



**East of England**  
Local Government Association

Babergh and Mid  
Suffolk District  
Councils pay report

## **1. Introduction**

Babergh and Mid Suffolk councils have a wholly shared staff group but serve both councils as independent sovereign councils. Both councils are ambitious for their “places” and are delivering an ambitious and forward focussed agenda.

The two councils have a widely recognised “brand” and are driven by a strong value set with highly aspirational aims and objectives.

The councils want to attract recruit and retain the very best staff, and this is critical to their success especially in delivering on their aspirations.

A recent all Councillor workshop, held in May 2021 identified the key challenges across the two districts as..

- Covid
- Economy
- Climate change and bio-diversity
- Planning including responding to the government’s plans to change the National Planning Policy framework
- Housing including Social Housing
- Building safety
- Communities
- Health reforms/new Health landscape
- Future Local Government funding
- Customers (focus and meeting expectations)
- Using data to drive decision making

The council will want and need the best possible staff to deliver the agenda, not just in terms of recruitment but retention too.

## **2. Recruitment and retention**

EELGA has been asked to undertake a job evaluation exercise and pay and grading review for Babergh and Mid Suffolk.

The strong value set, ambitious agenda, and the ability to work at a corporate level across a multimillion pound business undoubtedly makes the two councils an attractive proposition; but the councils are not unique in this regard.

The councils share some challenges but also have their own set of objectives. This adds complexity to the roles that staff undertake especially those at a very senior level. This complexity can attract some staff but equally can provide a disincentive for those who would prefer to work in a single council and perhaps in an urban environment.

The location of the modern offices in Ipswich with good public transport access can also be seen as beneficial.

Previously staff have been recruited from within Suffolk/Norfolk and Essex, those being the most easily commutable areas in relation to the two councils. These high quality candidates have been able to make an immediate impact for communities and continue to do so. More recently it has proved very difficult to recruit at a senior level.

The current recruitment market is incredibly competitive, given the changes in working practices during Covid, hybrid and agile working means that staff can now choose to work almost anywhere and in any industry, and this presents both opportunities and threats.

There is the ability to recruit from across wider industry and geographical areas, but also the ability for existing staff to consider roles in other places too, without having to relocate.

The two councils have a good record of recruiting staff when the salaries offered have been competitive and have been less successful when the salaries offered fall short of the market expectations. There is no doubt that salary will play a role when competing for top talent, especially within the public sector.

It will be important to understand the current market including pay and reward arrangements across local government in order to ensure that Babergh and Mid Suffolk are able to recruit and retain the key staff required to deliver the two councils' aspirations and objectives and to be the best that they can be for their communities.

There is an issue with the current pay and grading structure within the senior team. The councils' pay policy determines the pay of staff including those at a senior level and relative to that of the lowest paid employee.

A balance must be struck between pay that attracts and retains high calibre staff and good value for the public purse. Recruiting and retaining the very best staff has a direct impact on outcomes, failure to do so will undermine the organisations' ability to deliver for residents. It is especially unhelpful if key roles cannot be filled or become vacant as the loss of key staff will impact on the ability to deliver key outcomes.

There have been serious difficulties for Babergh and Mid Suffolk when seeking to recruit to tier three, Assistant director posts. A recent example was having been out to recruitment for a new post once in spring 2021. The councils knew salaries had fallen behind with AD salaries, so advertised the post at £75k with a note that a pay review was pending. The councils had a good response through LinkedIn messages and on the phone from a range of candidates with the right level of skills. However, a consistent theme soon began to emerge whereby prospective candidates said that they would be taking a £12 - £15k pay cut to take up the post, despite the joint Local Government/Health nature of the position making it attractive. Senior colleagues in the local Partnerships, who were asked to repost the LinkedIn advert, also said the salary that was being pitched was close to £15k too low. The equivalent level in the CCG is late £80,000s. The councils received 14 applications in response to the job advert. The bulk of the applicants would have made good Corporate Managers but were not of the calibre required to perform the role and indications were that the salary fell short of expectations.

The role was also advertised through LGA, Management Journal and Suffolk Jobs Direct, choosing their enhanced recruitment packages. Health colleagues also undertook to advertise through their local NHS networks.

This recent experience at Babergh and Mid Suffolk is shared by a number of councils in the region. Most of those councils are reviewing pay and grading for senior posts in response to market pressures and skills shortages.

Skills shortages are becoming increasingly acute, especially in senior and professional areas. A recent report commissioned by Chief Executives in the East of England identified skills shortages as a major barrier to delivering their corporate agenda, an increased reliance on interims and consultancy is emerging, however longer term solutions have included market forces supplements and salary increases at senior level to attract and retain key staff.

Typically, interims and consultants will be engaged on a day rate rather than at the substantive salary. Dependent on the role day rates can vary between £500 and £1000 per day, with senior posts usually towards the top end of the range. For a full time member of staff this can very quickly overtake the annual salary for the post. At £500 per day for 13 weeks (a short term solution) can cost £32,500 and £130,000 for 12 months. At £700 per day for 13 weeks the cost is £45,500 and £182,000 over a full year.

