

SUBJECT:	SENIOR LEADERSHIP PAY REVIEW
MEETING:	COUNCIL
DATE:	10 th APRIL 2025
DIVISION/ WARDS AFFECTED:	ALL WARDS

1. PURPOSE:

1.1 To consider the recommendation made, following an independent senior leadership pay review; that senior leaders in Monmouthshire County Council (the Strategic Leadership Team) receive an increase in pay, in accordance with the median salary range, and that this increase is implemented over a 2-year period, from April 2025. The implementation of this recommendation will ensure that the salary structure for senior leaders is comparable with other Councils in the regional area.

2. RECOMMENDATIONS:

2.1.1 That Council:

- i. Approve the recommendation made, following an independent senior leadership pay review; that senior leaders in Monmouthshire County Council (the Strategic Leadership Team) receive an increase in pay, in accordance with the median salary range, and that this increase is implemented over a 2-year period, from April 2025.
- ii. Recommend that a job evaluation scheme is put in place for all Chief Officers and, consequently, that the Chief Officer (JNC) pay structure is reviewed.

3. KEY ISSUES:

3.1 Based on its location, Monmouthshire County Council competes with both Welsh and English Local Authorities, to attract candidates to vacant posts. Colleagues are Monmouthshire County Council's greatest asset and, based on the challenges the Council faces, high performing senior leaders are required to drive the Council's strategic goals forward.

3.2 Monmouthshire County Council last evaluated the salary bandings for senior leaders (the Strategic Leadership Team) in 2009. Since this time, other local authorities in the regional area have re-evaluated their salary bandings, to remain competitive and attract talented senior leadership candidates. Consequently, the value of salaries offered by Monmouthshire County Council, when recruiting to leadership posts, are starting to impact

on the attractiveness of the vacancy and subsequently the talent pool of candidates. The current salary bandings for strategic leadership roles, including the Chief Executive, are as follows (effective 1st April 2024):

POST	RANGE	SALARY
Chief Executive	N/A	£131,208
Deputy Chief Executive and Strategic Director, Resources (and Section 151 Officer)	Band A+ Points 1-3	£100,854 £102,172 £103,489
Strategic Director – Learning, Skills and Economy Strategic Director – Social Care and Health Chief Officer Law and Governance (and Monitoring Officer and Head of Democracy) Chief Officer, Communities and Place	Band A: Points 1 – 4	£92,950 £94,266 £95,583 £96,901
Chief Officer, People, Performance and Partnerships Chief Officer, Customer, Culture and Wellbeing	Band B: Points 1 – 4	£81,092 £82,409 £83,726 £85,044

3.3 The impact was recognised by Cabinet, and the previous Chief Officer for People and Governance was tasked with instructing Anne Phillimore, FCIPD, HR Consultant, to review the remuneration values for strategic leadership roles, including the Chief Executive, of Monmouthshire County Council. This work was commissioned by Cabinet and sanctioned by the Leader, who asked Cllr Callard to be the principal Cabinet Member Lead.

3.4 Anne Phillimore is an experienced public sector HR Consultant. She has undertaken similar reviews in other Welsh Local Authorities. She has provided a comprehensive analysis and benchmarking of Monmouthshire County Council's remuneration levels, against other local authorities. The scope of the independent review included 8 roles, which were:

- Chief Executive
- Deputy Chief Executive & Strategic Director – Resources (and Section 151 Officer)
- Strategic Director – Learning, Skills and Economy

- Strategic Director – Social Care and Health
- Chief Officer, People, Performance & Partnerships
- Chief Officer, Law & Governance
- Chief Officer, Customer, Culture & Wellbeing
- Chief Officer, Communities & Place

3.5 The reason for instructing an independent review was that these posts are not currently included in any job evaluation scheme. Cabinet is committed to ensuring that a job evaluation process is revisited for all Chief Officer posts, to ensure a fair and equitable pay structure.

3.6 An initial draft of the review was presented in June 2024, and amendments were requested to reflect lower, median and upper quartiles, so that clear recommendations could be made. A final draft of the review was presented in September 2024 and set out four tiers for strategic leadership pay, including the Chief Executive:

- Tier 1: Chief Executive
- Tier 2: Deputy Chief Executive & Strategic Director – Resources (and Section 151 Officer)
- Tier 3: Strategic Director/Chief Officers
- Tier 4: Chief Officers (only)

3.7 The final draft of the review set out four options (detailed in 4.1):

- Option 1: an increase in accordance with the lower quartile (in effect no change)
- Option 2: an increase in accordance with the median salary range
- Option 3: an increase in accordance with the mid-point salary range
- Option 4: an increase in accordance with the upper quartile.

