

Report to: Governance Committee

Date of meeting: 10 January 2024

By: Assistant Director, Human Resources and Organisation Development

Title: Chief Executive, Chief Officers' and Deputy Chief Officers' Pay 2023/24

Purpose: To consider the position in relation to the pay award for the Chief Executive, Chief Officers and Deputies for 2023/24

RECOMMENDATIONS:

The Governance Committee is recommended to agree the pay award for the Chief Executive, Chief Officers and Deputy Chief Officers for the financial year 2023/24 to mirror the national JNC pay awards as set out in paragraph 2.5 of the report.

1 Background

1.1 Chief Officers' pay is locally determined and any annual increases approved by this Committee are effective from the 1 April of the relevant pay year.

1.2 The national (NJC and JNC) pay awards are relevant to these local negotiations as the decision made regarding the local pay offer needs to take into account the impact on the wider workforce and organisation as a whole, as well as the wider market position.

1.3 Set against this background, the local pay award for the Chief Executive, Chief Officers and Deputy Chief Officers has therefore historically mirrored the national awards. Any consideration of a pay increase should, however, take into account the wider public sector context and the future financial challenges facing the Council.

2. Supporting information

2.1 The annual Consumer Prices Index (CPI) inflation measures changes in the price level of consumer goods and services purchased by households. On 21 March 2017, the CPI was replaced by a new measure: the Consumer Prices Index, including owner occupier's housing costs (CPIH). This extends the CPI to include a measure of the costs associated with owning, maintaining and living in one's own home (owner occupiers' housing costs OOH), along with council tax. This is the most comprehensive measure of inflation. The CPIH rose by 4.7% in the 12 months to October 2023, down from 6.3% in September. On a monthly basis, CPIH rose by 0.1% in October 2023, compared with a rise of 1.6% in October 2022 (Office for National Statistics Nov 23).

2.2 Annual growth in regular pay (excluding bonuses) was 7.7% in July to September 2023, this is slightly down on the previous periods but is still among the highest annual growth rates since comparable records began in 2001. Annual growth in employees' average total pay (including bonuses) was 7.9% in July to September 2023; this total growth rate is affected by the civil service one-off payments made in July and August 2023. Annual growth in real terms (adjusted for inflation using the Consumer Prices Index including owner occupiers' housing costs (CPIH)) for total pay rose on the year by 1.4% in July to September 2023, and for regular pay rose on the year by 1.3% (ONS Nov 23).

2.3 Annual average regular pay growth for the public sector was 7.3% in July to September 2023 and is the highest regular annual growth rate since comparable records began in 2001; for the private

sector this was 7.8% and among the largest annual growth rates seen outside of the coronavirus (COVID-19) pandemic period (ONS Nov 23).

National Pay Negotiations 2023/24

2.4 The national NJC local government services reached a one year pay deal on 1 November 2023 covering the period 1 April 2023 to 31 March 2024. In headline terms, the deal provided for a minimum increase of 3.88%. At its meeting on 28 November 2023, the Governance Committee agreed the pay offer to LMG Managers for the financial year 2023/24 to mirror the national NJC award.

2.5 The JNC for Chief Officers of Local Authorities and the JNC for Chief Executives of Local Authorities have both also agreed their respective 2023/24 pay awards as being an increase of 3.5% with effect from 1 April 2023, so a lesser increase than the NJC for local government services.

Benchmarking

2.6 In previous years, benchmarking information in relation to other Councils has been provided. It is important, however, to recognise that Councils do not have consistent staffing structures and it is therefore very difficult to be confident that we are comparing on a 'like for like' basis. For example, it is worth noting that a number of Councils have introduced the role of 'Executive Director', which sits between the Chief Executive and departmental Chief Officers, thereby providing additional senior strategic capacity. This is not a layer that exists within East Sussex.

2.7 In order to provide the Committee with an understanding of the local market position and subject to the above, attached at Appendix 1 is high level benchmarking data showing the comparison in relation to the Chief Executive, Chief Officers and Deputies' pay and our closest neighbours.

2.8 A key relevant factor is the context in which the Council is operating. The scale of the leadership challenge, running a complex organisation and services in the face of financial challenge, complex needs and multiple risks is significant. Working collaboratively and in partnership is vital to support the challenges around service delivery and integration and our senior leaders have significant external facing roles in addition to the services they manage. The Chief Executive and Chief Officers are critical to ensuring the continued delivery of our essential services to the residents of East Sussex.

2.9 It is recognised that there is a level of scrutiny on pay for senior officers. It is, however, equally important that the Council is able to attract and retain high calibre staff to ensure the best delivery of services to the residents of East Sussex. Whilst acknowledging that pay is only one element of the overall employment package, it is, nonetheless an important one. Given the current significant recruitment and retention challenges, it is essential that our pay rates are appropriately competitive.

2.10 Given this backdrop, it would seem appropriate to offer a pay award that mirrors the national JNC pay awards for Chief Officers and Chief Executives.

2.11 The Committee will also be aware that at its meeting on 28 January 2020, it agreed an additional payment to be made to the Chief Executive in recognition of the significant additional responsibilities arising from being appointed as shared Chief Executive across both East and West Sussex County Councils. As an element of pay, it is appropriate that any increase agreed applies equally to this additional payment.

Financial Implications

2.12 The estimated impact of mirroring the national pay award to the Chief Executive, Chief Officer and Deputy Chief Officer pay bill is £57k per annum including on-costs. This is fully provided for in the MTFP.

2.13 Attached at Appendix 2 is a copy of the current Chief Executive, Chief Officer and Deputy Chief Officer salary scales showing the impact of an increase of 3.5%.

3. Conclusion and reasons for recommendations

3.1 The Governance Committee is recommended to determine the pay offer for the Chief Executive, Chief Officers and Deputy Chief Officers for the financial year 2023/24 as being in line with the national JNC pay awards as set out in paragraph 2.5 of the report.

Sarah Mainwaring
Assistant Director, Human Resources and Organisation Development

Contact Officer:
Ruth Wilson, HR Manager, Reward and Recruitment
Email: ruth.wilson@eastsussex.gov.uk