



Gwasanaeth Democraidd
Democratic Service
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Cyfarfod / Meeting

PWYLLGOR PENODI PRIF SWYDDOGION
CHIEF OFFICERS APPOINTMENTS COMMITTEE

Dyddiad ac Amser / Date and Time

2:00yp DYDD MERCHER 26ain o CHWEFROR 2014

2:00pm, WEDNESDAY 26th of FEBRUARY 2014

Lleoliad / Location

SIAMBR HYWEL DDA
SWYDDFEYDD Y CYNGOR/COUNCIL OFFICES,
CAERNARFON

Pwynt Cyswllt / Contact Point

LOWRI HAF EVANS

(01286) 679878

lowrihafevans@gwynedd.gov.uk

Dosbarthwyd / Distributed .18.02.14

PWYLLGOR PENODI PRIF SWYDDOGION
CHIEF OFFICERS APPOINTMENTS COMMITTEE

Aelodaeth/Membership (15)

Plaid Cymru (7)

Y Cynghorwyr/Councillors

Dyfed Edwards Sian Gwenllïan

Selwyn Griffiths Peredur Jenkins

Liz Saville Roberts Dyfrig Siencyn

R.H. Wyn Williams

Annibynnol/Independent (4)

Y Cynghorwyr/Councillors

Trefor Edwards Jean Forsyth

Eric M. Jones Angela Russell

Llais Gwynedd (2)

Y Cynghorwyr/Councillors

Alwyn Gruffydd Louise Hughes

Llafur/Labour (1)

Y Cyngorydd/Councillor

D. Gwynfor Edwards

Democratiaid Rhyddfrydol/Liberal Democrats (1)

Y Cyngorydd/Councillor

Stephen Churchman

Aelod Ex-officio/Ex-officio Member

Cadeirydd ac Is-gadeirydd y Cyngor
Chairman and Vice-chairman of the Council

AGENDA

1. WELCOME

2. APOLOGIES

To receive any apologies for absence.

3. DECLARATION OF PERSONAL CONNECTION

To receive any declaration of personal interest.

4. URGENT ITEMS

To note any items that is a matter of urgency in the view of the Chairman for consideration.

5. MINUTES

The Chairman shall propose that the minutes of the meeting of this committee held on 2nd December 2013, be signed as a true record

(copy herewith – white paper)

6. HEAD OF ADULTS, HEALTH AND WELL-BEING DEPARTMENT

Update from the Chief Executive

7. PAY POLICY REPORT – ANNUAL REVIEW

To submit the report of the Chief Executive

(copy herewith – blue paper)

CHIEF OFFICERS APPOINTMENTS COMMITTEE, 02.12.13

Present: Councillor Peredur Jenkins (Chairman)

Councillors Stephen Churchman, Dyfed Edwards, Trevor Edwards, Jean Forsyth, Selwyn Griffiths, Alwyn Gruffydd, Louise Hughes, Sian Gwenllian, Eric M. Jones, Angela Russell, Dyfrig Siencyn, R.H. Wyn Williams

Also Present: Harry Thomas (Chief Executive), Iwan Trefor Jones (Corporate Director), A Morwena Edwards (Corporate Director), Alwyn Evans-Jones (Head of Human Resources Department), Geraint Owen (Senior Manager – Human Resources) and Lowri Haf Evans (Member Support and Scrutiny Officer)

1. WELCOME

The Chairman welcomed everyone to the meeting.

2. APOLOGIES

Apologies were received from Councillors Brian Jones, Huw Edwards, Dewi Owen and Liz Saville Roberts.

3. DECLARATION OF PERSONAL INTEREST

None to note

4. URGENT ITEMS

None to note

5. MINUTES

The Chairman signed the minutes of the previous meeting of this committee held on 12 November 2013 as a true record.

6. EXCLUSION OF PRESS AND PUBLIC

RESOLVED to exclude the press and public from the meeting during the discussion on the following item because of the likely disclosure of exempt information as defined in paragraph 12, Part 4, Schedule 12A of the Local Government Act 1972. This paragraph applies because the report contains information relating to specific individuals and those individuals have a right to privacy. There is no public interest that calls for disclosing personal information regarding individuals or for them to be identified. Consequently, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

7. INTERVIEWING FOR THE POST OF HEAD OF CHILDREN AND FAMILY SUPPORT DEPARTMENT

One applicant who was on the shortlist for the post was interviewed.

8. INTERVIEWING FOR THE POST OF HEAD OF ADULTS, HEALTH AND WELL-BEING

One applicant who was on the short list for the post was interviewed.

