

INDEPENDENT REVIEW

**CHIEF EXECUTIVE OFFICER AND CHIEF
OFFICER REMUNERATION**

**MONMOUTHSHIRE
COUNTY COUNCIL**

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1. Introduction

Over the past 10 years or more Monmouthshire County Council has been in a position to recruit talented senior leadership teams, even though salaries for senior staff are in the lower quartile for Wales: It is perceived that “Monmouthshire punches above its weight”, in terms of the calibre of strategic leaders it has been able to recruit and develop and it has seen the benefit of that in its achievements over that period.

Monmouthshire has offered a holistic range of benefits which have given them a competitive edge in the employment market. More recently however a number of changes in the national and local employment market contexts have started to impact on the attractiveness of the package offered and on the effective recruitment and retention to strategic, and other, key roles.

The Council has recognised there is a clear priority to maintain a strong and sustainable strategic leadership team to drive the challenging agenda over the next few years. As yet Monmouthshire County Council is not in a position where it cannot attract candidates, but strategically it cannot afford to wait until it is unable to fill these senior roles. In this context the Council has identified the need for an independent review of remuneration levels for strategic leadership roles in the organisation, including the CEX role.

2. Terms of Reference

The Terms of reference sit within the parameters for pay decisions set put in the Councils extant Pay Policy statement. The review is to:

- assess the external market for pay differentials to ensure that remuneration rates attract and retain high quality applicants for Senior Leadership roles within the council.
- research salaries in the external market, including neighbouring Councils and public sector organisations.
- provide recommendations to the Council based on an objective analysis of the evidence available to inform a report to Council on appropriate options and actions to address any issues identified.
- identify potential risks that might arise out of different courses of action and identify mitigating actions or evidence to reduce them.

Additional information was requested by the Council on 23rd September 2024 – in particular requesting the analysis include relative population data for benchmark Local Authorities.

3. Approach

In undertaken this work I have reviewed the legislative and policy context within which Chief Officer remuneration in local Authorities takes place, together with relevant Monmouthshire County Council Policies. I have used a range of

benchmarking information set out in detail at paragraph 6 and Annexes C-G. I have also had the opportunity to speak with the CEX and the Deputy CEX who provided me with the strategic context and immediate challenges facing the Council, together with existing strategies for successful recruitment and retention of senior staff and why they have concerns for the sustainability of this approach going forward.

At Appendix B I have provided a brief resume of my professional background and experience.

4. Policy Context

4.1 National context

The Local Government Act 1972 (Section 112) sets out the Council's "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". More recently the requirements within Section 38(1) of the Localism Act 2011 sets out the need for Welsh and English local authorities to produce and publish a Pay Policy Statement for each financial year. The Act also sets out at paragraph 2.1 the National Legislative Framework within which any pay policy must operate.

Although Policies differ in format between Local Authorities all provide certain required information on a number of matters including "the Council's policies toward the remuneration of Chief Officers (Directors)," and the pay rates and relativities between different employee groups in the local authority. This information does not include those staff that are directly employed by schools.

4.2 Local Context

The Community and Corporate Plan 2022-28 for Monmouthshire sets out the local context and strategic direction for the next 5 years.

"Taking Monmouthshire Forward: working together for a fairer, greener, more successful county draws on all the resources we have, to become a zero-carbon county, while also supporting well-being, health and dignity for all."

In spite of challenging operational pressures, the Council looks to be ambitious and maintains a desire for forward progression in meeting both its operational and strategic agendas. Key to this will be ensuring a skilled and motivated workforce at all levels within the organisation with strong and inclusive leadership at Executive and Member levels and to enable and support this the Council is in final stages of agreeing a "People Strategy" for Monmouthshire.

The People Strategy recognises the positive aspects of living and working in Monmouthshire, an attractive place to live with good connections to other population centres; in addition the Council offers a holistic work experience for staff seeking to offer flexible working patterns where these can be facilitated as well as offering a friendly, welcoming, values based organisation which seeks to operate in a networking rather than a hierarchical way. As one of its People objectives the Council states (page 8):

"We are an employer of choice, attracting talent from a wide range of industries with career pathways that enable us to retain the best people."

This is described (page 9) from an organisational perspective as;

"We are an employer of choice in our own sector and beyond".

The publication of the Annual Pay Policy supports Monmouthshire County Council's values of openness and fairness and aims to ensure that all employees are rewarded fairly and without discrimination for the work that they do.

"It will reflect fairness and equality of opportunity and encourage and enable employees to perform to the best of their ability, operating within a transparent pay and grading structure.

Monmouthshire County Council recognises that pay is not the only means of rewarding and supporting employees and it offers a wider range of benefits, e.g., flexible working, access to learning, and a wide range of family friendly policies and workplace benefits.

In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where often national and local pressures conflict. "

Monmouthshire County Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge is crucial.

In Monmouthshire County Council, the Strategic Leadership Team consists of:

- Chief Executive
- Deputy Chief Executive and Chief Officer, Resources
- Chief Officer, Children & Young People
- Chief Officer, Communities & Place
- Chief Officer, Social Care & Health
- Chief Officer, Law & Governance
- Chief Officer, People, Performance & Partnerships
- Chief Officer, Customer, Culture & Wellbeing

5. Market Context

5.1 National Market Context

The Office for National Statistics (ONS) in the "Main Points" of their "Labour Market Overview; UK; March 2024" states;

"Payrolled employees in the UK rose by 15,000 (0.0%) between December 2023 and January 2024, and rose by 386,000 (1.3%) between January 2023 and January 2024. While the number of payrolled employees continues to increase, the rate of annual growth is decreasing."

"The UK employment rate (for those aged 16 to 64 years) was estimated at 75.0% in November 2023 to January 2024, below estimates of a year ago and down in the latest quarter."

"The UK unemployment rate (for those aged 16 years and over) was estimated at 3.9% in November 2023 to January 2024. The unemployment rate is above estimates of a year ago (November 2022 to January 2023) but largely unchanged on the latest quarter."

"The UK economic inactivity rate for those aged 16 to 64 years was 21.8%, above estimates of a year ago (November 2022 to January 2023), and increased in the latest quarter."

"In December 2023 to February 2024, the estimated number of vacancies in the UK fell by 43,000 on the quarter to 908,000. Vacancies fell on the quarter for the 20th consecutive period but are still above pre-coronavirus (COVID-19) pandemic levels."

"Annual growth in total earnings (including bonuses) in Great Britain was 5.6% in November 2023 to January 2024, and annual growth in employees' average regular earnings (excluding bonuses) was 6.1%."

In relation to Local Government in their analysis; "Public Sector Employment in the UK; December 2023", they state;

"Employment in local government was an estimated 2 million in December 2023. Little changes on the previous quarter ...3,000 (0.2%) more than December 2022 with an increase in employment in the police contributing to the increase from a year ago."

The Chartered Institute of Personnel and Development "Labour Market Outlook" Winter 2023-24 puts this in context for employers;

"...Public sector employers are twice as likely as their private sector counterparts to decrease their total staff level in the next three months (18% v 9%). And while a similar proportion of employers in each plan to maintain current staff levels, private sector employers plan to increase total staff levels (35%) at a higher rate than the public sector (24%)."

"The net employment balance falling while recruitment intentions are highest in the public sector seems contradictory. The issue is that 'recruitment intentions', as shown in Figure 5, are not the same as the overall impact of staffing changes, as shown in Figure 2. This means employers are recruiting but expect to have problems filling the roles, hence the drop in net employment balance."

"Thirty-eight per cent of employers surveyed have hard-to-fill vacancies (see Figure 7). Vacancies remain a problem for the public sector, with half (51%) reporting hard-to-fill vacancies, unchanged on previous quarters. The level of employers in the private sector with hard-to-fill vacancies is significantly lower at 34%."

"Half of employers in education (52%) and public administration and other public sector (50%) report hard-to-fill vacancies."

"Expected pay awards in the public sector (3%) have again fallen below the rate in the private sector (4%), meaning it may become more difficult to retain public sector staff who could switch to the private sector."

