

REPORT TO: CORPORATE LEADERSHIP BOARD
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**SALARY BENCHMARKING FOR LEGAL AND DEMOCRATIC SERVICES
RESTRUCTURE**

1.0 SUMMARY

Proposals for a restructure of Legal and Democratic Services were put forward and agreed with both Council's Executives on 7th May (WBC) and 16th May (GBC) respectively. This restructure includes the creation of new joint posts below the level of the Joint Leadership team. And it also included a proposed uplift in salary to reflect the joint nature of the post and that the new posts will support both Councils.

The papers set out that we were proposing a joint salary structure for LDS posts solely because of the urgency in addressing the findings of the SOLACE Independent Review of Governance and subsequent Improvement Plan¹. In the main this is reflective of the clear organisational priority that we address capacity and capability issues around corporate governance at pace.

Contingent in the papers was that a benchmarking exercise would be undertaken to assess whether a proposed salary uplift was appropriate (para 10.5 refers). In addition to the timescales set out in the SOLACE Improvement Plan, an additional time pressure relates to the fact that a proposed restructure of Legal and Democratic Services has recently concluded, and it is critical that we provide clarity to staff. The findings of this salary benchmarking exercise will also be reported to Executives of both councils, and recommendations will be incorporated in both Councils Pay Policy as required.

Although the primary focus in terms of time pressures is on the LDS restructure, the reality is that the findings of this review are also relevant to other proposed restructures/creation of new joint posts that may be agreed by CLB.

Whilst this paper concentrates specifically on the salary benchmarking exercise, it is important to note that related work on the broader issue of a comprehensive terms and conditions of employment programme is underway and is further referenced in Section 2 below.

¹ A number of recommendations in the Solace report directly refer to the work undertaken in LDS on recent restructures. Specifically paras 6.7, 8.17, 8.18, 8.19, 8.20, 9.13, 9.14, 10.13, 10.14 refer.

2.0 RELATED WORK

For the purposes of this paper, it is relevant to note that:

- CLB reviewed papers on the current status of the Transformation and Collaboration Terms and Conditions workstream on June 24th 2024;
- A two-stage approach was agreed to encompass progressing 6 – 8 projects in Stage 1, and Stage 2 would entail development of a Joint Operating model and a more comprehensive review of terms and conditions of employment;
- Therefore, an additional piece of work was agreed that a short exercise be undertaken to assess what a longer-term review of the workstream would entail;
- A scoping statement has been prepared and discussed with the Joint Strategic Director of Legal and Democratic Services and Assistant Director of Strategy and Corporate Services. This work will be reviewed with other stakeholders once this benchmarking review is concluded in order that the work can be properly scoped and resourced. It was anticipated that a growth bid will be brought back to CLB at the earliest opportunity, however WBC Finance has requested that as part of the 2025/26 budget setting process we develop a Transformation Budget.² The initial scoping statement prepared following CLB on 24th June is included in Appendix 1 for completeness;³
- Subsequent discussions have resulted in CLB agreeing that we should accelerate work on Stage 2 and;
- In the meantime, it is critical that we develop/further develop interim approaches that will enable the creation of any new joint posts that may be agreed by CLB. Related pieces of work, key dates and progress update are included in Appendix 2.

3.0 SALARY BENCHMARKING – BACKGROUND AND METHODOLOGY

Background - CLB decisions

At CLB on 22nd July, the following decisions were taken which underpin this exercise:

- CLB agreed that all future joint posts should be created using Waverley terms and conditions of employment. This updates previous papers and decisions and aligns with the structure of JLT posts.
- CLB also agreed that there should be updated interim policies and processes that will underpin the creation of new joint posts and they will remain valid only until the conclusion of the broader terms and conditions of employment programme (see Appendix 1 and 2 for further information).
- CLB wish to call the additional payment made a ‘Special Responsibility Payment’. This definition will only be used in the context of joint posts as under normal circumstances an honorarium payment is made for special responsibilities for an agreed period of time.

A further comprehensive and council wide benchmarking exercise will also be a key component of the broader terms and conditions of employment programme. For clarity, this will be underpinned by a review of job evaluation methodology, pay structure and relevant

² Note, a meeting was held with CLB on 22nd July and the Joint Operating Model/Terms and Conditions work scope is being further accelerated. Work is underway on Stage 2 scoping but has dependencies on other, related work (e.g. Business Case development with Local Partnerships).

policy and processes and will encompass posts that are joint as well as posts that are not joint posts across both councils.

Key questions

In order to assess whether there is a sufficient evidence base for the proposed uplift of 20% in salary a number of questions have been identified. These questions are set out as follows⁴

1. How do the GBC and WBC salary structures compare to other Surrey Districts and Boroughs?
2. Is there any evidential basis for paying a different uplift for different posts – e.g. we have proposed a 20% uplift for LDS posts. Current arrangements propose a 5 – 10% uplift⁵?
3. Does a proposed uplift of 20% undermine any principle that may have existed at the time that part of the rationale for appointing joint posts on WBC terms was to reduce paybill costs?
4. Does a proposed uplift (of 20%) better able us to be competitive in recruiting staff?
5. If we determined that there is no basis for a different uplift on LDS posts and we continued with a proposed 20% uplift on salary for new posts – what would the cost be to uplift people currently being paid a lower uplift?