9. REPORT FROM THE ASSESSMENT CENTRE

Mr Arwyn Reynolds, Independent Consultant from the company AS Associates was invited to submit observations from the Assessment Centre held on 19.11.13. A detailed summary of the performances of the two applicants who had reached the standard was received.

Mr Reynolds was thanked for his recommendations.

APPOINTMENT OF THE HEAD OF CHILDREN AND FAMILY SUPPORT DEPARTMENT

RESOLVED UNANIMOUSLY TO APPOINT MARIAN PARRY HUGHES TO THE POST OF HEAD OF CHILDREN AND FAMILY SUPPORT DEPARTMENT FOR A TRIAL PERIOD OF SIX MONTHS.

APPOINTMENT OF THE HEAD OF ADULTS, HEALTH AND WELL-BEING DEPARTMENT

RESOLVED NOT TO APPOINT THE APPLICANT TO THE POST OF THE HEAD OF ADULTS, HEALTH AND WELL-BEING DEPARTMENT.

The meeting commenced at 1.20am and concluded at 4.45pm

Meeting	Chief Officer Appointment Committee
Date	26 February, 2014
Title	Pay Policy
Purpose	To make recommendations to the full Council
Author	Chief Executive – Harry Thomas
Portfolio Leader	Council Leader – Councillor Dyfed Edwards

1. **BACKGROUND**

- 1.1 Since 2012/13, all Councils in Wales are legally obliged to adopt a pay policy for their staff. The statutory provision requires that this should be a function of the full Council.
- 1.2 This Committee is required to advise the Council on its pay policy for 2014/15 which will be considered by the full Council on 6 March.
- 1.3 The existing pay policy stipulates that:-
 - Directors are paid at just below the lower quartile of the public sector market (lower quartile means 75% of the sector that has been evaluated as having equal job sizes are paid more).
 - The Head of Education is also paid at the level of the lowest quartile.
 - The other Heads of Service are paid at the median of the public sector market for similar sized jobs.

2. **CONSIDERATION FOR 2014/15**

- 2.1 The Cabinet meeting on 11 March is due to receive a report which recommends some senior management restructuring. It will recommend deleting two head of service posts and reallocating the services of the deleted departments to other senior officers. If approved, this will contribute to a further reduction in senior management costs which will help to meet the projected financial gap for the period up to 2018.
- 2.2 I do not recommend reviewing senior managers' salaries to reflect the above changes at this point in time. The Council is already committed to re-rating actual senior officer pay to the appropriate benchmarks in 2015/16 (a decision made by the full Council when adopting this year's pay policy in February last year). Any re-evaluation of salaries to reflect new responsibilities, which may or may not lead to recommendations for increased pay for those affected, can be considered together with the re-rating in 2015/16

- 2.3 In terms of the overall sustainability of senior management pay, there are several factors which affect Gwynedd Council's ability to attract and retain senior managers. For senior officers paid at the median level, the proposed pay policy is broadly sustainable at this point in time.

For the remaining senior officers, Directors and Head of Education, paying at the lowest quartile level does expose the Council to risks. Gwynedd's pay for directors is the lowest in relation to competitor authorities. However, given all the circumstances, including the Council's historical attitude regarding senior pay levels, I do not recommend any changes for 2014/15.

With regard to the Head of Education post, this is of greater concern in the short term. If the post was to become vacant, then the Council would have to consider market conditions at the time and consider any need for a re-rating of the pay. Once again, at this point in time, I am not recommending any change for the pay policy statement in 2014/15.

3. **LOW PAY**

- 3.1 The pay policy should not just be concerned with the sustainability of senior pay – it also needs to address the sustainability of pay for the lowest paid staff.
- 3.2 The Council does not appear to be experiencing significant problems in recruiting at this level and as such, it could be argued that pay is sustainable. However, if the Council was to take a broader view of the term sustainability, there is evidence in recent years of a squeeze on incomes which has a disproportionate effect on the lowest paid.
- 3.3 The campaign for a living wage is gaining ground and a significant number of Councils have either committed or are considering moving in this direction. The proposals in the recent report to the Cabinet on low pay are attached at Appendix A. I recommend that these changes are incorporated into the pay policy statement for 2014/15 i.e. increase the pay of the Council's lowest paid staff by deleting the two lowest pay points from the Council pay structure.

