

North Yorkshire County Council

Executive

7 February 2023

Appointment and Remuneration of Chief Officers

1.0 Introduction

This report outlines the Chief Officers Appointment and Disciplinary Committee recommendation to full council for the appointment to and salary of the Chief Officers for North Yorkshire Council.

2.0 Background

- 2.1 With the formation of the new North Yorkshire Council, and the recent appointment of the Chief Executive Officer, the Council now needs to appoint to the senior management structure.
- 2.2 The Chief Executive consulted widely regarding the management structure with all members and staff across the 8 Councils.
- 2.3 The roles of Corporate Director Children and Young People and Corporate Director Health and Adult Services are unchanged in the structure and so have post holders in place for the new council. The remaining three Chief Officer posts of Corporate Director Resources, Corporate Director Environment and Corporate Director Community Development need to be appointed to.
- 2.4 For the positions of Corporate Director Resources and Corporate Director Environment, the Chief Officer Appointment and Disciplinary Sub-Committee, in line with the councils restructuring policy as underpinned by employment law, undertook suitability interviews on 24th November with the senior officers whose current role were deemed similar to the new role for the new council.
- 2.5 For the position of Corporate Director Community Development, following an external recruitment campaign resulting in 31 applications, the Chief Officers Appointment & Disciplinary Committee agreed a shortlist of 10 people, and after an assessment event on 6th January, interviewed a final 3 shortlisted candidates on 11th January 2023.
- 2.6 The Sub-Committee also considered Chief Officers remuneration on 24th November 2023. The formation of the new council and a single management board and senior management structure delivers initial savings on salaries of some £3.7 million a year.

3.0 Remit of the Chief Officers Appointments & Disciplinary Committee

- 3.1 The full Committee appoints a Sub-Committee to appointment Chief Officers to the new Council.
- 3.2 Where a Chief Officer vacancy exists the Appointments and Disciplinary Committee shall:
 - (a) interview all qualified applicants for the post; or
 - (b) select a shortlist of such qualified applicants and interview those on the shortlist; and (in either case)

- (c) having carried out such interviews, either appoint one of the candidates to the vacancy, or decide not to appoint any of the candidates, but instead to take such further action in relation to the filling of the post as the committee may determine. Full Council must approve in advance any formal offer of appointment to Chief Officers.

The Chief Officers Appointment & Disciplinary Committee is to consider from time to time the terms and conditions of Chief Officers and make necessary changes to them in accordance with paragraph 4 of its terms of reference.

4.0 Chief Officer Remuneration

- 4.1 The new Council has a workforce of over 10,000, a revenue spend of £1.4 billion and an ongoing capital programme of £350 million, and owns wholly or jointly a number of companies all with separate workforce and budget.
- 4.2 The County Councils Chief Officer Appointment and Disciplinary Committee in 2007, with the implementation of equal pay and the introduction of a new grading structure, determined that pay bands for senior posts covered by its remit should be in the region of the market median up to top quartile. The committee considered this appropriate due to the following factors:
- The Council is one of the largest local authorities in the region and hence the span of management jobs in terms of breadth, size and complexity will reflect this.
 - The need to be able to recruit both managers with potential starting at bottom of pay band and proven senior managers who already work at that level and who would need to be offered a competitive salary to attract them.
 - The future recruitment needs at senior management levels as a result of the age profile of management teams.
 - The council's overall performance, it's standing with national and regional bodies, and its ability to respond to changes, new priorities and realise its ambitions.
- 4.3 On a continuing authority basis this approach moves over to NYC and was considered by the Committee as still relevant and appropriate for continued use for Chief Officer pay for NYC but with the agreed pay points being aligned to the median rather than upper quartile of comparable pay benchmarking.
- 4.4 In line with this methodology and approach, and in order to attract an appropriately qualified and experienced field, the salaries of comparable Chief Officer roles were considered at the committee with summary details and outcomes detailed in Appendix 1. The authorities used for this pay modelling are detailed and comprise of those which have been subject to LGR since 2009, are similar authorities in size or geography, or are relevant neighbouring authorities. Authorities adopt different structures which can make direct comparison on some individual roles difficult, however the benchmarking provides the ability to compare and contrast across a range of comparable roles. The sample pay data as referenced in Appendix1 shows the pay for unitary councils of a similar size to North Yorkshire have a median salary of £150k.
- 4.5 In order to balance the need to attract a suitably experienced and qualified field, enable flexibility of starting salary relative to the experience of appointee at appointment, and salary progression based on performance, the following Chief Officer pay grade with incremental progression points was agreed by the Sub-Committee and is proposed:

Proposed Pay Grade (from 1/4/23)
129,000
133,967
139,125
144,481
150,044

- 4.6 This proposes an increase compared to the current NYCC Chief Officer pay of approx. £4k at the bottom and £5k at the top of the pay band, (equivalent to around a 3% increase) and retains a 5 point incremental scale, based on increments equivalent to 3.85% which is consistent with the % difference in increments in grades across the wider pay structure. Incremental progression is performance related and will be determined by the Chief Executive Officer through annual performance appraisals and the application of the mandatory progression criteria which applies to all staff.
- 4.7 This proposal aligns the top of the grade with the median of the pay data sample. The median varies across the different roles, sitting at the bottom of the above median quartile for some but aligns with the median for others (see appendix 1). Alignment with the median rather than the top quartile supports the desired leanness in management costs and reflects the ability to be competitive and attractive in the job market drawing on key features of good reputation and location. This proposal is also proportionate to the wider tiers of senior leadership, and salaries at the other levels, with appropriate differentials determined by job evaluation within a structure which balances the need to attract a suitably experienced field and provide career progression to attract and retain.
- 4.8 Whilst there is a small cost of £25k (across 5 posts) to this proposal, the estimated savings on CEX and management board pay are some £3.7 million compared to the costs across the previous 8 councils.
- 4.9 All other terms and conditions for Chief Officers are as standard and applied to all Council employees. There are no variations or differences for Chief or other senior Officers.
- 4.10 The Chief Officers Appointment and Disciplinary Committee's determination of Chief Officer pay is subject to Full Council Approval, scheduled for February 2023.