This outlook, while describing a largely unchanged employment landscape since last year, sees the labour market as particularly challenging for public sector organisations. Although the labour market is generally no more difficult than it was 12 months ago, any improvement is more likely to be felt in the private sector where wage growth recently has been, and is likely to remain, higher than in the public sector. This is reflected in the number of hard to fill vacancies reported by public sector employers. The continued pressure of inflation – albeit at reducing levels – on household budgets, differentials between public and private sector pay awards, and tight budget setting rounds for the public sector will continue to put real pressure on public sector employers in the coming years.

In respect of senior employees, the focus of public sector employers to date has been on ensuring lower paid staff attract the highest levels of awards. This approach reflects both national and local social policy approaches, but also the fact that the market at this level has been at its most competitive across all sectors as a result of labour shortages over this time. The impact of this focus over time is likely to be an erosion of pay differentials between staff across the organisation; this will have a greater impact where organisations have senior staff at the lower end of the relative pay rates. Staff at senior levels although not experiencing the level of financial pressure of lower paid staff will, nevertheless, have seen their salary value eroded in real terms. This in turn is likely to impact on the Council's ability to recruit and retain good leaders in a competitive national public and private recruitment market, (which at very senior leadership levels is the context in which recruitment and retention will take place), if remuneration packages are out of line with that market.

5.2 Local Market Context

Monmouthshire has a population of 93,000 and is generally prosperous compared to surrounding areas. It occupies a strategic position as a border county between the major centres in South Wales and the south-west of England and the Midlands and is an economic gateway to South Wales.

Monmouthshire has one of the strongest economies in Wales, skill and qualification levels are comparatively high with over half of Monmouthshire's working age population qualified to level NVQ4 and above, compared to 38.6% for Wales and 43.6% for the UK. Employment rates of 77% are significantly higher than the rest of Wales and those working in the county now have the third highest earnings in Wales,

People are able to access good road and rail links to commute into and out of the county and across the border for employment opportunities.

Monmouthshire has the highest house prices in Wales at more than 9 times average earnings.

Monmouthshire is not among the biggest councils in Wales, although it has a staff base of around 4,000, and salaries at senior levels reflect that. Over the past 10 plus years Monmouthshire has been in a position to recruit talented leadership teams even though salaries for senior staff are in the lower quartile for Wales (Annexe C)) – it is perceived that “Monmouthshire punches above its weight”, in terms of the calibre of senior leaders it has been able to recruit and develop.

With a philosophy “born of necessity”, the Council has worked to develop a holistic employment package for strategic leaders which offers appointees a quality of experience and breadth of opportunity to work across many areas in the Council. This non-hierarchical approach to working effectively as a team offering easy access to the CEO and his personal commitment to support development has worked well and is a best practice approach. This approach has also focussed on developing internal staff to be able to meet the high benchmark set for strategic leadership level appointments. Together with external candidates, this has ensured that the Council has access to a robust pool of candidates for appointments, and that internal staff have remained motivated and committed to the Council seeing clear career progression opportunities.

Monmouthshire has also able to offer a range of benefits including a meaningful flexible working approach for staff and this has given them a competitive edge over other employers.

5.3 Employment Market Changes

The financial and other pressures that the Council is facing year on year means that strategic leaders have been increasingly dealing with more day-to-day operational challenges. To meet its medium to longer term objectives the Council needs strategic leaders who do not take their focus off driving forward that agenda. This is creating a level of pressure through the organisation. Although there has been recent work to address this there will inevitably continue to be a tension between the strategic and the operational in a lean management organisation. The external and local challenges outlined above, together with a number of other factors set out below, are likely to impact on the Monmouthshire remuneration package as a means of attracting and retaining high calibre staff.

Factors include:

- The cost of living – this applies to all staff. Senior staff are, of course, better able to manage increases in living costs. Nevertheless, they will – relatively – be earning less than in previous years and will be more likely to be driven by salary opportunities than previously – particularly where potential salary increases can be substantial.

- Flexible working patterns - which were seen as a real benefit offered to staff in the Council - have become far more commonplace post pandemic. With staff working remotely for some of the week this offers opportunities to look further afield for employment with organisations offering higher salaries. Although this could offer an opportunity for Monmouthshire to attract staff from further afield, in fact current salary levels would be unlikely to be attractive enough and staff movement is more likely to be away from the Council.
- House prices in Monmouthshire are high and are increasingly outside the range of even very senior employees. Rightmove data for November 2023 is:
"sold prices in Monmouthshire over the last year) to Nov 23(were similar to the previous year and 12% up on the 2020 peak of £228,120.)."
Although house prices vary across the County, they are generally higher than in the Welsh Counties that border them.
- Some staff are choosing to take retirement earlier than they might have done because of pressure of work which creates vacancies and reduces the cadre of experienced supporting staff.
- Monmouthshire has traditionally been seen as an exciting place to work with a strong cadre of Monmouthshire based staff, but measures to reduce costs have, almost inevitably, tended to erode some of the good will and trust of staff - the basis on which Monmouthshire has been the employer of choice for its staff.
- Anecdotal evidence suggests that increasingly as jobs go to market there are lots of applications, but the quality of the candidates is not at the right standard.

These factors, together with the remuneration levels offered at senior level, are likely to increase the risk of not recruiting/retaining staff in key strategic posts. In turn, this will put at risk the Council's ability to meet its operational and strategic targets and provide value for money services to the citizens of Monmouthshire.

6. Salary Benchmarking

6.1 Parameters and Analysis of Benchmarking undertaken

Pay benchmarking data in this report is taken from Local Authority published Pay policies for 2024/5 (either agreed or draft), which will include the pay award for Chief Executives and Chief Officers. Senior structure salaries within Local Authorities vary considerably. As set out in para 6.3 below, Chief Officer salaries include staff earning £60k and above which overlaps with the JNC and other nationally agreed pay structures which most staff are subject to. It is important in terms of succession planning as well as immediate delivery of Council objectives, that staff can see progression opportunities within the Council.

When looking at a comparative benchmark for very senior staff, the amount of annual increase in pay levels between organisations from year to year is less relevant than the broader relativities between their system pay points and structures. In view of this, where Councils are still showing earlier data, I have

included this information, as although it will show salaries at last year's levels, this still provides helpful benchmark data.

Table Contents:

Appendix C (pg.27):

- sets out information for Councils in South and Mid Wales that provide the immediate job market within which Monmouthshire operates. Although the terms of reference for this review are only in respect of the most senior staff, it is helpful to set this in the context of the pay structures below these, both to provide an organisational context, but also to be aware of the relativities between very senior staff in organisations with lower pay ranges compared to higher paying organisations. I have set the supporting grades into tiers using my judgement in terms of reporting hierarchies within organisations with the CEO sitting as tier 1. Not all Councils have posts at all tiers and this may be reflected in pay scales in tiers above and below – but this is not always the case.

Appendix D (pg. 30):

- provides comparison information on councils bordering onto Wales and Monmouthshire. In addition, for broader context, I have included a number of other English Authorities that are commutable from Monmouthshire, including a number of those along the M4 corridor and nearer to the west of London as, with increasingly flexible approaches to working, these provide valid alternative employment opportunities. Where Councils are Unitary authorities, I have indicated this in the table (UA).

Appendix E – Tables i-iv (pgs. 33- 36):

- set out the Council benchmark data for Tiers 1-4 in ascending salary levels. The tables also indicate the lower and upper quartile ranges and the mid-point for each Tier. I have used the upper pay point of any scale for benchmark purposes as this indicates the maximum salary incentive of the grade. Where Councils do not have posts in a given tier, I have shown this as a nil value in the table.

Appendix F – Table 1 (pg. 37)

- this sets out in table format the ranking order of the benchmark councils by populations size. I have listed separately the Welsh and English Councils and have also provided a joint list setting out the relevant quartile ranges. Population sizes are based on the Office of National Statistics (ONS) Census data for 2021 as this enables comparability between the Welsh and English Councils. Although population size provides a useful benchmark it needs to be taken in conjunction with a range of other variables such as social demography; complexity and geography – and this is reflected in the localism approach in Local Government. A further consideration is that most Councils, however, small, will be required to offer their local community a full range of services – this means that staff numbers and salary levels cannot simply be scaled as a ration of population size/budget – but it is a factor to consider in setting appropriate salary levels.