An additional question is relevant as well (but not included in Appendix 2) and that is:

6. Is it appropriate that new joint posts below the JLT structure should also be spot salaries?

Methodology

Typically, salary benchmarking uses software that uses key features about a job and compares it to datasets enabling us to assess a broad range of parameters including broader market conditions and specific information about jobs. For example, some of the factors considered include basic salary, additional benefits that may be applied to a role, whether there are difficulties in recruiting to posts being benchmarked etc.

The extent to which benchmarking is reliable depends on a range of factors including the recency of data and the size of the dataset in question. Because the structure of jobs, including grades and titles differ across organisation, some manipulation is required to ensure that we can draw broad benchmarking conclusions.

Ensuring that we can be confident in our benchmarking, it was important to establish a methodological approach. This approach was tested in conversation with LGA Workforce Development colleagues who have the most extensive understanding of Local Government

⁴ These are questions 11, 12, 13, 14 and 19 in Appendix 1.

⁵ This is set out in the Interim Process for Staff to Work at Alternate Councils document agreed by CMB in April 2023

job design, evaluation and salary structures.⁶ The following approach was adopted for this exercise:

1. Assess the extent to which the WBC salary structure is comparable to other Councils
2. Identify the extent to which benchmarking software provided evidence that would allow us to draw a conclusion about an appropriate salary factor for joint posts
3. Compare any national dataset that may exist nationally for Joint posts with our proposals.

All of the data used in this approach is based on Local Government organisations.

Before we review the evidence gathered, a reminder of the original proposal to uplift Joint Post salaries by 20% is included in Section 4.0.

4.0 PROPOSED SALARY STRUCTURE (20% uplift)

Underlying assumptions

In preparing a baseline proposal for a Joint Post salary structure for testing and development, a number of factors were considered:

- The differences in pay and grading structures between GBC and WBC
- Joint post terms and conditions should be attractive enough to encourage staff at GBC to apply
- Whether the salaries would be sufficient to attract employees in the context of a challenging recruitment marketplace; and recognising that some posts in particular, i.e. Lawyers and Senior Lawyers are recognised as hard to recruit nationally in Local Government
- Alignment with JLT structures, namely use of a spot salary rather than a salary range.

Although covered in other papers, it is important to be clear that whilst job evaluation and design and pay scales are related, job evaluation itself is underpinned by evidence-based job evaluation methodologies and based on the **size** of a job. Furthermore, the size of a job is tested against all roles within an organisation to ensure that evaluation is applied consistently and the risks of equal pay claims is actively managed.⁷

Councils have some degree of choice about the actual salary and benefits they are able to pay. This reminder is important given the differences in the job evaluation methodologies in use at GBC and WBC. Reviewing job evaluation schemes will be a key component of the broader terms and conditions of employment programme.

Notwithstanding the fact that job evaluation reflects the size of a role, we needed to reflect any existing precedents applied in the creation of previous joint posts. Currently JLT and the Executive Support team are joint posts. Joint posts for the Executive Support team were

⁶ A conversation was held between KG and the LGA key advisor on pay and grading on 30th July. And in addition, a conversation was held with SE Employers on the same day.

⁷ Some current Local Authority Equal Pay claims have arisen where organisations have not applied their job evaluation methodology consistently across the organisation.

increased in grade, however this did not include an additional salary uplift. Work has been commissioned by the Strategic Director for Legal and Governance to address these matters.

Therefore, to ensure consistency as far as reasonably possible with this current practice and precedent, the job descriptions for LDS Joint Posts were proposed at a grade higher than a post that is applicable to WBC only. This is a principle that has been applied to another pending restructure.

We remain mindful that it is important that in all of our work on joint posts and salary scales, we must be aware of all of the factors that may impact equal pay claims and ensure that we are mitigating any risk.

Baseline proposal

The following proposals were created to support the LDS restructure and are contingent on benchmarking. They were included in the Executive papers outlined in Section 1 and both Council Executives have approved the additional monies requested.

An uplift of 20% differs from existing interim staffing arrangements set out in the Interim Process for Staff Requests to Undertake Work at Alternate Councils (recognising that this current policy is being updated as part of work described in Section 2), which state that an increase in salary between 5% and 10% should be considered.

WBC Finance colleagues undertook costing of Joint Post salaries by adding an additional 20% to the base salary at pay point B within each WBC grade – this constituting the ‘special responsibility payment’ CLB previously agreed.

In terms of the LDS structure, Joint Posts are being added at Assistant Director level and at WBC grades 3, 4, 6 and 7 (items in red in the following table).