5.0 Appointments

- 5.1 Following suitability interviews on 24th November 2023 the Committee recommends the appointments of:
- Gary Fielding in the post of Corporate Director Resources
 - Karl Battersby in the post of Corporate Director Environment.
- 5.2 The Corporate Director Community Development position was widely advertised nationally across a variety of media including MJ, Local Government Jobs, Guardian, LinkedIn, Indeed, Council websites, Social Media (Facebook/Twitter) plus targeted executive search. On 21st December the Committee considered the 31 applications received and determined the applicants to be shortlisted and invited to interview. On 6th January the shortlisted candidates progressed through an assessment event which included a one to one with the Chief Executive, and five separate panel interviews with two wider Members panels, two Partner panels and a Management Board leadership panel. Feedback from these assessments were provided to the Committee. On 11th January the Sub-Committee interviewed the shortlisted candidates for the role.
- 5.3 Having interviewed shortlisted candidates at its meeting on 11th January, the Committee decided that, subject to the usual pre-employment checks which have now been received, Nicholas Harne should be appointed to the role of Corporate Director Community Development. This is subject to the approval of Full Council.

6.0 Financial implications

- 6.1 The financial implications are set out in the body of this report.

7.0 Legal implications

7.1 The legal implications are set out in the body of this report.

8.0 Climate change Implications

8.1 There are no significant climate change implications arising from this report.

9.0 Equalities implications

9.1 A transparent and open recruitment process which will comply with the Council's equality processes has taken place.

10.0 Recommendations

10.1 The Executive is asked to note and recommend to County Council at their meeting on 22 February 2023:

- i) The appointments of Gary Fielding as Corporate Director Resources, Karl Battersby as Corporate Director of Environment and Nicholas Harne as Corporate Director Community Development for North Yorkshire Council with effect from 1 April 2023.
- ii) Approval of the proposed Chief Officer salary range from £129k to £150k, with 4 incremental progression points, (£129,000 to £133,967 to £139,125 to £144,481 to £150,044) be approved.

Cllr Carl Les
Leader
Chair Chief Officer Appointment and Disciplinary Committee

PAY BENCHMARKING

Note – current DIR2 pay range at NYCC is £124,989 - £145,064. The pay details in each of the job summaries below relates to maximum pay.

Market pay samples were drawn from other council pay data as available, either from their current Senior Pay Policy statement 2022-23 or their most recent Statement of Accounts and in some cases it has been provided directly by email. As far as possible the sample includes relevant roles from other unitary councils nationally as well as other councils deemed relevant. The population size served by the council was also taken into consideration.

The median of the market pay data is determined through lining up the data from highest to lowest with the median being the midpoint of the range. The details of each of the market pay ranges is available.

Director CYPS – This market pay sample of 24 records has a median salary of £150.6k which is £5.5k above the current maximum for DIR2 at NYCC and the above median quartile is £153.5k.

CD CYPS	Quartile min	Quartile max	Quartile median
Above median quartile	£151,250	£156,317	£153,472
Below median quartile	£141,925	£149,912	£144,173

Director Environment – revised role for NYC. This market pay sample of 17 records of either Director Place or Environment indicates the median salary of £149.5k which is £4.5k above the current maximum for DIR2 at NYCC and the above median quartile is £151.3k.

CD Environment	Quartile min	Quartile max	Quartile median
Above median quartile	£150,244	£152,987	£151,351
Below median quartile	£144,375	£146,426	£144,938

Director HAS – This market pay sample of 17 records has a median salary of £150.2k which is £5.2k above the current maximum for DIR2 at NYCC and the above median quartile is £155k.

CD HAS	Quartile min	Quartile max	Quartile median
Above median quartile	£152,987	£156,884	£155,081
Below median quartile	£142,925	£145,534	£144,720

Director Community Development – a new role for NYC. This market pay sample of 12 records reveals a median salary of £149.9k which is some £4.8k above the current maximum for DIR2 at NYCC and the above median quartile is £152k.

CD Community Dev	Quartile min	Quartile max	Quartile median
Above median quartile	£150,244	£151,925	£151,924
Below median quartile	£144,812	£149,544	£146,426

Director Strategic Resources and S151 – Of the 15 records in this data sample focusing on similar roles in councils serving population of more than 400k, the median pay of £149.7k is £4.6k higher than the max salary for DIR2 at NYCC and the above median quartile is £154.6k.

CD Resources	Quartile min	Quartile max	Quartile median
Above median quartile	£151,284	£156,884	£154,622
Below median quartile	£144,375	£148,052	£144,938

Combined, the findings from these benchmark samples, indicates a median of £150k suggesting the current pay maximum for DIR2 is falling some £5k below the median and £10k below the above median quartile.

Combined average	Ave quartile min.	Ave quartile max.
Above median quartile	£151,202	£154,999
Below median quartile	£143,682	£147,894

Councils used in the benchmark samples:

Bournemouth, Bradford, Buckinghamshire, Central Bedfordshire, Cheshire East, Cheshire West/Chester, Cornwall, Cumbria County Council, Dorset, Durham, East Riding, Leeds, North Northamptonshire, Nottinghamshire, Northumberland, Sheffield, Shropshire, Staffordshire, Somerset, West Northamptonshire, Wiltshire.

Other added where necessary:

Leicestershire, Kent, Gloucestershire, Lincolnshire, Cumberland, West Morland/Furness, Essex