4. **RECOMMENDATION**

- 4.1 As the Head of the Paid Service, the only change that I am recommending to the Council's pay policy in 2014/15 is in relation to low pay. The pay policy statement at Appendix B therefore incorporates changes referred to in paragraph 3 above and detailed in Appendix A.
- 4.2 Members of this Committee therefore need to decide whether they are content to recommend the proposed pay policy to the Council on 6 March.

APPENDIX A

CABINET REPORT 18 February 2014

**Cabinet Member: Councillor Dyfed Edwards
Councillor Peredur Jenkins**

Subject: Pay Policy

**Contact Officer: Harry Thomas, Chief Executive
Alwyn E Jones, Head of Human Resources**

Decision Sought/Purpose of the Report

Cabinet Members are asked to:

- Increase the pay of the Council's lowest paid staff by deleting the two lowest pay points from the Council pay structure.
 - Make a recommendation to the Council to incorporate this change in the Council's pay policy statement for 2014/15 and also to recommend how the change should be financed.
-

1. INTRODUCTION

1.1 Last year the Cabinet asked officers to investigate the implications of implementing the "Living Wage" as part of the Council's pay structure. Officers reported that immediate full compliance would entail substantial costs (of the order of £1m per annum) and would create problems with the pay structure in terms of job evaluation.

The Leader of the Council subsequently asked officers to investigate the implications of taking a step towards the "Living Wage".

1.2 The Living Wage is currently set at £7.65 per hour and the national minimum wage for workers over 21 is £6.31 per hour. In developing an option, officers have attempted to strike a balance which maximises the number of staff benefitting whilst containing the costs to an achievable level and ensures the Council does not undermine its job evaluation scheme.

2. **THE PROPOSAL**

- 2.1 The recommendation is that the Council deletes the two lowest points on the pay scale, which means that the minimum wage the Council pays increases by 3.9% from £6.44 per hour to £6.69 per hour. In terms of pay grades, this would entail the following changes:-

<u>Pay Grade</u>	<u>Current Pay Point</u>	<u>New Pay Point</u>
GS1	5	7
GS2	6/7	8
GS3	8/9	9

- 2.2 The starting point for all three pay grades would increase as follows

	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
	<u>£</u>	<u>£</u>	
GS1	6.44	6.69	3.9%
GS2	6.54	6.91	5.7%
GS3	6.91	7.11	2.9%

- 2.3 The number of employees benefitting from the proposal is as follows:-

	<u>Permanent</u>	<u>Casual</u>	<u>Total</u>
GS1	848	443	1291
GS2	66	33	99
GS3	<u>508</u>	<u>187</u>	<u>695</u>
	<u>1422</u>	<u>663</u>	<u>2085</u>

The vast majority of the staff affected will be part-time workers and the changes to the GS3 grade will benefit new starters and existing staff on scale point 8.

3. **COST AND FINANCING**

- 3.1 The maximum cost of the proposal is £235,000 – the eventual cost may be marginally lower as the Council may be able to recharge some of the costs to third parties. The whole of the cost will be incurred in 2014/15 as the package has been designed such that staff receive all the benefit in one year.

- 3.2 In terms of financing the package, the Chief Executive and Head of Human Resources are in negotiations with Trade Union representatives, with the objective of signing a memorandum of understanding. This would cover future possibilities for savings in staff costs from terms and conditions of service. At present, the Council has an agreement not to implement changes to some staff terms and conditions until April 2016. The idea behind the memorandum of understanding is that the Council will have prepared any changes in good time for implementation in April 2016.
- 3.3 We cannot, however, be certain at this stage how detailed negotiations will proceed and the exact savings that will be available. This package therefore needs to be financed by other means with the memorandum of understanding then being available to help meet the expected financial gap in 2016/17.
- 3.4 Therefore, in terms of funding the change from next year, the options are limited. The Council is already deferring some of next year's difficult decisions by using balances to finance some of the 2014/15 financial gap. It would be imprudent to add the cost of this package to the Council's base budget and at the same time, defer the financing decision for a year as the Council already faces a massive financial gap in 2015/16. The only other option is to add the cost of this proposal to next year's Council Tax. If members accepted this solution, it would be equivalent to adding 0.4% on next year's Band 'D' Council Tax increase.

4. **CONCLUSIONS AND RECOMMENDATIONS**

- 4.1 Cabinet Members have already expressed a desire to see "fairness" as one of the Council's thematic priorities in the Council's strategic plan. There are many areas where the Council is already committed to this thematic priority e.g. welfare changes, health inequalities and closing the gap in educational achievement. This proposal is entirely consistent with the fairness agenda.
- 4.2 It is therefore recommended that:-
- (a) The Cabinet approves the proposed changes to the pay structure for lower paid staff.
 - (b) That the Cabinet recommends to increase the Council Tax to finance these changes

Pay Policy Statement

INTRODUCTION

The Council is required by Section 38(1) of the Localism Act 2011 to prepare pay policy statements. These statements must articulate the Authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees. Pay policy statements must be prepared for each financial year, beginning with 2012/13. They must be approved by full Council.

