



**Policy, Finance  
Development &  
Committee**

**25 March 2014**

**Matter for Decision**

Title: **Review of Salary Scales**

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## **1. Introduction**

- 1.1 In the Overall General Fund Revised Financial Position 2013/14 and Draft Budget 2014/15 Report, which was approved by this committee on 4 February 2014, reference was made to an initial benchmarking exercise having been carried out that identified the need to carry out a review of salaries particularly at the senior manager level of Heads of Service. This Council's current pay grade for the Management Level of Heads of Service ranges from £46,406 to £49,249 (Management Levels 1-4). Below Management Levels the grading is set out in Bands, currently there are 10 Bands below Head of Service level which range from £12,614 to £39,351.
- 1.2 This report updates members on the outcome of the further benchmarking that has been undertaken with other Leicestershire District Councils and some other similar Authorities beyond Leicestershire. The outcome shows that salaries at Heads of Service level have no common criteria as to salary level nor as to the numbers of Heads of Services and the breadth of services under each Head. The pay scales across local and beyond Leicestershire's District Councils are wide-ranging from £43,000 to £69,000 (this includes where additional increments are awarded for statutory roles such as the Monitoring Officer and the Chief Financial Officer).
- 1.3 The aforementioned Draft Budget report of 4 February set out an implementation date of 1 April 2014 for any increase in salaries as a result of the revised pay scales which could be contained within the existing 2014/15 salary budget. On the basis that this review has taken longer than anticipated it is recommended that this date is brought forward into this financial year and effective from 1 January 2014. The cost of any increases would need to be met through a virement from other budget heads as there is no available funding in the salaries budget for 2013/14

## **2. Recommendations**

That subject to consultation with the Trade Unions, members approve in principle:-

- 2.1 a further 3 Management Level grades as "spot" salaries for Heads of Service of £55,000, £60,000 and £65,000 as a result of benchmarking with comparable Local Authorities.
- 2.2 an additional pay Band 11 ranging from £40,254 - £42,032 to address the pay differential between Band 10 and the first increment of Management Level
- 2.3 the implementation date of any salary increases are to be effective from 1 January 2014. The costs of which are to be met through a virement from other budget heads.

### 3. Information

- 3.1 As set out above the Council's current pay scale has a maximum salary at Head of Service level of £49, 249 It was evident from the aforementioned benchmarking exercise that this current level is not as competitive and comparable as it could be with other similar size Councils and other Districts in Leicestershire in order for the Council to retain and recruit the required calibre of officers. The benchmarking exercise demonstrated that there is a wide range of grades and after considering roles and responsibilities the recommendation from the Management Team is to introduce a further three Management Levels for Heads of Service of levels 5,6,7 with pay being £55,000, £60,000 and £65,000 respectively as "spot" salaries. "Spot" salaries are an alternative to the incremental approach which is based on annual increments through time in service; with "spot" salaries the salary will not change without further job evaluation being undertaken (apart from any nationally agreed inflation increase). The Senior Management Team considered whether a further scale of traditional annual increments should be introduced but it was felt that a fixed salary scale is more appropriate for these senior manager roles and this is a relatively common practice in the public and private sectors for senior managers. Contact was made with other Councils who operate a "spot" grading system and positive comments were given as to how it had been received and implemented.
- 3.2 In addition to the pay scale at Heads of Service level, this review has identified that there is a significant gap of £7,000 between the highest spinal point of the highest pay Band (Band 10) for officers below Heads of Service level and the lowest spinal point at the Management level scales. It is therefore proposed as an incentive for continuous development and a more flexible pay Banding that an additional Band (Band 11) is introduced ranging from £40,254 – £42,032.
- 3.3 The normal processes of consultation with the Unions will follow if the new grades are approved in principle and an Equality Impact Assessment on the Council's salary scale will be undertaken to consider any equal pay issues.

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#### Background Papers:-

- Working papers containing benchmarking comparability data on salaries from other Authorities.

Implications	
Financial (JD)	Sufficient budget is available from April 2014 to finance the proposed revised salary scales
Risk (AC)	The Council needs to ensure it keeps up with market forces to retain and recruit the right calibre of staff
Equalities (AC)	Equality Impact Assessment needs to be carried out
Legal (AC)	It is necessary to seek Trade Union approval to vary the existing collective agreement. To fulfil the equalities duty a fair and non-discriminatory salary grading structure needs to be in place.