Appendix G (pg. 38):

- sets out the pay levels for senior salaries in NHS Wales. It is worth noting that although remuneration of staff at this level remains with the Local Health Boards, this is within a context of oversight and some regulation by Welsh Government (WG) who set the pay scale infrastructure and facilitate the job evaluation processes through the civil service job evaluation for senior posts system (JESP).

Appendix H (pg. 39):

- sets out the pay levels for senior civil servants in Wales – again these will be evaluated using the JESP system. It is worth noting that the pay of staff above grade 6 is not delegated to the Welsh Government but is set by the UK Government Cabinet Office.

A number of Councils do job evaluate senior roles using a range of job evaluation tools including Hay and Trent, but there is no clear consistency of approach to this. Where job evaluation systems are used at this level, they tend to be focussing on job weight relativities within organisations rather than assessing relativities between organisations.

Whereas benchmarking comparisons can be made between the Senior Civil Service and the NHS, there is little direct read across with Council roles. Generally speaking, NHS organisations in Wales are larger than Councils in that there are fewer of them covering the same geographical areas – e.g., the Health Board local to this Council covers five Local Authority areas. Both types of organisations are complex and wide ranging, and, in the area of social services, organisations often have to work together closely – nevertheless, the read across between the different organisational levels remains difficult. NHS organisations have higher paid senior roles. In all areas there will be some senior roles where the level of expertise and experience needed to undertake the role means that at senior levels there is limited transferability between organisations, but senior staff, particularly in corporate functions, do move between these sectors.

I have not included any private or third-party sector pay comparisons in terms of benchmarking as it remains difficult to equate job roles and weighting across the sectors. Remuneration packages tend to be very different in focus in private companies at this level e.g., annual bonus payments, additional benefits etc. At present these sectors have been better able to respond to market pressures in specific areas and consequently salaries are likely to benchmark higher for similar roles where there is pressure in a local employment market. There will be transferability across Local Authority and Third Party or Private sector companies, in particular in areas such as social housing or where services have been outsourced.

6.2 Market Supplements

Pay Policies all set out the flexibility for Councils to introduce pay supplements for posts that are hard to recruit to. In Wales the Pay Policies I looked at did not

identify anyone who was in receipt of such a supplement, but there are a small number in England.

6.3 Chief Officer Remuneration

The Accounts and Audit (Wales) (Amendment) Regulations 2010 defines a senior employee as;

"...an employee whose salary is £150,000 or more per year, or an employee whose salary is £60,000 or more per year who falls within at least one of the following categories—

- *a person employed by a relevant body to which section 2 (politically restricted posts) of the 1989 Act(13) applies who—*
7. (a)
- *has been designated as head of paid service under section 4 of that Act(14);*
8. (i)
- *is a statutory chief officer within the meaning of section 2(6) of that Act; or*
9. (ii)
- *is a non-statutory chief officer within the meaning of section 2(7) of that Act;*
10.(iii)
- *the person who is the head of staff for any relevant body to which section 4 of the 1989 Act does not apply; or*
11.(b)
- *a person who has responsibility for the management of the relevant body to the extent that the person has power to direct or control the major activities of the body (in particular activities involving the expenditure of money), whether solely or collectively with other persons."*
12.(c)

This broad definition means that most Local Authorities report on the salary levels of all grades who earn over £60,000 (or sometimes £50k plus), which always will include CEOs and usually will include both Chief Officers and Heads of Service (though some Heads of Service do earn below this threshold).

6.4 Chief Executive – Head of Paid Services – Tier 1.

CEO remuneration profiles (Appendix C; D and E(i)), set the ceiling for posts at Tier 2 and below. Half of all the Local Authorities benchmarked have their CEOs on a fixed remuneration point; the remainder have between 4-6 progression points on the CEO scale – though no information is provided on how progression takes place. NHS and Civil Service Senior Salaries also show a pay range at this level, although usually the post holders are appointed to a fixed point in the range with additional remuneration being subject to a specific review process. At CEO level transferability between sectors does take place – often more frequently than at lower Director levels.

29 organisations were benchmarked at this tier with a midpoint salary of £156k (Newport). The range of the benchmark salaries is £102k to £295k. Although there is some correlation between the size of the Local Authority and remuneration levels, this is not always the case. Monmouthshire sits in the middle of the lower quartile of the benchmark (102k-£132k) at a similar level to a number of smaller

Welsh Valleys and English Councils. This does not align with the population benchmark where Monmouthshire sits just into the median range of Welsh Councils – although it aligns with the joint population benchmark, the relevant English counties are not Unitary Authorities like Monmouthshire – (so arguably less complex).

6.5 Deputy/Assistant Chief Executive/Strategic Director – Tier 2.

(Appendix C; D and E(ii)). There is no consistency of title, or the roles undertaken at this tier though most roles are described as being Deputy Chief Executives. Some Councils do not have any role equating to this tier in their structure- this benchmark included 25 organisations. A number of Councils have opted to have more than one strategic Director at this level – this responsibility is reflected in salary levels. Across all Councils about a quarter of these posts are at fixed rate salaries; the rest have a salary range within which posts sit. In terms of salary range for this post Monmouthshire is sitting in the lower quartile £86-£111.5k. The midpoint for posts at this level is £136k (Bridgend).

It is worth noting that 16 out of the 25 benchmark organisations have a tier 2 salary that is the same, or higher than that of the CEX in Monmouthshire. Although this is not necessarily an issue where organisations are larger in size and scope than Monmouthshire, this cadre of postholders are the logical place to look for future CEX candidates and lack of any salary differential might provide a disincentive for staff in these organisations to apply for a Monmouthshire role going forward.

6.6 Strategic Director/Director/Chief Officers – Tier 3

(Appendix C; D and E(iii)). The job titles and roles that sit in this tier are too numerous to list and there is no consistency of which roles sit in which tiers across Councils at this level. Most are described as Directors or Chief Officers, although one Council defines them Heads of Service Band 1. Most organisations have one or more post at this tier, but where they do not exist this is usually because there is more than one strategic Director in the tier above. The benchmark group for this tier is 25 organisations. In Monmouthshire these roles are designated as Chief Officer Band A – they sit in the bottom quartile (£70k-£99.5k) of the salary benchmark which places them above smaller English comparators, but at the bottom of the Welsh Councils. The midpoint for this range is £115k (Pembrokeshire). Salaries in the top quartile of tier 3 all exceed the salary paid to the Monmouthshire CEX (tier1), and the tier 3 salaries that sit in the median and higher quartile tier 3 range (£103-£165.5) are all higher than the Monmouthshire tier 2 salaries.

6.7 Heads of Service – Tier 4

(Appendix C; D and E(iv)). With one or two exceptions, posts at this level are described as Heads of Service. Sometimes this title is used across more than one band but there is usually a clear grading structure to denote this (e.g., Heads of Service 1, or band A/B). Some Councils do not have any role equating to this tier in their structure - this benchmark consisted of 26 organisations. As stated above – the types of roles that sit within the different tiers above and below tier 4 vary considerably between Councils – an example is the senior HR lead which can be placed in structures and remunerated at anywhere between a tier 5 Head of Service and a tier 2 Director of People. Although staff in these roles are generally paid at JNC rates, in fact there are variations in pay ranges across councils. Monmouthshire is sitting in the lower quartile (£79,114-£82,970) in respect of these posts with the midpoint sitting between Bridgend (£93k) and Swindon (£95k) – which means that organisations above the midpoint do pay tier 4 posts more than Monmouthshire tier 3 posts, but the salary differentials are not as great at this tier as in tiers 1-3.

6.8 Heads of Service – Tier 5-6

Appendix C. There is variability across councils in respect of the number of tiers that sit below tier 4 and that have pay scales that are in excess of £60k. Some have none, and some have around 8 tiers in total at this level. The benchmark information for these tiers does provide some context in reinforcing the diversity and lack of consistency of approach across the whole of this wider pay group. Although this diversity may well reflect the individual needs of different councils it does make benchmarking problematic and leads to challenges and complexity in terms of establishing a reasonable market rate for the roles that sit within these tiers.

7. Findings

7.1 Benchmarking across Local Authorities is challenging as there is a lack of consistency in approach across the sector. This reflects the spirit of Localism and each Council taking an approach that meets the specific needs of its own population, geography, cultural and economic challenges. Looking across Local Authority pay scales it is interesting to note that one impact of this is that roles at lower tiers in some councils offer competitive rates of pay against roles in higher tiers in Monmouthshire. Although this would not be unusual where there is a difference in the size and complexity of a council, there does not always appear to be a logical correlation.