The higher the day rate and the longer the period of time the more it may cost.

### **3. Job evaluation**

The LGA Senior Manager scheme has been used to evaluate SLT roles including the Chief Executive, Strategic Director, and the Assistant Directors (ADs).

For the Assistant Director roles, a series of conventions have been used to reflect features common to all AD roles.

These are.

- All ADs are engaged in strategic planning across the entire range of services. Including horizon scanning/planning for future challenges.
- Guidance for their work comes from the Chief Executive/Strategic Director and senior members.
- ADs contribute to corporate policy.
- That ADs are responsible for more than one service area.
- ADs have internal influence across the departments/services.- Cross cutting themes are common to all roles.
- All ADs have influence and responsibilities for external relationships/stakeholders/partners to some degree.

Statutory responsibilities (Monitoring Officer and Section 151 officer) have been included in the evaluation.

Job evaluation in and of itself does not set pay. There is a pay to grade exercise required to translate the scores into a grading structure. Pay for staff, including senior staff is set locally and is a matter for the two councils. Recommendations for pay are at section 5 of this report.

### **4. Benchmarking**

There are 39 Districts/Boroughs in the East of England, the councils vary in size (geographically and population) and have differing characteristics, e.g., rural/urban mix, proximity to London, Coastal or Port authority responsibilities and differing levels of economic or social challenge. All of these things can influence recruitment and retention and therefore salaries offered.

There are some issues to consider when benchmarking salaries. Whilst every council must have a Head of Paid Service (usually included in a Chief Executive or Managing Director role) and two statutory officers (Monitoring officer and Section 151 officer) the exact configuration of post below the Head of Paid Service differs across councils.

The number of officers at tier two; usually called Director and at tier three, variously called Assistant Directors/Heads of Service can be quite different.

The configuration and content of roles at tiers two and three can also be significantly different.

It is unlikely that roles at tiers two and three will have direct comparators at other councils, except for the level at which they operate.

In order to understand the current market EELGA has undertaken benchmarking into pay at Chief Executive, tiers two and three for similar councils for the types of role that exist in Babergh and Mid Suffolk .

The data that has been used for benchmarking is current published data for councils according to their pay policies and information about role content provided by councils directly to EELGA as part of a research project into senior pay across the region.

EELGA has recently surveyed councils on salary levels at tiers 1 to 4. This historical data is contained in a report submitted to the region’s Chief Executives however evidence suggests that senior salaries are being reviewed across the region.

#### **4.1 Shared arrangements**

The shared arrangement at Babergh /Mid Suffolk creates an additional dimension to roles at a senior level. Whilst there are shared services across councils for specific service areas or for individual shared posts, there are no other district/borough in the East of England that have the complexity of the wholly shared arrangement currently in place at Babergh and Mid Suffolk. Only Broadland and South Norfolk have similar arrangements.

Both East Suffolk and West Suffolk previously had this dimension but have now formed a single council from the previous shared arrangements. Breckland and South Holland have recently dissolved their partnership and the shared arrangements between Peterborough and Cambridgeshire County are not comparable to arrangements at a district level as at Babergh and Mid Suffolk.

East Suffolk and West Suffolk were previously shared arrangements, and the salaries were set when the sharing was in place.

The only other shared arrangement is at South Norfolk and Broadland. The shape of the senior teams is quite different in each of East Suffolk, West Suffolk and in Broadland/South Norfolk.

In tier two there are at least two Directors in each case and the title, number and configuration of tier three posts also differ considerably.

Exact numbers are shown below in the table in brackets. Babergh and Mid Suffolk have one of the smallest senior team and the lowest paid Chief Executive.

**Table two**

<b>Council</b>	<b>Chief Exec/MD</b>	<b>Directors</b>	<b>ADs (or equivalent)</b>	<b>Total number in senior team</b>
Babergh/Mid Suffolk	£118,767- £138,202	£82,170- £96,804 (1 Director post)	£59,658 to £74,292(9 posts, including 1 post 50% funded by Health)  Additional payments for MO, S151 and AD Assets and Investments.	11
Broadland/South Norfolk	£140,000- £160,000	£80,000- £100,000 (3 Director posts)	£61,200, - £80,999  (8 Assistant Director posts)	12

East Suffolk	£153,615.	£96,215 - £105,022.  (2 Director posts)	£63,956 - £75,080 £77,861 - £88,503  (13 posts - total including two partnership-shared roles)	14 + two shared roles
West Suffolk	£130,000 to £142,500.	£97,500- £106,875 (2 Director posts)	£78,000 -£85,500  (6 posts)	9

#### **4.2 Chief Executive pay**

The pay of the Chief Executive essentially provides a “ceiling” and caps the pay of staff at the levels below.

It is often used to determine pay at lower levels within the organisation by expressing senior pay as a percentage of Chief Executive pay which broadly equates to the “weight” of the role.