Table 1. Draft baseline joint post salary structure for benchmarking

JMT Grading Structure									
		Spot salary							
Joint Chief Executive		£165,000							
Joint Strategic Director		£127,850							
Joint Head of Service		£94,850							

Proposed salary structure for Joint Posts below JMT grades

NB. The proposed structure below **does not** include any reference to additional benefits.

Waverley Grade	Waverley Spinal column points	Salary range	Guildford Grade	Guildford Spinal column points	Salary range	Joint Post Grade (Waverley structure)	Joint Post Spinal column points (Waverley Structure)	Costing (point b of scale and 20% uplift on Waverley salary)	Additional commentary
2	4	£68,860 - £74,344	10	7	£71,373 - £81,809	2	4	£87,018	Equates to Guildford grade 10
3	4	£57,800 - £62,338	9	8	£59,417 - £66,811	3	4	£72,989	Equates to Guildford grade 10
4	4	£51,410 - £55,400	8	7	£53,976 - £59,147	4	4	£64,885	Equates to Guildford grade 9
5	4	£45,573 - £48,836	7	7	£48,519 - £53,976	5	4	£57,216	Equates to Guildford grade 8
6	4	£41,267 - £44,387	6	7	£41,110 - £48,519	6	4	£52,015	Equates to Guildford grade 7
7	4	£37,039 - £39,794	5	6	£35,593 - £41,110	7	4	£46,652	Equates to Guildford grade 6
8	4	£32,832 - £35,199	4	5	£31,724 - £35,593	8	4	£41,133	Equates to Guildford grade 6
9	4	£29,951 - £32,033	3	5	£28,724 - £31,724	9	4	£37,606	Equates to Guildford grade 5
10	4	£26,787 - £28,862	2	5	£26,633 - £28,724	10	4	£33,808	Equates to Guildford grade 4
11	4	£24,512 - £26,102	1	7	£23,695 - £26,633	11	4	£30,688	Equates to Guildford grade 3
12	4	£23,950				12	4	£28,740	Equates to Guildford grade 2

5.0 BENCHMARKING FINDINGS AND ANALYSIS

Findings and analysis are discussed below according to the key questions set out in Section 3. Associated recommendations are included in Section 9.0.

(Question 11 in the attachment) How do the GBC and WBC salary structures compare to other Surrey Districts and Boroughs?

We have obtained a list of the pay and grading structures from a number of other Surrey Districts and Boroughs. Some councils have had local pay agreements for a period of time which gives a degree of flexibility in determining salary scales and benefits.

It is not unusual for there to be differences in pay scales across Local Councils and there are some differences in the data we have compiled. For example, the following table shows the variance across WBC, GBC, Tandridge and Surrey Heath, recognising that these mask differences in how many pay points there are within grades etc. Nevertheless, it is not unreasonable to do a straightforward read across.

In terms of drawing conclusions, we need to be careful about direct comparison, given the differences in job evaluation methodologies, salary points etc. However, it is interesting to note that WBC grades 2 and 3 have a lower salary start and end range than Guildford and Surrey Heath, but they are higher compared to Tandridge Council.

Another difference is the spread within grades. So for example, WBC grades are smaller, WBC grade 2 has a spread of roughly £6k, whereas for Guildford it is £10.5k, and for Surrey Heath it is £9.5k. For Tandridge the spread is £8k.

Given that this benchmarking is narrower than will be the case in the Stage 2 work alluded to earlier, it is difficult to argue that WBC salary structures are so different compared to neighbouring authorities now that it undermines the CLB decision to appoint joint posts on WBC terms and conditions of employment.

Table 2. Surrey Pay and Grading comparator snapshot

Waverley Borough Council		Guildford Borough Council		Tandridge Council		Surrey Heath Borough Council	
Pay grade	Salary range	Pay grade	Salary range	Pay grade	Salary range	Pay grade	Salary range
Below JLT structures							
2	£68,860 - £74,344	10	£71,373 - £81,809	HOS2	£64,208 - £72,195	SH10	£70,211 - £79,747
3	£57,800 - £62,338	9	£59,417 - £66,811	HOS1	£55,853 - £62,611	SH9	£60,790 - £67,295
4	£51,410 - £55,400	8	£53,976 - £59,147	M4	£49,161 - £55,083	SH8	£53,117 - £59,381
5	£45,573 - £48,836	7	£48,519 - £53,976	M3	£42,575 - £48,432	SH7	£46,246 - £51,667
6	£41,267 - £44,387	6	£41,110 - £48,519	M2	£36,949 - £41,804	SH6	£39,514 - £44,366
7	£37,039 - £39,794	5	£35,593 - £41,110	M1	£31,504 - £36,317	SH5	£33,872 - £38,723
8	£32,832 - £35,199	4	£31,724 - £35,593	TA2	£27,067 - £30,929	SH4	£28,247 - £33,085
9	£29,951 - £32,033	3	£28,724 - £31,724			SH3	£24,318 - £27,759
10	£26,787 - £28,862	2	£26,633 - £28,724	TA1	£22,711 - £26,539	SH2	£19,803 - £23,995
11	£24,512 - £26,102	1	£23,695 - £26,633	TC2	£21,029 - £22,149	SH1	£15,660 - £19,139
12	£23,950						

It should be noted however that there are significant discrepancies at Management Team level and in that context WBC JLT salaries do not compare well. This should be further explored in the Stage 2 review.