3.8 Following receipt of the final draft of the review, Council established a Remuneration Committee, which has met on 3 occasions:

- 15th October 2024: to receive training and consider the terms of reference and governance documents
- 22nd October 2024: to consider the independent review, including a presentation from Anne Phillimore
- 19th November 2024: to determine a final recommendation, to be presented to and considered by Council.

4. OPTIONS APPRAISAL

4.1 The four options outlined in 3.7 were considered by the Remuneration Committee and the following was determined:

- Option 1: does not support reducing the impact which the current value of salaries offered by Monmouthshire County Council has, when recruiting to leadership posts.

- Option 2: recommended by Anne Phillimore and the Remuneration Committee. It is suggested that the changes should take effect from April 2025 and to be implemented over two financial years, to limit the impact on the medium financial term plan.
- Option 3: this would provide a substantial increase in salary bandings, which would align with larger councils in Wales and England. Monmouthshire has approximately 4,000 employees with a population of 93,000 people. Whilst employee headcount and population size provide a useful benchmark, they need to be taken in conjunction with a range of other variables, such as social demography, complexity and geography. Once all these variables have been considered, option 3 is not appropriate.
- Option 4: this would provide a substantial increase in salary bandings, which would align with larger councils in Wales and England. Monmouthshire has approximately 4,000 employees with a population of 93,000 people. Whilst employee headcount and population size provide a useful benchmark, they need to be taken in conjunction with a range of other variables, such as social demography, complexity and geography. Once all these variables have been considered, option 4 is not appropriate.

4.2 Based on the recommendation received, following the independent senior leadership pay review, and the recommendation from the Remuneration Committee, option 2 would have the following impacts on each tier for strategic leadership pay:

- Chief Executive Officer – Tier 1

The Chief Executive salary would move to the lower part of the median quartile, circa £138k-£148k. This salary would still be at the lower end of Welsh Council Tier 1 salaries, but would align more closely with population relativities. This movement would also have the benefit of reducing the number of organisations in the regional area who are currently paying senior officers (non-Chief Executive roles) above the rate currently paid to Monmouthshire County Council's Chief Executive and should increase the number of candidates available for this role, in the fullness of time. This scale of increase would keep Monmouthshire in line with similar organisations and provide some headroom in respect of salary levels at Tier 2.

- Deputy Chief Executive & Strategic Director – Resources (and Section 151 Officer) – Tier 2

The Deputy Chief Executive & Strategic Director – Resources (and Section 151 Officer) salary would move to the lower part of the median quartile, circa £112k-£125k. This would still be towards the lower end of Welsh Council Tier 2 salaries. This scale of increase would keep Monmouthshire in line with similar organisations and provide some headroom in respect of salary levels at Tier 3.

- Strategic Director – Learning, Skills and Economy, Strategic Director – Social Care and Health, Chief Officer Law and Governance and Chief Officer, Communities and Place – Tier 3

Salaries for these posts would move to the lower part of the median quartile circa £103k -£113k. This level of increase would keep Monmouthshire in line with similar organisations and provide some headroom in respect of salary levels at Tier 4.

- Chief Officer People, Performance and Partnership and Chief Officer Customer, Culture and Well Being – Tier 4

Salaries for these posts would move to the lower part of the median quartile circa £85k-£93k. This level of increase would keep Monmouthshire in line with similar organisations and provide scope for a run through salary structure at this level and further down the organisational pay structure.

- 4.3 To manage the effect of these increases, 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.

5. EVALUATION CRITERIA

5.1 The Remuneration Committee considered the following in reaching their recommendation:

- Cost implications
- Employee headcount and population size (of Monmouthshire County Council, as an authority)
- Social demography, complexity and geography
- Other comparative employee benefits.

5.2 Other criteria to be considered are financial implications, including the £170,000 saving which was made as a result of a recent Strategic Leadership Team restructure, previous recruitment and retention challenges to senior leadership vacancies, relativity to other pay structures in the organisation and in other organisations in the regional area.

6. REASONS:

6.1 It is important that Monmouthshire County Council has the ongoing ability to attract and retain high performing leaders, capable of delivering a complex agenda over the coming years. This will ensure that there is strong and effective leadership to achieve the Council's strategic objectives. Monmouthshire County Council's Strategic Leadership Team play a pivotal role in shaping and implementing the Council's vision and strategies. They also cement the organisational values and set out expectations for the way business is conducted internally and with other organisations.