The Chief Executive pay for districts and boroughs in the region varies significantly. This is related to a number of factors; the size of the council often linked to population size. The complexity of the council; key features such as commercial activity, specific features such as ports/airports or coastal responsibilities and the affordability for the council in relation to market forces at play when the post was last recruited to.

In terms of Chief Executive pay in shared (or previously shared) arrangements Babergh/Mid Suffolk is the lowest and no longer reflects the market. The most recent shared appointment in the region is at South Norfolk/Broadland at £140,000-£160,000. This salary was market tested after benchmarking at the point of advertising the role.

#### **4.3 Director pay**

The Single Director/Deputy Chief Executive (DCE) model is unusual in District councils in the region, but some roles still exist in very small councils. There are usually Director roles in addition in the structure at tier two alongside the DCE rather than the stand alone post as at Babergh and Mid Suffolk.

There are very few Deputy Chief Executive roles across the region. Where these do exist, there are usually Director roles also in the structure. Salaries for DCE roles range from £110,000 and a maximum of £125,000. This is currently within the Chief Executive pay band for Babergh and Mid Suffolk.

Director roles in similar sized councils tend to have a higher upper pay point than those at Babergh/Mid Suffolk, typically to around £100,000 to £105,000

#### **4.4 Assistant Director pay**

The AD roles are much more difficult to benchmark as tier three can be very different in each council. The numbers of tier three posts and the organisation of work make direct comparisons difficult.

In some councils tier three roles are wholly operational, especially where there are a larger number of posts at tier two, in others they are more corporate with a balance of cross cutting themes and operational responsibilities. Generally. the more corporate the role the higher the salary to reflect the higher level at which they operate.

In Babergh/Mid Suffolk roles, and with a single Director, roles are more strategic with a corporate focus and responsibility across both councils. They are also more autonomous with direct contact with senior politicians, partners, and stakeholders.

The nearest comparators are roles in shared arrangements. There have been difficulties recruiting staff at this level for the two councils and this may in part be due to the fact that Babergh/Mid Suffolk has the lowest starting salary, with a low level at the top of the grade.

The detail of the shared and previously shared arrangements are shown in table two above.

## **5. Recommendations on pay and reward**

The councils are currently recruiting to a vacant post at AD level. Salary has been a barrier to recruiting the senior staff that are needed to deliver the ambitions and corporate priorities of the two councils.

The benchmarking exercise has identified that Babergh/Mid Suffolk are some way behind what the market would suggest are the appropriate and necessary levels of pay to recruit and retain staff. The overall pay structure is suppressed by the level of the Chief Executive's salary. In order to address the AD salaries, it will be necessary to deal with both the Chief Executive and Strategic Director salaries in order to create headroom for the AD salaries to be improved.

There is a balance to be found between ensuring that salaries are adequate to recruit and retain staff but are still good value for the public purse.

If this approach is taken the council can demonstrate pragmatism and prudence. Salaries that will attract high quality, high performing staff who can make an immediate and on going contribution to the two councils and the need to ensure that salaries are set at a realistic level to deliver value for local taxpayers.

The recommended levels of pay for the top three tiers of the council are shown below.

### **5.1 Chief Executive**

The salary at West Suffolk is, £130,000 to £142,500. At East Suffolk it is a spot salary of £153,615, it is recommended that the salary for the Chief Executive should be set at the same level as the most recent shared appointment (South Norfolk/Broadland) £140,000 to £160,000, with a scale of 3 points (£140,000, 150,000 and £160,000)

### **5.2 Strategic Director**

Salaries for DCE or single Director roles are noticeably higher than Strategic Director role across the region, however both East Suffolk and West Suffolk have two Directors.

The salary for Director roles at West Suffolk is, £97,500- £106,875 and at East Suffolk it is £96,215 - £105,022., it is recommended that the salary for the Strategic Director should be set at £100,000 to £120,000 with a scale of 3 points (£100,000, £110,000, and £120,000). This recommendation acknowledges the single Director model at Babergh and Mid Suffolk and more accurately reflects the responsibilities of the role.

### **5.3 Assistant Directors**

The salary for Assistant Director roles at West Suffolk is, £78,000 -£85,500 and at East Suffolk it is in two grades of £63,956 - £75,080 and £77,861 - £88,503. Realistically it is the higher grade that is most

comparable to the roles at Babergh and Mid Suffolk but even so is slightly below salaries paid elsewhere in the region for roles at tier three.

It is recommended that the salary for the Assistant Directors should be set at £78,000 to £90,000 with a scale of 3 points (£78,000, £84,000, and £90,000).

It is worth noting that EELGA is currently supporting a number of restructures across the region. In all cases tier three is proving the most difficult to recruit to; salaries are being adjusted to aid recruitment in response to the market.

### **Implementation**

The implementation date and exact costs of transitioning to the new pay bands needs to be considered and balanced against the immediate need to recruit and affordability.

The annual pay negotiations are not yet complete, with the pay award (if any) due to be backdated to April 2021 once this has been agreed. The current offer is 1.5%. This has not been reflected in recommendations above.