(Question 12 in the attachment) Is there any evidential basis for paying a different uplift for different posts – e.g. we have proposed a 20% uplift for LDS posts. Current arrangements propose a 5 – 10% uplift?

To help us answer this question and build on the assessment made of the underlying WBC salary structure, we have undertaken some work using the InfiniStats software. This software focuses on Local Government and a number of regions contribute to keeping the software updated enabling a robust dataset to be used for range of benchmarking purposes and exercises (e.g. pay reviews).

Specially, East of England, West Midlands, South East England Regions and London Councils contribute to this dataset. Data is updated on an annual basis. The process of updating for 2024 is underway so the dataset is not complete for this year and a more reasonable comparator is 2023 data.

Benchmarking can be challenging in terms of the risk of comparing apples and pears. The software has a structure and we needed to undertake some manipulation in terms of describing the levels of jobs so that we can then compare with other Local Authorities. The software uses 4 levels in describing roles. Additionally, it is important to note that jobs in the software are attached to job families

To assist in our benchmarking work we have added in all of the WBC roles in Legal Services. Unfortunately, there isn't yet a Job Family for Democratic Services roles and we are investigating the extent to which we are able to add in Joint Posts. Our comparison is the best that it can be given the limitations of the comparator dataset overall.

For clarity the 4 levels are as follows (albeit there is an 'other' category):

Table 3. InfiniStats reporting levels

Tier	Description
1	Chief Executive
2	Reports to Chief Executive
3	Reports to 2 nd Tier
4	Reports to 3 rd Tier
Other	Other

To date, we do not have all of our WBC roles in the InfiniStats datasets but we will continue to add to what we have. What we are able to show in benchmarking terms is how Legal Services posts compare to other Local Authorities. This is particularly helpful in the context of a commitment in the LDS restructure to update staff on our benchmarking activity for a proposed 20% salary uplift.

The specific dataset that has been used includes 6 Councils from the East of England, 15 London Councils, 7 South East Councils and 2 from the West Midlands. We are able to show the average of the minimum salary for Legal Services posts and the average of the maximum salary.

Table 4. InfiniStats benchmarking – legal roles

Infinistats Level	Average Minimum Salary	Average Maximum Salary	Job Role	WBC Pay Band	2023/24 Payscale	
Level I	34,999.00	38,940.00				
Level II	44,348.00	50,108.00	Lawyer	5	43,223.00	46,846.00
			Senior Lawyer	4	49,060.00	53,050.00
Level III	53,810.00	61,900.00	Deputy Borough Solicitor	3	55,450.00	59,988.00
Level IV	72,555.00	85,287.00	Borough Solicitor	2	66,510.00	71,994.00

To emphasise, this data does not relate to Joint Posts, but we can conclude that we are within the average minimum and maximum salary bands for Levels 1 – 3 posts. We can see that we do not compare well at Level 4 and as this is a longer-term issue, this should be addressed in Stage 2.

Because of the limitations of the dataset, initial discussions with LGA and SE Employers have taken place to identify whether any other councils in collaboration arrangements have Joint Post salary structures. We know from LGA data that as at 2018, there were at least 555 shared arrangements that Councils across the Country have entered into. These take a range of forms including sharing a management team to joint ventures.

An example of shared arrangements includes:

- Brentwood and Rochford
- Bromsgrove and Redditch: shared service and management
- East Lindsey and South Holland Councils: merged back office functions
- East Kent Services model
- Huntingdonshire and Cambridgeshire shared call centre
- Procurement Alliance North and North East Lincolnshire (PANNEL), shared procurement services
- Richmond and Wandsworth
- South Hams and West Devon shared service and management
- South London Waste Partnership
- South Oxfordshire and Vale of White Horse shared service and management
- Westminster and Kensington and Chelsea (relating to Children's Services and Public Health)⁸
- Weymouth and Portland, West Dorset and Purbeck councils: The Revenues and Benefits Partnership.

The number of Joint Post salary structures across Local Government is incredibly limited. During Transformation and Collaboration we have embarked on discussions with other Local Authorities embarked on similar programmes. Specifically, we have talked to Bromsgrove and Redditch and Brentwood and Rochford to learn from their valuable experiences.

⁸ Westminster and Kensington and Chelsea were originally part of the Tri-borough agreement which was an initiative launched in June 2011, involving the Westminster City Council, Hammersmith and Fulham London Borough Council, and the Kensington and Chelsea London Borough Council.