7.2 In population terms Monmouthshire sits just into the Median range of Welsh Councils between Torfaen and Pembrokeshire – with the latter being larger by 30,000 people. When looked at with the English benchmarks used Monmouthshire sits in mid lower quartile range between Torfaen and North Devon – all of similar size but North Devon is not a UA.

7.3 Taking the population data into account it would suggest that Monmouthshire might ideal be positioning itself just above the lower quartile organisations – i.e. the lower part of the median range. This positioning would both reflect its population and proximity to the English job market, in particular when comparing salary levels in the “feeder” organisations and their pay ranges for tiers 2-4. This relative positioning would also fit well with Monmouthshire’s ambition to be an employer of choice, especially when taken with the overall employment package being offered. Nevertheless, I have looked below at a range of possible remuneration levels at each tier and have made an assessment of the relative risks and benefits of each before setting out my recommendations.

7.2 Job evaluation is used within Local Authorities, but this is mainly, though not exclusively, for jobs at Heads of Service and below.

7.3 There are a number of options available in respect of the remuneration of the CEX and Chief Officers in Monmouthshire and I have set these out below (section 8) with the main risks and benefits of each. A key decision is where the Council wishes to position itself in respect of its employment offer for these staff. Monmouthshire has set out it’s ambition in the People Strategy as to be “...an employer of choice in our own sector and beyond”. The Council has traditionally been able to recruit talented leadership teams in spite of being a lower paying Local Authority because of the holistic, attractive employment package it has been able to offer staff. The Council aims to retain this holistic approach to the employment offer as it remains attractive to both the local market and for those seeking to move into the area. Nevertheless, the more challenging economic context is impacting on job markets and employee expectations across the UK in many areas and Councils are not immune from this.

7.4 The increased use of agile and flexible working patterns, particularly in public sector organisation, has eroded one of the benefits that Monmouthshire could offer staff. These changes have opened new job markets to staff within the Council as well as staff more generally, with people able to work remotely – some from hundreds of miles away. While this is both an opportunity as well as a challenge, nevertheless the positioning of Monmouthshire in the lower quartile in South and Mid Wales and English border counties in respect of salary ranges for senior staff, leaves them vulnerable in an increasingly competitive market.

7.5 The Council has over time developed options to increase their offer as an employer of choice but where salaries are, for a range of reasons, significantly out of kilter with the market it becomes difficult, if not impossible to attract and retain the calibre of staff and leadership needed to drive forward a challenging organisational agenda.

7.6 Redressing this does run the immediate risk of being seen to give salary increases to a small number of senior staff when lower paid staff are experiencing financial challenges. Nevertheless, this needs to be weighed against the medium to long term organisational risk posed to the Council by a lack of leadership capacity and experience which in turn is highly likely to impact adversely on the changes and challenges that the Council is facing at this time. Experience across a number of sectors – not least several high-profile cases concerning Health care providers – point to the risks that an ineffective or dysfunctional leadership team can pose to an organisation. There is a balance to achieve in ensuring value for money for citizens, fairness and equity for all staff and ensuring that an employer

maintains a competitive position in the markets in which it recruits. Public sector bodies will always operate within a constrained economic market but placing a successful organisation in a position where it will struggle to recruit and retain excellent leadership will pose a risk to that organisation which will in turn impact on both the citizens it serves and the staff it employs.

7.7 In adjusting salaries for strategic leaders there is also a consequential impact on the tier of managers who sit below this level and who either report directly to a director, or who fulfil a Statutory role. This group of posts also form part of a highly competitive job sector in South Wales with Councils increasingly seeking to recruit existing staff from other Councils. The existing Council pay policy and job evaluation schemes do provide flexibility to address immediate recruitment or retention challenges and these need to be used in a robust but equitable way to ensure that roles are appropriately described and weighted, both to maintain staff trust that their work is being fairly recognised and to ensure that the staff roles are rigorously focussed on delivery of the Council's agenda.

7.8 Existing staff need to understand the infrastructure to progress within the Council to maintain motivation and commitment to a career in the organisation. This approach supports effective succession planning ensuring that the Council can both continue to "grow its own" staff internally by providing a clear career structure and development opportunities, but also to provide competitive opportunities for external candidates to ensure that the Council can be seen as an employer of choice.

8. Recommendations

I have set out below a number of risk assessed options for each tier together with my recommendation for a preferred option. In each option I have suggested a pay range for the tier – but this does not mean that all staff in that tier will start at the bottom of the range and move to the top. At senior level there are a number of approaches to managing salary scales,

- A number of organisations have an agreed salary scale but make senior appointments of a spot salary basis – which means there is no automatic progression up the scale. Progression is then linked to agreed criteria such as additional responsibilities or market pressures.
- A hybrid approach to salary progression could be an initial increment after 12 months service after which the salary becomes a spot salary with provisos as above.
- The range becomes a scale with two/three increments of n agreed timescale

There is no correct approach – an organisation will need to assess which approach will work best for them given a range of competing drivers. As part of my recommendation for each tier I have put forward the preferred option for progression to any new scale and how the post holder might subsequently best move through the revised scale to provide a balance between offering an attractive salary and managing the consequent pay bill pressure.

8.1 CEX pay – tier 1 (Appendix C; D and E(i))

8.1.1 Option 1 – Lower Quartile

No change – £128,008 The CEX salary will remain at the present level in the lower quartile for Welsh and English comparators, adjusted by annual pay awards.

Risks

- the role is likely to be difficult to recruit to when the present post holder leaves as it sits in the lower quartile of CEX tier 1 salaries. In addition, it is presently remunerated at a lower level than tier 2 and 3 posts in many other organisations – with these staff being the likely field from which a replacement would be found.
- The lower level of salary also inhibits adjustment of salaries of the tiers below which in turn provides a recruitment and retention risk to these posts.
- The salary level sitting in the lower quartile may not reflect the aspiration for Monmouthshire set out in the People strategy to be “...an employer of choice in our own sector and beyond”.

Benefits

- there would be unlikely to be any immediate impact to a no change option in terms of the CEX
- This option would be most acceptable in budget and public relations terms

8.1.2 Option 2 – Median Range

Move the CEX salary into the lower part of the median quartile, circa £138k-£148k. £138k would take the salary just into the median quartile and would still be at the lower end of Welsh Council tier 1 salaries but would align more closely with population relativities. This pay range would also have the benefit of substantially reducing the number of organisations paying tier 2 and tier 3 staff above this rate and should increase the number of candidates available for this role in the fullness of time. This scale of increase, although substantial, would both keep Monmouthshire in line with similar organisations and provide some headroom in respect of salary levels at tier 2 and 3.

Risks

- Even with the increased salary the role may be difficult to recruit to when the present post holder leaves as it will sit in just within the median quartile of CEX tier 1 salaries and will be remunerated at a lower level than some tier 2 and 3 posts in other organisations. This risk is likely to be substantially reduced in comparison to option 1.
- The salary level sitting in just inside the median quartile may not reflect the aspiration for Monmouthshire set out in the People strategy to be “...an employer of choice in our own sector and beyond”. The Council may however feel that the employment package taken holistically could achieve this.

Benefits

- The higher salary would give greater scope to adjust salary levels in respect of the tiers below which in turn would reduce the recruitment and retention risk that may be found with these posts.

- Although any increase in pay for this post relative to other employees is likely to pose both a budgetary and handling challenge, the benchmark data indicates that the present salary is low for the size and responsibilities of the role and this increase, although not insubstantial, still does not put the Council out of kilter with other comparators – this approach can be justified in budget and public relations terms.

Option 8.1.3 – Mid Point

Move the CEX salary near to or above the mid-point of the benchmark circa £155k-£158k. This sits in line with some other Welsh Councils – including Powys. This option would eliminate organisations offering tier 2 and tier 3 salaries above the Monmouthshire tier 1 rate. This scale of increase to the salary would be substantial and would not reflect the benchmark relating to population size but could reflect the “best in class” aspirations for Monmouthshire set out in the People Strategy and provide headroom in respect of salary levels at tier 2 and 3.

