

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.