In terms of their arrangements:

- Bromsgrove and Redditch determined that they would keep staff on existing terms and conditions of employment. Additionally, they decided to split services across Councils. So for example planning stayed in one council and Environmental health Services in the other. Staff transferred across depending on which council was providing the services. Incidentally both councils shared the critical importance to progress of collaboration arrangements in developing, implementing and maintaining a shared culture and values
- Brentwood and Rochford have implemented a joint post salary structure in the hopes that staff would migrate to that. However this did not happen and therefore challenges have arisen. For example there are now multiple job evaluations schemes to administer which results in additional cost. In addition, multiple schemes increase the risks of pay claims, potential grievances and actual/perceived unfairness.
- Richmond and Wandsworth arguably have one of the most mature shared staffing arrangements (SSA) with staff jointly appointed to both councils. Although recognised as being a positive arrangement by an LGA Peer Review in 2023, it is not without its challenges. Both councils remain sovereign but sharing the delivery of both councils' objectives is key. Whilst not challenge free (e.g. employees still describe themselves them as employees of one council rather than both) it is an example of what can be achieved⁹.

Taking all of this into account, the recent CLB decision to bring forward a comprehensive review of terms and conditions in the content of developing a joint operating model is a reasonable decision to have taken.

(Question 13 in the attachment) Does a proposed uplift of 20% undermine any principle that may have existed at the time that part of the rationale for appointing joint posts on WBC terms was to reduce paybill costs?

During the development of the LDS work, there was some question as to the rationale for WBC being the employing authority. Further analysis has confirmed during pre-collaboration discussions which led to reports being referred to GBC Full Council on 28 July 2021 and WBC Full Council on 3 August 2021, both councils approved a range of recommendations including that the draft job description in respect of the appointment of a Joint Chief Executive, which stated that "*the employing authority should be the existing employer if an internal candidate is appointed*". On that basis, the previous Chief Executive was appointed as JCEX on WBC Terms and Conditions of employment and continued as a WBC employee.

In 2022, further papers were submitted to GBC Full Council on 5 April 2022 and WBC Full Council on 26 April 2022 which sought approval of the Heads of Terms for the Inter-Authority Agreement setting out the formal governance arrangements for joint working between Guildford and Waverley. It was determined at para 10.1 that "*The Joint Management Team shall be employed by one host authority, that being Waverley Borough Council, on new shared terms and conditions.*"

⁹ A timeline of achievements is set out in this public document: [EL Copy of SSA Timeline Infographic \(richmondandwandsworth.gov.uk\)](https://richmondandwandsworth.gov.uk)

Additionally however, para 10.6 made clear that *“For the avoidance of doubt, while the Joint Management Team shall be employed by Waverley Borough Council as the host authority, that principle shall not necessarily apply to any future shared services.”*

Section 3 sets out that CLB has agreed that there should be consistency in terms of who the employer is and that the employer for Joint Posts is WBC. This therefore confirms that there was no previous documented decision to appoint to WBC on the basis that this was cheaper for both councils.

(Question 14 in the attachment) Does a proposed uplift (of 20%) better able us to be competitive in recruiting staff?

Given that we have not attempted to appoint to a Joint Post using the proposed salary band with 20% uplift, we don't have any basis at all for assessing whether we think 20% is a better uplift compared to the current 5 – 10% set out in the Interim Process for Staff Requests to Undertake Work at Alternate Councils.

The basis for testing this is actual recruitment itself at the proposed salary. If we are unable to recruit then that would lead us to a conclusion that the salaries are not sufficient. At this stage we therefore cannot answer this question and it may be that we need to revisit this later in terms of the broader Stage 2 terms and conditions review.

In relation to LDS roles specifically, we are mindful that Lawyer roles are hard to recruit to and that is a national issue. We are only proposing one Joint Senior Lawyer post and we will need to review how that process goes when it is appropriate to start recruiting. This post will carry a market supplement.

(Question 19 in the attachment) If we determined that there is no basis for a different uplift on LDS posts and we continued with a proposed 20% uplift on salary for new posts – what would the cost be to uplift people in Joint Posts on the current uplift?

In part, this question was designed to assess whether the nature of joint LDS roles could attract a different uplift compared to other WBC posts. It also closely relates to question 12.

There are two key considerations:

- Existing arrangements that WBC has made for legal posts
- The availability of a Joint Post dataset to test for differences.

With respect to existing arrangements, WBC has already agreed that market supplements will apply to Lawyer and Senior Lawyer posts. However, there are no other market supplements applied to any other role within Legal and Democratic Services and no evidence to suggest that this should be considered and that we could argue it would represent value for money. On that basis, it is difficult to recommend that in addition to the fact that Joint Posts are evaluated at one grade higher, any additional payments should be made. Having said that the comprehensive review of terms and conditions will consider the appropriateness of any additional payments for statutory roles. For example, the two new Legal and Democratic Services will be expected to undertake statutory Monitoring Officer powers in the absence of the Joint Strategic Director for Legal and Democratic Services. (Similarly, Assistant S151 officers are also expected to undertake statutory powers on behalf of the S151 in their absence)

The findings in relation to question 12 also supplement this finding. As indicated earlier, the Infinistats benchmarking data does not yet allow for comparison of Joint Salary structures.

