

## SENIOR MANAGER PAY REVIEW PROCESS

### Introduction

The Council has adopted a Chief Officer Pay Structure covering officers currently designated Chief Executive, Corporate Directors (CDs) and Service Directors (SDs). These officers are on Chief Executive Officer (CEO) and Chief Officer (CO) terms and conditions of service. In addition, there are a number of colleagues who, whilst not included in these pay structures, are of similar status.

The Chief Officer Pay Structure is underpinned by Hay evaluation, with each level being allocated a range of Hay points. Appointment to a role within the structure is normally to a spot point within the scale.

Salaries for this group are normally agreed at the time of appointment to the role, in accordance with the MKC Pay Policy Statement. A councillor panel oversees the appointment process but it is the role of the Head of Paid Service to identify an appropriate salary for the role, within the agreed pay structure.

MKC's Pay Policy Statement, recommended annually to Council by the Joint Negotiating Committee (Employers), states there will be a review process to enable salary levels to be managed. This document sets out that process.

### Purpose of Review

The purpose of a review of senior managers pay levels is to allow for periodic (normally every three years) consideration of the continuing appropriateness of individual pay levels. It provides an opportunity to ensure that MKC is able to retain good quality senior managers and to adjust the pay level, *within the grade*, to reflect market movement or continued contribution. As part of the criteria within the proposed review process looks at comparing an Officer's pay with current market rates and also with regard for the financial climate within MKC it should be noted that pay within the grade may go up or down.

The review process is **not** primarily intended to deal with changes to the role content as you would expect changes to role to be picked up as it occurs. However, the review process may highlight that the role has changed significantly and may therefore highlight the need for regrading. If there is a proposal for regrading, a new role outline will be drawn up and an evaluation will be undertaken using Hay.

Following the review, appropriate councillors (see below) will be advised of the outcomes and the date of effect of any proposed changes.

### Review Process

There will be 3 levels of review process:

1. **Service Director roles:** The CEO and Corporate Directors will act as the review body and the CEO as the final decision making body for all Service Directors (Levels 1 and 2) and for other roles not included in the grading structure but of similar status.

2. **Corporate Director roles:** The CEO, in consultation with Group Leaders (or their nominated representatives) will review Corporate Director pay levels within grade and agree any changes.
3. **Chief Executive role:** The Leader of the Council, in consultation with Group Leaders and the LGSS HR Director will review the CEO pay level. The Leader of the Council will agree any pay changes, which will be ratified in the Pay Policy Statement by Full Council.

All three review processes incorporate a number of elements. The review will consider the current rate of pay:-

- relative to that of other similar roles within MKC;
- in comparison with current market rates;
- with regard to the financial climate within MKC;
- in the light of the colleague's positive contribution and added value, with regard to the need to retain them in post ;
- the need for continuity of management;

In considering the above, the review will have regard to benchmark and market data for equivalent roles as well as current rates of pay for individuals in the same grade group – or equivalent pay level. If it is decided that a change is to be made to the pay point, the review outcome will state:

- the reason for the proposed change (see above)
- the new pay point to be applied
- the date of effect of the change.

The outcome of each review will be shared with Group Leaders and the relevant portfolio holder by the CEO as Head of Paid Service. Following this, the senior managers concerned will be advised formally of any subsequent changes to their pay and action will be taken to bring it into effect. Should a reduction in salary level be recommended, individual consultation will take place and due process will be followed. Pay levels will not normally be reviewed further within a period of 3 years.

Any agreed change to the CEO's pay would be agreed by the Leader of the Council and ratified in the Pay Policy Statement by Full Council.