6.2 Monmouthshire County Council recognises that in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high performing colleagues, dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or excessive with public funds.

6.3 Competitive pay structures contribute to a positive organisational culture, by demonstrating the Council's commitment to valuing and rewarding its employees. This, in turn, fosters employee engagement, motivation and loyalty, which are important for success. Monmouthshire County Council is proud to be an employer of choice.

7. RESOURCE IMPLICATIONS:

7.1 It is suggested that the changes should take effect from April 2025 and be implemented over two financial years, to limit the impact on Monmouthshire County Council's Medium Term Financial Plan. If the recommendation of the Remuneration Committee is approved, then the potential resource implications are approximated* as follows:

	2025/26	2026/27
Role		
Chief Executive	136,000	141,000
Deputy Chief Executive/Chief Officer, Resources (and Section 151 Officer)	106,000 108,000 110,000	112,000 114,000 116,000
Strategic Director – Learning, Skills and Economy	98,500	103,000
Strategic Director – Social Care and Health	100,000	104,500
Chief Officer Law and Governance	101,500	106,000
Chief Officer, Communities and Place		
Chief Officer People, Performance and Partnership	83,500 85,000	85,000 86,500
Chief Officer Customer, Culture and Well Being	86,500	88,000
Total Cost	817,500	851,000
Salary Cost Increase (excluding on- costs) (compared to 2025/26 and 2026/27 with existing salary values)	34,332	66,514

Salary ranges have been provided, to support the implementation of a pay structure which allows for incremental progression.

*Approximated values are provided, as the pay award for Chief Executive and Chief Officers is determined nationally.

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

8.1 The aim of this report is to provide an independent, transparent and informed approach to managing senior leadership pay, which doesn't disproportionately affect protected characteristics. There are no sustainability, safeguarding or corporate parenting implications associated with this report.

9. CONSULTEES:

9.1 The Independent Remuneration Panel for Wales (IRPW): Statutory Guidance for the remuneration of Chief Executives states that section 143A of the Local Government (Wales) Measure 2011 extends the remit of the IRPW to include certain functions in relation to the salaries of 'heads of paid service' of qualifying relevant authorities. These functions are that:

A qualifying relevant authority must, before making a change to the remuneration of its chief executive which is not commensurate with a change to the remuneration of the authority's other staff:

(a)consult the Panel about the proposed change, and

(b)have regard to any recommendation received from the Panel when deciding whether or not to proceed with making the change

9.2 The IRPW were consulted and confirmed that the recommendation can be put before Full Council. They said that:

Panel members note a comprehensive review of salaries of senior pay (including Chief Executive) was undertaken by the authority. Supported by an independent governance officer and an external consultant, members agreed the process was open, transparent and rigorous. The approach was also holistic, logical and very much evidence based.

9.3 Cabinet colleagues were consulted throughout this process, as were the Trade Union Representatives.

9.4 Justine Cass, Operational Manager - Legal Services, Vale of Glamorgan Council, and Jonathan Davies, Head of Finance & Acting Section 151 Officer, Monmouthshire County Council, have been consulted and advised on this matter.

9 Appendices:

1. Independent Review - Monmouthshire County Council's Summary of Recommendations
2. Slides for the Remuneration Committee
3. Independent Review including:
 - A References
 - B Reviewer Biography
 - C Comparative Local Authority Salaries -South/Mid Wales examples
 - D Comparative Local Authority Salaries – English examples

- E(i) Tier 1 set out the Council benchmark data
- E (ii) Tier 2 set out the Council benchmark data
- E (iii) Tier 3 set out the Council benchmark data
- E (iv) Tier 4 set out the Council benchmark data
- F Local Authority Benchmarks by population
- G Pay levels for senior civil servants in Wales
- H Salary levels for NHS Wales CEO's and Directors

4. Terms of Reference

5. Governance for the Remuneration Committee

6. People Strategy 2024-2027

<https://democracy.monmouthshire.gov.uk/documents/s38522/People%20Strategy.pdf>

7. Pay Policy 2025 - [Pay-Policy-2025.pdf](#)

8. Remuneration Committee papers:

15th October 2024 [Agenda for Remuneration Committee on Tuesday, 15th October, 2024, 9.00 am - Modern Council](#)

22nd October 2024 [Agenda for Remuneration Committee on Tuesday, 22nd October, 2024, 2.00 pm - Modern Council](#)

19th November 2024 [Agenda for Remuneration Committee on Tuesday, 19th November, 2024, 2.00 pm - Modern Council](#)

9. Letter from IRPW dated 28th March 2025

10 **AUTHOR:**

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