Risks

- Any substantial increase in pay for this post relative to other employees is likely to pose both a budgetary and handling challenge but the benchmark data indicates that the present salary is low for the size and responsibilities of the role. This increase would be seen as substantial although it does not put the Council out of kilter with other comparators. Nevertheless, the Council may feel that given the present budgetary constraints and level of risk and benefit offered by other options, that this option would not be acceptable in budget and public relations terms.

Benefits

- The higher salary should be attractive to the recruitment market – especially with the additional employment package benefits
- The higher salary also would give greater scope to adjust salary levels in respect of the tiers below which in turn reduces the recruitment and retention risk to these posts
- The salary level would reflect the aspiration for Monmouthshire set out in the People strategy to be “...an employer of choice in our own sector and beyond”.

8.1.4 Option 4 – Top Quartile

Moving the CEX salary to the top quartile would require an increase up to £177k-£183k and would equate to salaries at some of the larger Councils in Wales and England.

The risks and benefits would be as above with the likelihood of any increased risk not being offset by additional benefit.

- **I recommend that the CEX pay point is revised in line with option 2 above to better fit in terms of overall salary and population comparators in other Local Authorities and to provide scope to adjust the structures below if needed for business reasons.**

- **As this recommendation would provide an increase of circa £10k on the present salary level I would recommend that the increased is phased over two years to allow the cost to be more easily managed from a budgetary perspective while retaining the benefits of the higher rate.**
- **I recommend that increments within the scale are set at £3k intervals and that after 12 months there is automatic movement up to £141k – at this point I would suggest that the salary becomes a spot salary with future changes related to any additional job weight – e.g. budget/scope of role etc.**

8.2 Tier 2(Appendix C; D and E(ii))

8.2.1 Option 1 – Lower Quartile

No change – £98,394-£100,950. The tier 2 salaries will remain as at present, adjusted by annual pay awards.

Risks

- these roles are likely to be difficult to recruit to and retain staff in as they sit in the lower quartile of tier 2 salaries and are among both the lowest in Wales and in comparison, with many English organisations and do not reflect the population benchmarks. These posts are also remunerated at a lower level than tier 3 at median levels and above in the benchmark group. These staff are the likely field from which a replacement for the CEX would be found.
- The lower level of salary also puts a ceiling on those of the tiers below which in turn provides a recruitment and retention risk to these posts.
- The salary level sitting in the lower quartile may not reflect the aspiration for Monmouthshire set out in the People strategy to be “...an employer of choice in our own sector and beyond”.
- The risks of not retaining or recruiting good staff at this level are likely to be more immediate than in tier 1 as staff at this level are more likely to move for career reasons.

Benefits

- This option would be most acceptable in budget and public relations terms.

8.2.2. Option 2 – Median Range

Move the tier 2 salary into the lower part of the median quartile circa £112k-£125k. This would take the salary just into the median quartile though would still be toward the lower end of Welsh Councils. This scale of increase – although not insubstantial, would both keep Monmouthshire in line with similar organisations and provide some headroom in respect of salary levels at tier 2 and 3. To ensure the acceptability of this increase, posts within the scale could be spot salaries which would control the pay bill; or there could be a scale of two or three points with a gateway beyond which progression would be linked to additional responsibilities – again this would provide some pay bill control.

Risks

- Even with the increased salary the roles may be difficult to recruit to as they will sit just in the median quartile of tier 2 salaries and will be remunerated at a lower level than tier 2 and 3 posts in other organisations – but this risk is likely to be substantially reduced in comparison to option 1.
- The salary level sitting in just inside the median quartile may not reflect the aspiration for Monmouthshire set out in the People strategy to be “...an employer of choice in our own sector and beyond”. The Council may however feel that the employment package taken holistically could achieve this.

Benefits

- The higher salary would give greater scope to adjust salary levels in respect of the tiers below which in turn reduces the recruitment and retention risk to these posts.
- Although any increase in pay for this post relative to other employees is likely to pose both a budgetary and handling challenge, the benchmark data indicates that the present salary is low for the size and responsibilities of the roles and this increase, although not insubstantial, still does not put the Council out of kilter with other comparators – this approach is likely to be the most acceptable in budget and public relations terms.

8.2.3 Option 3 – Mid point

Move the tier 2 salary near to or above the mid-point of the salary and population benchmark, £135k-£138k. This would reduce the number of organisations paying tier 2 and tier 3 staff above this rate. This scale of increase to the salary would be substantial but would reflect the “best in class aspirations for Monmouthshire set out in the People strategy and provide headroom in respect of salary levels at tier 3.

Risks

- Any increase in pay for this post relative to other employees is likely to pose both a budgetary and handling challenge although the benchmark data indicates that the present salary is low for the size and responsibilities of the role. This increase would be seen as substantial although it does not put the Council out of kilter with other comparators, Nevertheless the Council may feel that given the present budgetary constraints and level of risk and benefit to other options, this option would not be acceptable in budget and public relations terms.

Benefits

- The higher salary should be attractive to the recruitment market – especially with the additional employment package benefits.
- The higher salary also would give greater scope to adjust salary levels in respect of the tiers below which in turn reduces the recruitment and retention risk to these posts.
- The salary level would reflect the aspiration for Monmouthshire set out in the People strategy to be “...an employer of choice in our own sector and beyond”.

8.2.4 Option 4 – Top Quartile

- Moving the tier 2 salary to the top quartile would require an increase up to £146k-£150k and would equate to salaries at some of the larger Councils in Wales and England and would be out of kilter with the benchmark data.

The risks and benefits would be as above with the likelihood of any increased risk not being offset by additional benefit.

- **I recommend that the tier 2 pay point is revised in line with option 2 above to better fit in terms of overall salary and population comparators in other Local Authorities and to provide scope to ensure that supporting salary structures are fit for purpose.**
- **As this recommendation would provide an increase of circa £12k on the present salary levels I would recommend that the increased is phased over two years to allow the cost to be more easily managed from a budgetary perspective while retaining the benefits of the higher rate.**
- **I recommend that increments within the scale are set at £4k intervals and that after 12 months there is automatic movement up to £116k – at this point I would suggest that the salary becomes a spot salary with future changes related to any additional job weight – e.g. budget/scope of role etc.**

8.3 Tier 3(Appendix C; D and E(iii))

8.3.1 Option 1 – Lower Quartile

No change –£90,683-94,533. The tier 3 salaries will remain at present adjusted by annual pay awards.

The risks and benefits of this option are as set out under tier 2.

8.3.2 Option 2 – Median Range

Move the tier 3 salary into the lower part of the median quartile circa £103k -113k. This would take the salary into the median quartile and would then benchmark up to the mid-point of the salary scale. This level of increase – although substantial, would both keep Monmouthshire in line with similar organisations and provide some headroom in respect of salary levels at tier 4. To ensure the acceptability of this increase, posts within the scale could be spot salaries which would control the pay bill; or there could be a scale of two or three points with a gateway beyond which progression would be linked to additional responsibilities – again this would provide some pay bill control.

Risks

- The main risk with this option is in terms of budget and public handling and it is important to ensure that there are pay bill management structures around any increase.

Benefits

- The higher salary would give greater scope to adjust salary levels in respect of the tier 4 below which in turn reduces the recruitment and retention risk to these posts.
- Although any increase in pay for this post relative to other employees is likely to pose both a budgetary and handling challenge, the benchmark data indicates that the present salary is low for the size and responsibilities of the role and this increase, although not insubstantial, still does not put the Council out of kilter with other comparators – this approach is likely to be the most acceptable in budget and public relations terms.

8.3.3 Option 3 – Mid Point

Moving the tier 3 salaries to the mid-point would give a salary range of £115k-£117k, not significantly higher than option 2 as the salary differentials are smaller in tier 3.

The risks and benefits would be as with other tiers above with the likelihood of any increased risk not being offset by additional benefit.

8.3.4 Option 4 - Top Quartile

Moving the tier 3 salaries to the top quartile would give a salary range of £123k-£140k, again the salary differentials are smaller in tier 3 but nevertheless this would provide a substantial increase that would align this tier with larger councils in Wales and England.

The risks and benefits would be as with other tiers above with the likelihood of any increased risk not being offset by additional benefit.