And in the absence of any data there, and the absence of any additional information that LGA or SEE could provide to suggest there should be a blanket difference in Joint LDS Posts compared to other Joint Posts in different services across both councils, there is no evidence to support a recommendation that there should be a disparity in any proposed salary uplift for Joint LDS posts.

Therefore, there is no additional cost to be incurred by increasing a salary uplift for staff currently working in across both councils.

The financial, HR and legal implications of these findings are included in the Sections 6, 7 and 8 respectively.

6.0 FINANCIAL IMPLICATIONS

Based on the recommendations in Section 7, the funding requests made to GBC and WBC for the Legal and Democratic Services (LDS) restructure will change.

It was proposed that to support the creation of 8 new LDS posts the ongoing costs to both councils would be as follows:

- GBC: Ongoing staffing costs of £357,318
- WBC: Ongoing staffing costs of £179,329.

The recommendation to implement a salary uplift of 10% will reduce that budget pressure.

The following table shows the proposed Joint Salary Structure for new joint posts.

Table 5. Revised LDS Joint Post salary structure – 10% uplift

JMT Grading Structure		
	Spot salary	
Joint Chief Executive	£165,000	
Joint Strategic Director	£127,850	
Joint Assistant Director	£94,850	

Proposed salary structure with 10% uplift for Joint Posts below JMT grades

NB. The proposed structure below **does not** include any reference to additional benefits.

Waverley Grade	Waverley Spinal column points	Salary 2024/25	Joint Post Salary Ranges (10% uplift on all pay points within a grade)			
			Pay Point A	Pay Point B	Pay Point C	Pay Point D
2	4	£68,860 - £74,344	81,778	79,767	77,758	75,746
3	4	£57,800 - £62,338	68,572	66,906	65,244	63,580
4	4	£51,410 - £55,400	60,940	59,478	58,015	56,551
5	4	£45,573 - £48,836	53,720	52,448	51,174	50,130
6	4	£41,267 - £44,387	48,826	47,681	46,537	45,394
7	4	£37,039 - £39,794	43,773	42,765	41,752	40,743
8	4	£32,832 - £35,199	38,719	37,706	36,714	36,115
9	4	£29,951 - £32,033	35,236	34,473	33,711	32,946
10	4	£26,787 - £28,862	31,748	30,991	30,217	29,466
11	4	£24,512 - £26,102	28,712	28,130	27,550	26,963
12	4	£23,950	26,015			

This reduces the cost of LDS additional posts requested in the papers approved by GBC and WBC Executives as follows.

	Original funding request (May 2024)	Funding required post salary benchmarking	Variance
GBC	£357,318	£339,170	-£18,149

WBC	£179,329	£161,181	-£18,149
		Overall reduction in growth budget	-£36,297

Table 6. Interim Joint Post pay and grading structure

JMT Grading Structure		
		Spot salary
Joint Chief Executive		£165,000
Joint Strategic Director		£127,850
Joint Assistant Director		£94,850

Proposed salary structure for Joint Posts below JMT grades

NB. The proposed structure below **does not** include any reference to additional benefits.

Waverley Grade	Waverley Spinal column points	Salary 2024/25	Joint Post Salary Ranges (10% uplift on all pay points within a grade)			
			Pay Point A	Pay Point B	Pay Point C	Pay Point D
2	4	£68,860 - £74,344	81,778	79,767	70,687	68,860

3	4	£57,800 - £62,338	68,572	66,906	59,313	57,800
4	4	£51,410 - £55,400	60,940	54,071	52,741	51,410
5	4	£45,573 - £48,836	53,720	47,680	46,522	45,573
6	4	£41,267 - £44,387	48,826	43,346	42,306	41,267
7	4	£37,039 - £39,794	43,773	38,877	37,956	37,039
8	4	£32,832 - £35,199	38,719	34,278	33,376	32,832
9	4	£29,951 - £32,033	35,236	31,339	30,646	29,951
10	4	£26,787 - £28,862	31,748	28,174	27,480	26,787
11	4	£24,512 - £26,102	28,712	25,573	25,045	24,512
12	4	£23,950				23,950

7.0 HR IMPLICATIONS

A number of implications arise depending on the recommendations that CLB choose to adopt. These are set out as follows.

In the event that CLB decide that a spot salary approach should be taken to new joint posts below the JLT structure, and that a flat uplift of 10% on WBC salary should be applied for joint posts then consideration will need to be given to how annual increments should apply. Post holders would be appointed on pay point B and this will only allow for one annual increment before the post holder reaches the top of the grade salary band. This may act as a disincentive for staff.

In the event that CLB decides that it is more appropriate that a salary range should be applied and that an uplift of 10% should be applied to each of the pay points within a grade, this approach will ensure that the current salary structure where each grade has 4 pay points, will be maintained.

