
**REPORT TO HR PANEL
CHIEF OFFICER PAY REVIEW**

**Responsible Cabinet Member - Stephen Harker
Responsible - Director of Resources - Paul Wildsmith**

Purpose of Report

1. To allow the Panel to consider the report on the Chief Officer Pay Review produced by an independent assessor and to allow the Panel to make recommendations to Council on 24 November 2011.

Background

2. At Council on 30 September 2010 the following a resolution was passed in relation to senior management structures and remuneration for Chief Officers :

“That the Council notes the work previously endorsed and led by Cabinet and CMT due to report within the next three months, namely:

- (a) A review of senior management intended to remove a further £1m or 20%+ from the top three management tiers (this against a backdrop where Darlington has the second lowest cost of senior managers in the North East).
 - (b) On completion of the review an independent review of remuneration for Chief Officers”
3. The restructure was undertaken and on 25 November 2010 the Council approved proposals for a Council wide restructuring which produced savings of £1.7m from the top three tiers of management. As part of the restructure the number of Chief Officer posts were reduced from 21 to 14 (excluding two posts at third tier paid Chief Officer rates) and the new structure became operative on 1 January 2011. The new structure consisted of 13 new posts at Director and Assistant Director level resulting from an amalgamation and reallocation of service functions across the local authority, plus the post of Chief Executive that remained unchanged in terms of overall responsibility for managing the Council. The reduction in Chief Officers produced savings of £767k.
 4. As requested by Council, an independent review of Chief Officers remuneration was procured by a competitive process led by the Assistant Director - Human Resources. She has led the whole review process on behalf of the Council and can provide independence as she retires from the Council in March 2012 and her Assistant Director role is not included in the review. This role is now provided under contract by Hartlepool Council on a shared basis. The Hay Group were appointed and their independent report is attached at **Appendix 1**.

Role of the HR Panel

5. Terms and Conditions for Chief Officers is a Council function which can be delegated to a Council Committee such as the HR Panel. Council specifically requested that a pay review be undertaken and therefore it is assumed that they would not wish to delegate the decision to the Panel. However it is the Officers view that to enable fuller debate about the appended report that the HR panel should first review the report and make recommendations to Council who will the make the final decision.

Key points included in the independent report

6. Set out below are the key points:-
 - (a) The Council has a new structure and all posts have been evaluated to assess their relative size.
 - (b) The existing pay grades have been reviewed against comparative data which shows the Council is broadly a lower quartile base salary payer in the public sector.
 - (c) The report recommends that the existing Chief Officer and Chief Executive pay grades remain the same. However the assessor highlights that whilst recommending no changes the Council should bear in mind that it is positioned uncompetitively for the largest Chief Officer roles and that it may face risks in attracting new high calibre role holders at certain grades.
 - (d) New roles have been allocated to the existing pay structure.

Recommendation

7. The Panel are recommended to review the appended independent report and make recommendations to Council based on the content of the report.

Reasons

8. To enable Council to consider the results of the independent Chief Officer Pay Review.

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