

COUNTY COUNCIL
7 NOVEMBER 2023

Strategic Leadership Team

Report by Chief Executive

RECOMMENDATION

Council is RECOMMENDED to

- a) Approve the pay scale of £159,000 to £187,000 for the three proposed Executive Director roles; Executive Director of People, Executive Director of Place and Executive Director of Resources, which will form part of the Strategic Leadership Team;
- b) Appoint Stephen Chandler as permanent Executive Director of People and Lorna Baxter as permanent Executive Director of Resources at ED3 within the pay scale set out in recommendation 1; and
- c) Approve the Council's Pay Policy being amended at the next annual review in 2024 (Annex 1) to reflect the changes set out in this report.

Executive Summary

- 1. The proposed pay scale set out in Table 1 requires approval by Full Council in accordance with the Council's Pay Policy 23/24 (Annex 1) as these are new roles where the proposed salaries are more than £100,000.

Background

- 2. Between 6th – 20th October 2023 affected individuals of the Strategic Leadership team were consulted on the proposal to introduce three Executive Director roles; Executive Director of People, Executive Director of Place and Executive Director of Resources.
- 3. The three Executive Director roles have all been reviewed by Korn Ferry, a global consulting firm specialising in executive selection. Korn Ferry's report sets out a salary range of £144,500 (lower quartile) to £187,500 (upper quartile) with the median quartile at £166,000. These figures reflect Korn Ferry's external market data for Public Sector Services, the detail of which can be found in Annex 2.
- 4. The new Executive Director roles are accountable directly to the Chief Executive for the overall success of the Council. The roles will lead the development of strategies and plans for their directorates that each represent a significant part of the organisation's activity. This necessitates highly strategic thinking and the

roles are required to think widely and long term – scanning the external environment. Following the departure of the former Corporate Director of Customers, Organisational Development and Resources in May 2023, it was decided not to recruit to this role. Instead to delete the post from the establishment and use the two new Executive Director roles, initially as interim, to cover these responsibilities and to provide more strategic capacity at the senior management level across the whole Council.

5. The Executive Director of Place role will be notionally added to the establishment alongside the other two Executive Director roles, but at this stage will not be recruited to. More work will be undertaken by the Chief Executive in consultation with the Corporate Director of Environment & Place to understand what is optimal across this critical, resident-facing portfolio of services. This will not be budgeted for at this stage, but rather be subject to a separate business case to ensure that this does not add net additional cost to the strategic leadership of the Council.
6. Recognising the importance of appointing and retaining strong and engaged candidates and the importance of remaining flexible for future appointments, it is proposed that the pay scale at Table 1 is introduced rather than a spot salary. The lowest quartile salary level from Korn Ferry of £144,500 sits within the range of existing corporate director salaries and so it is proposed to start the Executive Director pay scale at £159,000 to ensure an appropriate gap between bandings. Unlike a spot salary, a pay scale will provide a more structured and transparent system of remuneration which promotes fairness among colleagues as it ensures that individuals with similar attributes and positions receive comparable pay.

Table 1

Grade	Executive Director (ED) 1	Executive Director (ED) 2	Executive Director (ED) 3	Executive Director (ED) 4	Executive Director (ED) 5
SCP	£159,000	£166,000	£173,000	£180,000	£187,000

7. It is proposed that the two affected individuals start on grade ED3 for the role of Executive Director of Resources and Executive Director of People. This is the same salary as the existing Interim Executive Director of People, Transformation & Performance. Whilst each Executive Director role is different in terms of their portfolio and responsibility, they are of equal value to the organisation so it is important that they are remunerated the same. This also protects the organisation from any equal pay claims now or in the future.
8. Progression through the pay scale will be through annual increment. It is proposed that these new appointments will be eligible to progress to the next incremental point from April 2025.
9. Remuneration Committee has recommended to Council the approval of the Pay Scale, that Stephen Chandler is appointed as permanent Executive Director of People and Lorna Baxter as permanent Executive Director of Resources and recommend that the Council's Pay Policy is amended to reflect the changes set

out in this report. Separately Council will be asked to consider the designation of the Executive Director of Resources as the Section 151 Officer.

Financial Implications

10. The 2023 / 2024 costs for the Interim Executive Director role for People, Transformation and Performance are being funded from the Transformation fund.
11. The expectation is that the majority of the cost of the new structure will be met from existing budgets. Additional contributions towards the cost of the Executive Director People will be sought from the Public Health ringfenced grant and Children's Services on the basis that the post will have overall responsibility for those services. The shortfall that cannot be met from existing budgets, up to a maximum of £0.209m in 2024/25 and £0.265m if postholders progressed to the maximum pay scale, will need to be agreed by Council in February 2024 as part the Budget & Business Planning proposals for 2024/25.

Comments checked by:

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Legal Implications

12. The proposed pay scale for the three Executive Director roles requires approval by Full Council in accordance with the council's Pay Policy 23/24 (Annex 1) as the proposed pay scale comprises salaries that are more than £100,000.
13. There are local government employment rules that govern the appointment of statutory chief officers, non-statutory chief officers, and deputy chief officers. The relevant legislation is set out in Local Authorities (Standing Orders) (England) Regulations 2001, SI 2001/3384.

Where executive arrangements are in place, the appointment of chief officers including the terms and conditions on which they are appointed, is a function reserved to the council. However, the legislation does enable the council to delegate this function to a committee or an officer and this delegation may either be authorised to discharge the full function of making or confirming appointment or be limited to making a recommendation to a full meeting of the council. (Local Authorities (Functions and Responsibilities) (England) Regulations 2000, SI 2000/2853, Sch 1, Part I para 37; Local Government Act 1972, s 101 and 112¹).

The Council's Remuneration Committee picks up this responsibility for the Council and as these are new roles with a salary of over £100,000 recommendations have been made to Council.

Comments checked by:

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Staff Implications

13. If an agreement is not reached it could create uncertainty for affected staff and their direct reports. It could also result in staff leaving the Council as a number of staff have been in interim positions for some time and had the opportunity to deliver at promoted levels and in specialist leadership roles and are ambitious to have the permanent opportunity to demonstrate their skills, experience and talent. The loss of experienced and talented staff and continued instability would then have an impact upon the pace of delivery of the transformation programme, Delivering the Future Together and the Council's ambition to achieve financial resilience.

Equality & Inclusion Implications

14. Considerations will be made around equal pay legislation.

Martin Reeves
Chief Executive

Annex 1: Council's Pay Policy 23/24
Annex 2: Korn Ferry benchmarking report

Background papers: Nil

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