- **I recommend that the tier 3 pay point is revised in line with option 2 above to better fit in terms of overall salary and population comparators in other Local Authorities and to provide scope to adjust the structures below.**

As this recommendation would provide an increase of circa £11-12k on the present salary level I would recommend that the increased is phased over two years to allow the cost to be more easily managed from a budgetary perspective while retaining the benefits of the higher rate.

- **I recommend that increments within the scale are set at £3k intervals but that after 12 months there is automatic movement up to £107k– at this point I would suggest that the salary becomes a spot salary with future changes related to any additional job weight – e.g. budget/scope of role etc.**

8.4 Tier 4(Appendix C; D and E(iv))

8.4.1 Option 1 – Lower quartile

No change – £79,114-£82,970 The tier 4 salaries will remain as present adjusted by annual pay awards.

Risks and benefits of this option are as set out under previous tiers.

8.4.2 Option 2 – Median Range

Increase the tier 4 salary scale into the lower part of the median quartile circa £85k-£93k. This would take the salary into the median quartile which would then benchmark up to the mid-point. This scale of increase would both keep Monmouthshire in line with similar organisations and provide scope for a run through salary structure at this level and tier 5 and below. To ensure the acceptability of this increase, posts within the scale could be spot salaries which would control the pay bill; or there could be a scale of two or three points with a gateway beyond which progression would be linked to additional responsibilities – again this would provide some pay bill control.

Risks

- The main risk with this option is in terms of budget and public handling and it is important to ensure that there are pay bill management structures around any increase.

Benefits

- The higher salary would give greater scope to adjust salary levels in respect of the tier 5 below which in turn provides scope to provide a run through salary structure for grades below which reduces the recruitment and retention risk to these posts.
- Although any increase in pay for this post relative to other employees is likely to pose both a budgetary and handling challenge, the benchmark data indicates that the present salary is low for the size and responsibilities of the role and this increase, although not insubstantial, still does not put the Council out of kilter with other comparators – this approach is likely to be the most acceptable in budget and public relations terms.

8.4.3 Option 3 – Mid Point

Moving the tier 4 salaries to the mid-point would give a salary range of £95k-£100k, not significantly higher than option 2 as the salary differentials are smaller in tier 4.

The risks and benefits would be as with other tiers above with the likelihood of any increased risk not being offset by additional benefit.

8.4.4 Option 4 – Top Quartile

Moving the tier 4 salaries to the top quartile would give a salary range of £105k-£110k, again the salary differentials are smaller in tier 4 but nevertheless this would provide a substantial increase that would align this tier with larger councils in Wales and England.

The risks and benefits would be as with other tiers above with the likelihood of any increased risk not being offset by additional benefit.

have not provided a third option in respect of this tier as option 2 provides a comparable outcome.

- **I recommend that the tier 4 pay point is revised in line with option 2 above to better fit in terms of overall salary comparators in other**

Local Authorities and to provide scope to provide a run through salary structure for grades below.

- **This recommendation would provide a maximum increase of circa £6k at the lower end of the present salary level and about £3k at the higher end so I would recommend that there is no transitional arrangement for these job holders. I would recommend that the increased is phased over two years to allow the cost to be more easily managed from a budgetary perspective while retaining the benefits of the higher rate.**

- **I recommend that the two increments within the scale are set at £3k intervals and that after 12 months there is automatic movement up to £88k – at this point I would suggest that the salary becomes a spot salary with future changes related to any additional job weight – e.g. budget/scope of role etc.**

8.5 General notes on recommendations

- Posts at Tier 5 sit outside the terms of reference of this review and benchmark information has been included for context.
- Criteria that might influence individual pay points on relevant scales are those that usually inform job evaluation systems – exiting remuneration relativities within the group, levels of accountability including statutory requirements, budgets, staff numbers and complexity. This could be a scale to accommodate fixed salary points for post holders, to ensure that any increase in salary – outside an annual award – would only take place if there has been an increase in job scope or weight.
- The movement of several of the existing strategic leadership roles to a higher band and the overall repositioning of those jobs should however create a salary structure that offers opportunities to increase responsibility and remuneration opportunities within Monmouthshire as posts become vacant. A run through pay scale would also provide a better salary structure in terms of managing talent and succession planning which would support the Organisation strategic goals.
- Suggested levels of salary increase allow for pay to be increased on promotion at all levels.
- To ensure that there is value for money arising from a revised pay scale, I would recommend that managers ensure that staff at all levels have job descriptions that up to date and fully reflect the roles needed within the council and that these are appropriately evaluated within the existing job evaluation systems
- It is fundamental throughout any organisation that pay systems are supported by robust performance management arrangements. In particular with the levels of senior pay set out it is important that residents of Monmouthshire and staff have confidence that they are getting value for money from the investment made in these posts.

Anne Phillimore FCIPD

September 2024

Appendix A - References

The Accounts and Audit (Wales) (Amendment) Regulations 2010

Local Authority Pay Policy Statements 2024/25 – unless stated

- Torfaen
- Newport
- Caerphilly
- Blaenau Gwent
- Neath Port Talbot
- Merthyr Tydfil
- Powys
- Swansea 2023
- Vale of Glamorgan
- Carmarthenshire
- Pembrokeshire
- Ceredigion
- Cardiff
- Bridgend

- Herefordshire
- Worcestershire 2023/2024
- Somerset
- Bristol 2023
- Birmingham
- Shropshire
- South Gloucester
- Bath and NE Somerset
- Reading
- Swindon
- Windsor and Maidenhead
- Slough
- North Devon
- Gloucester

Welsh Government

- Pay Letter ESP(W) 02/2022 – pay arrangements for NHS employees covered by executive and senior pay terms and conditions of service.
- Pay Policy Statement 2022 – Welsh Government Pay Bands (Delegated Staff and Senior Civil Service) 22nd March 2023 – Senior Civil Service Salaries Annexe A

Borough Council Documents:

2023/24 Final Draft Pay Policy Document

Monmouthshire Community and Corporate Plan 2022-2028

Appendix B - Reviewer Biography

Anne Phillimore is a Chartered Fellow of the Chartered Institute of Personnel and Development. Anne had a career in Human Resources spanning a number of public sector organisations including the Post Office, the Ombudsman's Office and as Head of Industrial Relations and Workforce Planning in Customs and Excise.

In 2004 Anne returned to Wales to take up the role of Director of Personnel in a North Glamorgan NHS Trust, moving in 2009 to take up the role of Executive Director of Workforce and Organisational Development in the newly formed Aneurin Bevan Health Board in Gwent from which she retired in 2015.

Subsequently Anne has run her own HR Consultancy business. mainly working in the Welsh public sector including a 10-month period as Interim Executive Director of Workforce and OD for Cwm Taf Morgannwg University Health Board shortly after it was put into special measures.

Anne also sits as a lay member of the Nursing and Midwifery Council Conduct and Competency Committee and was a member of the independent NHS Pay Review Body between March 2020 and June 2023.

Throughout her career Anne has been responsible for leading and delivering value added workforce interventions and change in a range of organisations and cultures.

Appendix C

Comparative Local Authority Salaries (Information from published Pay Policies*) – South and mid Wales

(population sizes for LAs are sourced from the Office of National Statistics – Census 2021)

Local Authority	Tier 1	Salary £s	Tier 2 Chief Officer	Salary £s	Tier 3 Chief Officer	Salary £s	Tier 4 Chief Officer	Salary £s	Tier 5 Chief Officer	Salary £s	Tier 6**	Salary £s
Merthyr Tydfil 24/25 P:58,800	CEO Fixed point	129,270	Deputy CEO (fixed point)	105,377			Directors / Head of Service Group B (4 Pts)	79,566–86,660	Head of Service Group C (4 Pts)	71,720 – 78,859	Head of Service Group D (4 Pts)	63,393 – 70,532
Blaenau Gwent 24/25 P:66,900	CEO (5pts)	108,573 – 116,934			Chief officers (5 Pts)	88,392–97,032	Head of Service JNC 5 (5 Pts)	78.825–86,507	Head of Service JNC 4 (5 Pts)	71,112–78,023	Head of Service JNC 3 (5 Pts)	68,955 – 75,650
Ceredigion 24/25 P:71,500	CEO (4 pts)	129,755 – 138,647			Corporate Directors (4 points)	104,202 – 111,337	Corporate Lead Officer A2 (4pts)	84,846–90,164	Corporate Lead Officer A1 (4 pts)	77,796–83,085		
Torfaen 2024 P:92,300	CEO Grade 20 (6pts)	115,840 – 132,023 (actual 132,023)	Assistant CEO Grade 18 (6 pts) (grade 19 not in use)	101,852 – 111,405	Chief Officers Grade 17 (6 pts)*	91,489–99,516	Heads of Service Grade 16 (4pts)	83,671–89,545	Heads of Service Grade 15 (4pts)	76.706–81,869	Heads of Service Grade 14 (4pts)	68,924 – 75,150
Monmouth shire 24/25 P: 93.000	CEO fixed point	128,008	Deputy Chief Executive Band A+ (3 Pts)	98.394–100.965	Chief Officer Band A (4 Pts)	90,683–94,538	Head of Service Band B (4 Pts)	79.114–82,970	Head of Service Band C (4 Pts)	68.188–75.901	Head of Service Band D (4 Pts)	61,119 – 66,261