It will also mean that new starters could be appointed on the lowest pay point within a grade (pay point D) which also aligns with current policy). However, it also means that there is flexibility to start new starters on a higher pay point within the grade if experience and other circumstances mean this is necessary (e.g. in the event that a new starter is already on a higher salary than the bottom of the relevant grade salary point and the council wishes to match that to avoid losing excellent candidates.

Further, the risk that any of the small number of staff working across both councils could challenge these proposals.

8.0 LEGAL IMPLICATIONS

The Council's approach to pay and remuneration should be set out in HR policy and procedures. The Joint Chief Executive is Head of Paid Services and has delegated authority to approve all HR Policies should revisions be necessary. There is a commitment within this paper to report the findings of this salary benchmarking exercise to the Executives of both councils, and for the recommendations to be incorporated in both Council's Pay Policies. Given these are joint roles, aligned approvals at GBC is expected. Such approval should take place prior to decision making on pay and remuneration to mitigate any risk of challenge.

The Pay Policy Statement as approved by the Full Council of WBC should also be factored in, where relevant in relation to decisions on pay and remuneration.

9.0 RECOMMENDATIONS AND NEXT STEPS

CLB are asked to:

1. Note the additional related work that is underway on terms and conditions of employment and delivery dates;

2. Note the findings of this report and agree that the evidence provided via benchmarking supports the decision to appoint joint posts on Waverley terms and conditions of employment, which also aligns with a previous CLB commitment from the CLB discussion held on 22nd July 2024;
3. Note the findings of this report and agree that there is insufficient evidence to justify applying a 20% uplift to the WBC salary for new joint posts;
4. Note that given there is existing precedent and practice relating to a salary uplift for staff undertaking additional work across GBC and WBC that we adopt that current practice, and the uplift for new joint posts should be 10%;
5. Note the findings of this report and agree that for joint posts below JLT a spot salary should not apply and that the 10% uplift should apply to each pay point within a grade;
6. Agree that all of these outcomes are incorporated into the related work set out in Appendix 2 of this document;
7. CLB note that this benchmarking is to be shared with TU colleagues; and
8. Note that a full scope for the accelerated comprehensive review of terms and conditions of employment is brought to a future CLB.

APPENDICES

Appendix 1 – Scoping statement for a comprehensive review of Terms and Conditions of Employment

Following CLB on 24th June an additional piece of work was agreed that would essentially scope out the next stage of the Terms and Conditions review. That included salary benchmarking. The following scope will need to be updated once the salary benchmarking and related work set out in Appendix 2 is concluded.

Context

Two interrelated papers were presented to CMB on 24th June¹⁰. CMB agreed that in relation to the paper on a review of the Terms and Conditions workstream in the Transformation and Collaboration programme, that Option 3 should be undertaken.

A further short piece of work is necessary to provide CMB with relevant background information, options and recommendations to enable the councils to continue with the creation of joint posts, if in fact the evidence suggests that it is safe to do so.

This review will therefore also need to test the proposed interim approaches to creating joint posts, identify and mitigate any further risks that are identified.

Fundamentally, there are a number of lenses through which this work needs to be viewed:

- The actual or perceived unfairness of the current differences in terms and conditions of employment across both councils – and whether that is sustainable. And the moral impact of that.
- The decision making that led to the creation of Joint Posts on WBC terms and conditions and subsequent related decisions.
- The extent to which there is actual or perceived risk relating to equal pay or other challenges as the organisations move to create additional joint posts.
- The extent to which the proposed 20% uplift ensures that we are able to be competitive in a continued challenging Local Government recruitment marketplace.

A series of question arise and these are set out below.

Scope

This work needs to address the lenses set out above and capture information, undertake analysis in order to answer the following questions and make appropriate recommendations:

1. Are we confident that the basis for the original decision to create joint posts on Waverley Terms and Conditions is sound?
2. If we are not, what is the HR and legal implications for current joint post holders – and what are the remedial actions that need to be taken?
3. Have we properly considered the implications of a future move away from the Collaboration Partnership?

¹⁰ These papers also relate to the Transformation and Collaboration Programme refresh paper discussed at CMB on 10th June 2024.

