
·	<b>Chief Executive</b>	<b>£198,900</b>

These grades would be placed on spot points, therefore salary progression would be subject to pay awards determined by the appropriate JNC negotiating body only.

### **3. Conclusion**

- 3.1 The Council is committed to ensuring that the pay and grading for senior managers is fair, equitable and transparent. These amendments to the senior pay structure support an at-a-glance understanding of organisational hierarchy, remuneration levels and job responsibilities.

### **4. Comments of the Director of HROD**

- 4.1 It is important that reward arrangements are seen to be fit for purpose, to assist the Council in attracting and retaining the best talent to meet the high ambition for the City and driving performance.

### **5. Trade Union Comments**

To follow