Pembroke shire 24/25 P: 123,400	CEO fixed point	150,922	Directors (5 inc)	120,857 - 132,743	Head of service Band 1 (5 inc)	105,050 - 115,355	Head of service Band 2 (5 inc)	95,355- 104,686	Head of service Band 3 (5 inc)	86,864- 95,355	Head of service Band 4 (5 inc)	80,806 - 88,683
Vale of Glamorga n 24/25 p: 131,800	CEO fixed point	147,639	Directors 5 points	101,903 - 113,004			Heads of Service 5 points	77,747- 86,164	Ops Manager - level 1 (5 pts)	57,839- 63,420	Managers - level 2 (5 pts)	55,045 - 60,350
Powys 24/25 P: 133,200	CEO (4pts)	144,512 - 154,131		-	Director 1 (4 pts)	106,682 - 114,280	Director 2 (4 pts)	94,282- 101,889	Heads of Service 1 (4 pts)	85,411- 92,773	Heads of Service 2 (4 pts)	75,598 - 82,960
Neath Port Talbot 24/25 P: 142,300	CEO 5 point s	141,811 - 155,792	Corporate Directors 5 points	117370- 126,424	Chief Finance Officer 5 points	95,609- 105,213	Heads of Service (5 points)	81,966- 89,958	Strategic Managers	58,771- 64,049		
Bridgend 24/25 P:145,500	CEO Trent Grad e 25 4 pts	142,125 - 152,170	Assistant CEO Trent Grade 24 (4 pts)	127,476 - 136,691	Corporat e Director 1 Trent Grade 23 (4 pts)	115,845 - 121,212	Corporat e Director 2 Trent Grade 24 (4 pts)	100,349 - 107,202	Head of Service 1 Trent Grade 21 (4 pts)	87,382- 93,193	Heads of service 2 Trent Grade 20 (4 pts)	<input type="text"/> 78,895 - 84,245
Newport Feb 2024 p: 159, 600	CEO (4 pts)	135,842 - 156,235	Strategic Directors (4 pts)	114,391 - 124,429					Heads of Service (4 pts)	84,919- 91,289		
Caerphilly 24/25 P: 175,900	CEO fixed point	153,111	Deputy CEO	145,903	Director (4 pts)	125,025 - 138,695			Band A Heads of Service (4 pts)	95.900- 106,33 4	Band B (4 pts)	74,553 - 82,617

Carmarthen-shire 24/25 P: 187,900	CEO fixed point	161,638 (1.4.23)	Directors (4 pts)	130,604 - 140,369	Assistant CEO (4 pts)	111,662 - 117,571	Heads of Service (4 pts)	94,497- 103,860				
Swansea 23/24 24/25 policy = no salary data P:238,500	CEO fixed point	158,887			Director (7 pts)	109,182 - 123,681	Chief Officers (9 pts)	92,246- 112,611	Heads of Service Band 1 (7 pts)	75,311- 92,246	Heads of Service Band 2 (7 pts)	64,021 - 80,955
Cardiff 24/25 P:362,400	CEO fixed point	196,744	Corporate Director (resources, People and Community) (fixed point)	150,920	Directors x 5 (fixed point) Chief Digital Officer (fixed point)	139,463 112,352	Chief Officer/ Assistant Director Fixed point)	95,474	Ops Managers level 1 (5 points)	63.391- 76,615	Ops Managers level 2 (5 points)	52,241 - 62,691

Appendix D

Comparative Local Authority Salaries (Information from published Pay Policies) – English examples*

Local Authority	Tier 1	Salary £	Tier 2	Salary £	Tier 3	Salary £	Tier 4	Salary £	Tier 5	Salary £	Tier 6	Salary £
North Devon 2024 P:98,600	CEO	102,082 (lowest paid CIPFA CEO)	DCEO Director SML16	86,034	Head of Service	58,225-70,648	Senior Legal	47,420-56,505				
Worcester - 23/24 <i>(Most Director salaries inc. retention supplements 10-18%)</i> P:103,900	MD (4 pts) 35 hrs	120,938-124,336	Corporate Directors 5 pts	87,805-93,526	Deputy Director 2 posts	76,365-82,085 (5 pts)	Head of Service 6 posts	64,924-70,644 (5 pts)				
Gloucester- 2024 p:132,500	CEO	131,153	JS4	94,132-103,829	JS3	79,852-88,047	JS2	63,504-77,015	JS1	54,296-62,672		
Windsor and Maidenhead (UA) P:153,500	CEO	155,324-198,172	Executive Directors	109,073-150,451 (gateway grades at all levels)	Deputy Directors	96,625-114,585	Asst Directors	74,572-104,159	Local pay grade 13	72,996-92,580	Local pay grade 12	65,129-84,193

Slough (UA) 24/25 (11 Senior Director vacancies from 25 posts) P:158,500	CEO	152,330-182,400	Executive Directors (6)	125,733-146,319 (market supplements £601-3,629)	SML14 Director	104,521 - 119,233	SML13	87,523-101,749	SML12	76,261-84,727 (market supplement (£5.146))		
Reading UA 24/25 P:174,200	CEO	177,942	Director posts	107,910-133,713	Director posts (RMSA)	88,679-103,255	RMSB	78,470-91,590	RMSC	66,805-82,846	RMSD	59,515-71,178
Hereford-Shire (UA) 24/25 P: 187,100	CEO fixed point	164,848	Director 1 (ceiling salary)	139,465	Director 2 (ceiling salary)	114,261	Head of Service (HoS 1) 3 points	90,249-95,076	Head of Service (HoS 2) 3 points	83,471-87,929	13HC	61,734-66,738
Bath and NE Somerset UA 24/25 P:193,400	CEO	165,000	Directors 2 posts	128,055 and 120,169	Director 6 posts	109,329 - 115,648	Senior Manager 4 roles	96,704-103,255	G15 (JNC) 2 posts	86,672-93,181	G13 (JNC) 1 role	60,205-65,858
N Somerset (UA) 1.4.24 P:216,700	CEO	195,000	Leadership Team Spot salaries based on JE & market	125,000-150,00			SD1 Service Delivery Mgrs.	115,000-118,000	SD2	110,000 - 115,000	SD3	100,000-105,000

Swindon UA April 24 P: 233,400	CEO	175,432	Corporate Directors 4	132,184- 175,581	Dir/Asst Director 9	98,502- 130,672	Senior Manage rs 4 bands	75,000- 95,000	Senior Manage rs 5 bands	50,000- 75,000		
Bristol City Council December (UA) 2023 P:279,765	CEO Level 1	185,673-	Executive Directors Level 2	106,878- 150,781	Directors Level 3	100,000 Approx. 130,410						
South Gloucester UA Jan 24 P:290,400	CEO	180,426	Directors 4 posts	135,791- 145,181	Director 1 post	110,933 - 118,117	Senior Manage rs 18 posts	91,780- 100,160	Senior Manage rs	82,204- 89,385		
Shropshire UA 23/24 P:323,600	CEO	167,143	C2 Executive Director	134,113- 145,123	C3 Director	117,598 - 123,103	C4 Asst Director	101,083- 105,588	C5 Head of Service	90,073- 95,678	C6 Service Manager	73,558- 84,568
Birmingham 23/24 P:1,144,900	CEO B04	295,093	Corporate Director B03	148,087- 221,134	Service Director B02	111,220 - 165,834	Asst Director s B01	82,920- 123,399	NCJ pay spines			

