

<b>Report title:</b> Uplift to Grade A and B salary ranges and salaries	
<b>Report to:</b> Senior Management Employment Committee (SMEC)	
<b>Report author:</b> Gavin Jones, Chief Executive	
<b>Date:</b> 17 March 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Gavin Jones, Chief Executive	
<b>County Divisions affected:</b> All Essex	

## 1. Request uplift to Grades A and B grades and salaries with effect from 1 April 2023

The purpose of this report is to make recommendations to the Senior Management Employment Committee (SMEC) in relation to a review of the salaries paid at Grade A and B pay ranges.

## 2 Recommendations

- 2.1 Apply a 4.0% increase to Grade A and B pay ranges and salaries with effect from 1 April 2023.

## 3 Background and Proposal

### 3.1 Increase the salary ranges of Grade A and B by 4.0% and apply a 4.0% increase to the salaries of those in Grades A and B

- 3.1.1 The budget includes a 5.0% allowance to deal with an increase in pay. Pay for officers at grades C or below is decided by the Chief Executive, acting within the budget agreed at Full Council in February 2023
- 3.1.2 Although the overall investment of 5% is not sufficient to ensure that our salaries keep pace with the market in all cases and will be outstripped by inflation, it does enable us to support employees to offset some elements of the increasing cost of living. On 23 February the National Joint Council (Local Government Services) made a pay offer for 2023/24 increasing pay rates by £1,925 or 3.88%, whichever is higher. The % cost of this will depend on the demographics of the council. Applying this to Essex County Council would result in an overall increase of around 5.8% compared to the 5% allowed for within the budget.
- 3.1.3 It should be remembered that those on Grades A and B did not benefit from any salary increase in 2021/22 and received a lower increase (1.5% compared to 2%/2.25% for all employees) in 2022/23.

- 3.1.4 There is continued pressure on recruitment at all levels in the council and as such we need to ensure our Grade A and B roles remain competitive so that we are able to attract and retain key talent. Data from Korn Ferry indicates that senior manager jobs at Director level and above have increased by, on average, 11% in the past two years compared to jobs below this level where the average increase has been around 8%. In addition, the Government has reduced the additional rate income tax threshold from £150,000 to £125,140. This increases the number of senior managers paying income tax at 45% (from 7 to 14) and reduces their net pay. The recommended 4% increase will help mitigate that loss although will not remove it completely in some circumstances.
- 3.1.5 The Chief Executive recommends that the salaries of those on Grades A and B be increased by 4.0% with effect from 1 April 2023. A table showing the previous and proposed salaries is shown below:

Grade	Current			Proposed		
	Lowest point	Mid-point	Top of grade	Lowest point	Mid-point	Top of grade
<b>A</b>	£147,479	£162,600	£177,762	£153,379	£169,104	£184,873
<b>B1</b>	£126,566	£136,505	£146,392	£131,629	£141,966	£152,248
<b>B2</b>	£104,566	£115,022	£125,479	£108,749	£119,623	£130,499
<b>B3</b>	£84,714	£94,109	£103,520	£88,103	£97,874	£107,661

## 4 Issues for consideration

### 4.1 Financial implications

- 4.1.1 The approved budget for 2023/24 includes an assumed uplift of 5% for pay (c£15.5m).
- 4.1.2 The recommended uplift for grades A and B (4%) is therefore clearly within the resource envelope assumed. However, this decision cannot be taken in isolation without acknowledgement of the financial impact of the overall recommendations for pay in 2023/24, which could be c£500,000 in excess of the budget (including an allowance for uplifts to non-Essex pay groups which have yet to be agreed).
- 4.1.3 There are planned mitigations for the pressure in 2023/24 however there will be base pressure of c£500,000 from 2024/25 that will need to be managed through the MTRS.

### 4.2 Legal implications

- 4.2.1 Under our constitution this decision is reserved to this Committee.

## **5 Equality and Diversity Considerations**

- 5.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 5.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 5.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **6 List of Appendices**

Equality impact assessment

## **7 List of Background papers**

None