4. Have we properly considered the difference between JE methodologies in use at GBC and WBC and any risk arising in the creation of joint posts?
5. Is there any risk that WBC may be seen as an associated employer in the context of equal pay legislation?
6. What is the total paybill cost for GBC and WBC staff?
7. What percentage of each Council's budget is spent on paybill costs?
8. What is the cost of benefits paid to staff in GBC and WBC?
9. What is the percentage of paybill costs spent on benefits?
10. How do the benefits costs compare across each council?
11. How do the GBC and WBC salary structures compare to other Surrey Districts and Boroughs?¹¹
12. Is there any evidential basis for paying a different uplift for different posts – e.g. we have proposed a 20% uplift for LDS posts. Current arrangements propose a 5 – 10% uplift?
13. Does a proposed uplift of 20% undermine any principle that may have existed at the time that part of the rationale for appointing joint posts on WBC terms was to reduce paybill costs?
14. Does a proposed uplift better able us to be competitive in recruiting staff?
15. Can we identify any equal pay risks?
16. Can we quantify our equal pay risks?
17. Are there any other risks, e.g., discrimination claims?
18. What options do we have for risk mitigation?
19. If we determined that there is no basis for a differently uplift on LDS posts and we continued with a proposed 20% uplift on salary for new posts – what would the cost be to uplift people in Joint Posts on the current uplift?
20. Can we quantify the demand for new joint posts over the next 12 – 18 months?
21. What is the total agency bill for GBC and WBC?
22. Is there any evidence that the agency bill in WBC is because salaries are lower compared to GBC salaries?
23. If so, can we quantify the agency bill that we could reduce by virtue of introducing a new salary structure for joint posts only?
24. Are we confident that current managers understand the risks of employees within their teams undertaking work for a council other than the one they are employed by?
25. Are we confident that the necessary governance arrangements are in place to support options proposed?

Owner

Senior Responsible Officer – Robin Taylor, AD Strategy and Corporate Services

Sponsor – Susan Sale, Joint Strategic Director Legal and Democratic Services

Review lead – Karen Grave, Interim Business Transformation Lead

Key stakeholders

¹¹ This is relevant in the context of WBC terms and conditions being the basis for applying the 20% uplift.

CMB members

Joint Strategic Director of Finance (S151)

Joint Strategic Director of Legal and Democratic Services (MO)

GBC and WBC Finance Colleagues

GBC and WBC HR Colleagues

GBC and WBC Legal Colleagues.

Key data to be captured:

GBC paybill costs

- Total cost of paybill broken down by salary, employer NI, and Pension Contribution
- Total salary costs by grade
- Total salary costs by grade by length of service
- Total benefits costs
- Total benefits costs broken down by benefits type
- Total benefits costs broken down by grade
- Number of posts that are grant funded and costs of those posts

WBC paybill costs

- Total cost of paybill broken down by salary, employer NI, and Pension Contribution
- Total salary costs by grade
- Total salary costs by grade by length of service
- Total benefits costs
- Total benefits costs broken down by benefits type
- Total benefits costs broken down by grade
- Number of posts that are grant funded and costs of those posts

Staff on joint post interim arrangements with a salary uplift on current policy (5 – 10%)

- Number of staff in joint posts
- Confirmation that all relevant staff are included in the S113
- Breakdown for staff including:
 - o Total salary costs
 - o Total benefits costs
 - o Total benefits costs broken down by type – and identified by whether they are GBC benefits that WBC is picking up
 - o Whether salary uplift is 5% or 10%
 - o Length of the joint arrangement

Staff in arrangements where they are not being paid a salary uplift

(It may be that the data shows we don't have any staff under this category)

- Number of staff covering posts in both councils with no salary uplift
- Length of the joint arrangement

Requests for joint posts

- Total number of requests for new joint posts
- Request for joint posts broken down by: Service, Grade
- Anticipated salary costs for joint posts

Additional data may be required as the work commences.

Key assumptions:

Monitoring Officer will sign off the scope of this work prior to it starting.

CEX and S151 will sign off the scope of this work prior to it starting.

No further joint posts will be created across both Councils until this review is completed and considered by CMB.

Key risks:

1. If we do not properly address the original decision making around creation of joint posts (i.e. on WBC terms and conditions) we could inadvertently be creeping into unconstitutional decision making.
2. If we do not properly understand the full scope of current arrangements and/or future demands relating to creation of joint posts, we could be inadvertently increasing risk to the organisation of equal pay claims or grievances.
3. If we do not properly manage arrangements relationships with our recognised Trade Unions may be negatively impacted.
4. Current HR arrangements may not be properly implemented and JLT members (and their line reports) may not fully understand the risk of asking staff in their teams to undertake work for a council other than the one who employs them.
5. We have an unquantified equal pay risk that we are not properly managing.
6. If we do not address outstanding questions, and staff perception that we are not treating people well in relation to salary and benefits, this may mean that we continue to be unable to recruit to key posts.

Appendix 2 – Related work

The following additional work is under development. As the work will need Executive and Full Council approval key dates for completion are also included.

Deliverable	GBC Key Date	WBC Key Date
Interim Policy for creating joint posts	3 rd October Executive Meeting	11 th September Executive Briefing 15 th October Executive Meeting
Interim joint posts job evaluation competency framework	3 rd October Executive Meeting	15 th October Executive Meeting
Interim Joint Post Salary Grades and Scales Structure	3 rd October Executive Meeting	15 th October Executive Meeting
Interim Joint Restructure Policy	3 rd October Executive Meeting	15 th October Executive Meeting
Proposed changes to the Pay Policy	3 rd October Executive Meeting	15 th October Executive Meeting
	8 th October Full Council Meeting	22 nd October Full Council Meeting

Current activity is underway to consult with TU colleagues in order that we are able to meet key deadlines.