PAY POLICY FOR CHIEF OFFICERS

The Council defines its chief officers as being its Chief Executive, Strategic Directors and Heads of Service.

Salary

The policy appertaining to the salaries of Heads of Service and Strategic Directors was originally adopted by Gwynedd Council's full Council in October 2009 and subsequently in June 2012.

It is based on an independent report by the Hay Group and is based on their job evaluation scheme.

Strategic Directors' salary was set in 2009 just under the lower quartile of the National Public Sector Market, for jobs of this size (lower quartile means that 75% of the sector are paid more).

The majority of Heads of Service's posts salary was based in 2009 on the median of the National Public Sector Market, for jobs of this size (median means that 50% of the sector are paid more).

The post of Head of Education is set at the lower quartile for jobs of this size.

The re-rating of actual pay to the above benchmark levels will occur next in 2015/16

The Chief Executive's salary has been set in accordance with the scale of £100,536 - £108,264.

The Council does not pay any bonus payments or performance related pay to its Chief Officers.

The salaries of the Council's Chief Officers are available on the Council's website on the following link - www.gwynedd.gov.uk/employmentbenefits

LOWER PAID

The Council's pay policy for its remaining staff is based on the Council's equal pay policy and its collective agreement with the recognised trade unions as introduced on the 1st April 2008.

The Council defines its lowest paid, as spinal pay point 7 on the national pay scale as agreed by the National Joint Council.

The Council's pay structures are subject to equal pay audits.

The relationship between the remunerations of its Chief Officers and its other employees is designed to secure the ability of the Council to be able to recruit and retain the best suitable candidates to its various posts, whilst maintaining the differentials as defined by the job's evaluation scheme.

Local Election Duties

The Council's fees for payments to its Returning Officer and Deputy Returning Officer for election duties are included in Appendix 1.

Severance and Retirement

The Council's severance and retirement schemes are applied equally and fairly to all staff regardless of grade, age or gender and are implemented in accordance with the regulations of the relevant pension schemes. There are no exceptions for Chief Officers. The relevant policies are available on the Council's website on the following link - www.gwynedd.gov.uk/employmentbenefits

Redeployment

The Council does not have a policy which excludes former officers, who were in receipt of severance, redundancy or pension payments, from being re-employed.

The Council will however consider each candidate on their own merits and will appoint with a view of achieving the best efficiency for the service and best value for its ratepayers. Such appointment, if made, would be subject to any abatements stipulated in the Local Government Pension Scheme Regulations.

Appointment of New Chief Officer (Salary of £100,000 and above)

The Full Council approves the salary package of any such post prior to its recruitment.

APPENDIX 1

ELECTION PAYMENT SCHEME AS APPROVED BY GWYNEDD COUNCIL

Fees for the general conduct of the election and performance of all duties which a Returning Officer is required to perform under any order or other enactment relating to the election of Councillors		
Returning Officer and Deputy Returning officer Fees	Contested	Uncontested
Returning Officer	117.00	
For the general conduct of the election and performance of all duties which a Returning Officer is required to perform under any order or other enactment relating to the election of Councillors.)
)
For each Electoral Division, Community/Town Council, Community/Town Council Ward)
)
Deputy Returning Officer	80.00)
)
Specific duties to include attending to receive nomination papers, examining them and adjudicating on their validity; dealing with candidates; notifying candidates of decisions on nominations, publishing statements of persons nominated and attending to receive withdrawals and conducting the counts.)
)
For each Electoral Division, Community/Town Council, Community/Town Council Ward)
By-Elections		
In any by-election where a Deputy Returning Officer is employed to manage the count:		
For each Electoral Division, Community/Town Council, Community/Town Council Ward	32.00	

Chief Officers' Salaries

Chief Executive	£100,536 - £108,264
Strategic Directors x 3	£80,064 - £88,960
Head of Education	£67,960 - £75,511
Head of Customer Care, Democracy and Legal, Economy and Community, Finance, Highways & Municipal, Human Resources, Regulatory, Strategic & Improvement, Children & Supporting Families, Adults, Health and Wellbeing	£63,237 - £70,263
Head of Consultancy	£53,418 - £59,353