Appendix E(i) Pay Benchmarks – Tier 1

Council	Salary £	
North Devon	102,082	
Blaenau Gwent	116,934	
Worcestershire	124,336	
Monmouthshire	128,008	
Merthyr Tydfil	129,270	
Gloucester	131,153	
Torfaen	132,023	lower quartile range
Ceredigion	138,647	lower quartile range
Vale of Glamorgan	147,639	
Pembrokeshire	150,922	
Bridgend	152,170	
Caerphilly	153,111	
Powys	154,131	
Neath Port Talbot	155,792	
Newport	156,235	mid point
Swansea	158,887	
Carmarthenshire	161,638	
Herefordshire	164,848	
Bath and NE Somerset	165,000	
Shropshire	167,143	
Swindon	175,432	
Reading	177,942	top quartile range
South Gloucester	180,426	top quartile range
Slough	182,400	
Bristol City	185,673	
Somerset	195,000	
Cardiff	196,744	
Windsor and Maidenhead	198,172	
Birmingham	295,093	

Appendix E(ii) Pay Benchmarks – Tier 2

Council	Salary £	
Blaenau Gwent	0	
Powys	0	
Swansea	0	
Ceredigion	0	
North Devon	86,034	
Worcestershire	93,526	
Monmouthshire	100,965	
Gloucester	103,829	
Merthyr Tydfil	105,377	
Torfaen	111,405	lower quartile range
Vale of Glamorgan	113,004	lower quartile range
Newport	124,429	
Neath Port Talbot	126,424	
Bath and NE Somerset	128,055	
Pembrokeshire	132,743	
Reading	133,713	
Bridgend	136,691	mid point
Herefordshire	139,465	
Carmarthenshire	140,369	
Shropshire	145,123	
South Gloucester	145,181	
Caerphilly	145,903	
Slough	146,319	upper quartile range
Somerset	150,000	upper quartile range
Windsor and Maidenhead	150,451	
Bristol City	150,781	
Cardiff	150,920	
Swindon	175,581	
Birmingham	221,134	

Appendix E(iii) Pay Benchmarks – Tier 3

Council	Salary £	
Merthyr Tydfil	0	
Newport	0	
Vale of Glamorgan	0	
Somerset	0	
North Devon	70,648	
Worcestershire	82,085	
Gloucester	88,047	
Monmouthshire	94,538	
Blaenau Gwent	97,032	
Torfaen	99,516	lower quartile range
Reading	103,255	lower quartile range
Neath Port Talbot	105,213	
Ceredigion	111,337	
Herefordshire	114,261	
Powys	114,280	
Windsor and Maidenhead	114,585	
Pembrokeshire	115,355	mid point
Bath and NE Somerset	115,648	
Carmarthenshire	117,571	
South Gloucester	118,117	
Slough	119,233	
Bridgend	121,212	
Shropshire	123,103	upper quartile range
Swansea	123,681	upper quartile range
Bristol City	130,410	
Swindon	130,672	
Caerphilly	138,695	
Cardiff	139,463	
Birmingham	165,834	

Appendix E(iv) Pay Benchmarks – Tier 4

Council	Salary £	
Carmarthenshire	0	
Worcestershire	0	
Bristol City	0	
North Devon	56,505	
Vale of Glamorgan	63,420	
Gloucester	77,015	
Monmouthshire	82,970	
Blaenau Gwent	86,507	
Merthyr Tydfil	86,660	lower quartile range
Torfaen	89,545	
Neath Port Talbot	89,958	
Ceredigion	90,164	
Newport	91,289	
Reading	91,590	
Swansea	92,246	
Bridgend	93,193	mid point
Swindon	95,000	mid point
Herefordshire	95,076	
Cardiff	95,474	
South Gloucester	100,160	
Slough	101,749	
Powys	101,889	
Bath and NE Somerset	103,255	
Windsor and Maidenhead	104,159	upper quartile range
Pembrokeshire	104,686	
Shropshire	105,588	
Caerphilly	106,334	
Somerset	118,000	
Birmingham	123,399	

Appendix F: Local Authority Benchmarks Ranked by Population*

Rank by Pop size	Welsh LA Benchmark (All UAs)	Pop	English LA Benchmark (*=UA)	pop	Joint LA benchmark	pop
1	Merthyr T	58,500	N. Devon	97,600	Merthyr T	58,500
2	Blaenau G	66,900	Worcester	103,900	Blaenau G	66,900
3	Ceredigion	71,500	Gloucester	132,500	Ceredigion	71,500
4	Torfaen	92,300	Windsor *	153,500	Torfaen	92,300
5	Monmouthshire	93,300	Slough*	158,500	Monmouthshire	93,300
6	Pembrokeshire	123,400	Reading*	174,200	N. Devon	97,600
7	Vale of Glam.	131,800	Herefordshire*	187,100	Worcester	103,900
8	Powys	133,200	Bath*	193,400	Pembrokeshire	123,400
9	Neath PT	142,300	N. Somerset*	193,400	Vale of Glam	131,800
10	Bridgend	145,500	Swindon*	233,400	Gloucester	132,500
11	Newport	159,600	Bristol City*	279,765	Powys	133,200
12	Caerphilly	175,900	S. Gloucester*	290,400	Neath PT	142,300
13	Carms	187,900	Shropshire*	323,600	Bridgend	145,500
14	Swansea	238,500	Birmingham	1,144,900	Windsor	153,500
15	Cardiff	362,400			Slough	158,500
16					Newport	159,600
17					Reading	174,200
18					Caerphilly	175,900
19					Herefordshire	187,100
20					Carmarthenshire	187,900
21					Bath	193,400
22					N. Somerset	193,400
23					Swindon	233,400
24					Swansea	238,500
25					Bristol	279,765
26					S. Gloucester	290,400
27					Shropshire	323,600
28					Cardiff	363,400
29					Birmingham	1,144,900

*Population figures based on ONS 2021 National Census Data

Table 1 -Key

Lower quartile

Median

Upper Quartile

Appendix G

Salary Levels for NHS Wales CEOs and Directors 1st April 2022 (WG Pay Letter ESP(W) 02/2022*- as at 23.3.23

Pay Point	Salary Band Minimum £s	Salary Band Maximum £s	Notes
20	208,721	225,529	CEO large Health Board e.g. Cardiff and Vale, ABUHB
19	191,913	207,600	
18	180,706	191,838	
17	169,502	179,587	
16	163,900	168,382	
15	152,695	162,780	Indicative DoF ABUHB
14	141,488	151,574	Indicative =Director AB, Finance (DoF) CTM
13	130,282	140,368	Indicative =Director CTM
12	124,680	129,163	
11	119,078	123,560	
10	113,475	117,958	
9	107,872	112,355	
8	102,269	106,753	(overlaps B 9 Agenda for Change)
7	96,688	101,150	(overlaps B 9 Agenda for Change)

- * there is a separate salary scale for Medical Directors and Directors of Public Health
- Expectation is that a new appointment is made to the bottom of the appropriate pay scale – there is no right to progress up the scale – progression is exceptional and would be agreed with Board remuneration committees and WG
- Pay points determined by job evaluation so will vary depending on organisational context
- WG can agree spot salaries
- The Director holding the role of Deputy CEO is entitled to an additional allowance of £10k

Appendix H

Welsh Government Senior Civil Service and Senior Delegated Staff Pay Bands – Welsh Government Pay Policy Statement 2022 (March 2023)

Pay Bands Senior Civil Service*	Pay Point	Salary £s
Permanent Secretary (Tier 1,2, and 3)	Maximum	200,000
	Minimum	142,000
Director Generals (SCS Pay Band 3)	Maximum	208,100
	Minimum	120,000
Director (SCS Pay Band 2)	Maximum	162,500
	Minimum	93,000
Deputy Director (SCS Pay Band 1)	Maximum	117,800
	Minimum	71,000

Pay Bands Delegated Staff

Grade 6	4 points	64,520-75,480
Grade 7	4 points	51,380-61,440

- *Senior Civil Service pay Bands are set by the UK Government delegated staff pay bands by Welsh Government