

Report of the Chief Executive

Chief Officer Pay Progression

Summary

1. This report proposes changes to Chief Officer pay progression, to link incremental progression to performance. This matter is considered to be urgent due to the need to undertake consultation, amend contracts of employment and design the necessary performance assessment process prior to 1st April 2011.

Background

2. For the avoidance of any confusion, the term 'Chief Officer' relates to any role within the scope of the Joint Negotiating Committee for Chief Officers of Local Authorities bargaining unit. In York this applies to Directors and Assistant Directors.
3. Currently pay progression for Chief Officers is based on time served in the role. At present all Directors are at the top of the grade and the following number of Assistant Directors are on the following incremental levels:
 - Level 1 – 11;
 - Level 2 – 0;
 - Level 3 – 2;
 - Level 4 – 3.

Consultation

4. This matter has been the subject of some high level discussion with UNISON but the detailed issues contained in this report will need to be subject to consultation with the trade unions and the affected staff themselves before a final decision can be taken.
5. Time served incremental progression is an express contractual term. As such it can not be unilaterally varied and can only be amended by agreement, either through a collective agreement with the relevant trade unions (UNISON and the GMB) or by agreement with the individuals themselves. It is therefore proposed that Staffing Matter and Urgency Committee provide the Chief Executive, as Head of Paid Service, with a mandate to implement the final outcome of the consultation, subject to that outcome meeting the high level policy intention of linking incremental progression to performance.

Options

Option 1: Retain time served incremental progression

Option 2: Retain incremental progression but linked to performance

Analysis

Option 1: Retain time served incremental progression

6. The current use of time served incremental progression is outdated and in need of reform. Such pay mechanisms reward time in a role and, theoretically, experience, but without any direct link to performance of either the postholder or their team.

Option 2: Link incremental progression to performance

7. There are many options for performance based pay and it is possible operate a scheme which would link incremental progression to performance and ensure that progression is dependant on the achievement of set targets, either individual, team, organisational, or a combination therein.
8. In order to take a performance based progression arrangement forward, the Council would need to develop a robust and credible performance management system and identify objectives and behaviours, using key performance indicators, for both individuals and teams. It could be that performance is assessed against both individual and team performance with an appropriate percentage split to incentivise each element. in order to incentivise and encourage corporate working and improvement.
9. It should however be noted that all four Directors are at the top of their grade, as are four out of sixteen Assistant Directors. This leaves no further scope for incremental progression and could eventually lead to all Chief Officers with no performance related element of their pay.

Corporate Priorities

10. The actions being proposed in this report are designed to support the Council's corporate priority "Effective Organisation" and are consistent with the required outcomes of the More 4 York programme.

Implications

11. This report has the following implications:
 - **Financial** – The proposals in this report will implement performance based progression without any additional costs to the Council.
 - **Human Resources (HR)** – As described above, in order to operate performance related progression, a scheme will need to be developed that is aligned to the Council's business planning cycle and sets performance

targets for the forthcoming year, against which performance can be assessed at the end of that business cycle.

- **Equalities** – The Council has a legal duty to ensure pay systems are free from bias and as such, an equality impact assessment will be required on the preferred option prior to implementation. The system would also need to be regularly monitored to ensure it is being operated in a fair way.
- **Legal** – see above.
- **Crime and Disorder** – none.
- **Information Technology (IT&T)** – none.
- **Property** – none.
- **Other** – none.

Risk Management

12. The specific risks surrounding the issues contained in this report are highlighted in the analysis of the options. In summary, the risks associated with the recommended option are financial, legal, operational and reputational.

Recommendations

13. It is recommended that Staffing Matters and Urgency Committee:
 - i. agree, subject to consultation, to the implementation of option 2, the introduction of performance related progression;
 - ii. provide the Chief Executive with a mandate to commence formal consultation;
 - iii. provide the Chief Executive with a mandate to implement the final outcome of the consultation, subject to that outcome meeting the high level policy intention of linking incremental progression to performance.

Reason: In order to allow the development and implementation of performance related progression for Chief Officers.

Contact Details

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Chief Officer Responsible for the report:

Kersten England
Chief Executive

Report Approved



Date 14th December
2010

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Chief Executive

Report Approved



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2010

Specialist Implications Officer(s):

Wards Affected: *List wards or tick box to indicate all*

All



For further information please contact the author of the report

Background Papers:

Hutton Review of Fair Pay in the public sector: interim report. December 2010,
http://www.hm-treasury.gov.uk/indreview_willhutton_fairpay.htm

Annexes

None