

<b>Meeting</b>	Full Council
<b>Date</b>	5 March 2015
<b>Title</b>	Pay Policy Statement for 2015/16
<b>Purpose</b>	To approve a Pay Policy Statement in accordance with Section 38(i) of the Localism Act 2011
<b>Author</b>	Chief Executive – Dilwyn Williams
<b>Cabinet Member</b>	Councillor Peredur Jenkins

## 1. BACKGROUND

- 1.1 Each year the full Council is required to adopt a Pay Policy Statement for the coming year.
- 1.2 The Council has tasked the Chief Officers' Appointment Committee to formulate the pay policy and to report back to the full Council. This Committee met on 24<sup>th</sup> February and unanimously adopted the pay policy at Appendix A for the approval of the Council today.
- 1.3 The initial change to the previous policy relates to lower paid staff. Last year the Council resolved to delete the two lowest pay points on its pay structure as a step towards introducing the "Living Wage" as a minimum wage. The recommendation is that the Council deletes the lowest point on its pay structure (point 7), which means that the minimum wage the Council pays would increase from £7.11 per hour to £7.19 per hour. The details associated with this change are incorporated in the Cabinet report of 19<sup>th</sup> February, which is attached at Appendix B. This proposal is not only entirely consistent with the fairness agenda but also builds on last year's action and takes a further step towards the "Living Wage".
- 1.4 Since establishing last year's pay policy, we have deleted the posts of Head of Customer Care, Head of Legal and one Corporate Director post whilst the current posts of Head of Human Resources and Head of Strategic and Improvement will be deleted and one new Head of Department post created as from the 1<sup>st</sup> April this year. All these steps have amounted to a saving of over £700,000 in a full year but in order to realise these savings, a number of responsibilities had to be reallocated to other Heads of Department.

The Hay Group was commissioned to evaluate those roles where there had been an increase in responsibilities. In brief, the report notes whilst the evaluation shows that there has been a change in the size of the various posts, with the exception of one, there is not sufficient change in order to justify raising the level of salary to the next band. The only post which has changed according to the Hay Group's assessment is the post of the Head of

Finance which has risen substantially because of the reallocation of responsibilities.

- 1.5 Of course, within the current policy, the salaries of Chief Officers are benchmarked to the market and in the face of movements in the market, there is a requirement to consider any updating. The Council decided last year that it would review in 2015/16. The Hay Group assessment suggests that the benchmarks have, by now, increased circa £1,500 for Heads of Department posts.

However, in the face of the current financial climate and its effect on a number of Council staff, I do not consider it to be an appropriate time to do so at present. I have discussed the matter with the Heads and Directors and they are unanimously in agreement with me that it would not be appropriate to review the benchmarks at the moment. The Chief Officers' Appointments Committee's recommendation is that consideration is next given to re-grading real pay to benchmark levels when reviewing the 2016/17 Pay Policy and annually thereafter.

- 1.6 Welsh Government recently revised the Local Authority Regulations (Standing Orders)(Wales) 2006 and implemented the amendments on the 1<sup>st</sup> July 2014 and as a consequence the following requirement was introduced:

"The relevant authority must determine the level of salary to be paid to a Chief Officer and any change to the level of that salary".

The effect of this revision is that the full Council must vote on all changes to Chief Officers' salaries, not only those determined locally. This includes any pay rises for Chief Officers that the Joint National Council has adjudicated nationally for Chief Officers and it will not be possible to pay those rises until approval from the full Council.

The negotiation on a national pay rise for Chief Officers has led to an increase of 2% on their salaries as from the 1<sup>st</sup> January, 2015. Receipt of this rise in pay is a contractual obligation to Chief Officers in the same way as it is for the remainder of the Council's staff.

## **2. RECOMMENDATIONS**

- 2.1 That the full Council adopts the Pay Policy Statement at Appendix 'A'.
- 2.2 That the Council approves an amendment to the 2014/15 Pay Policy Statement in light of the fact that the nationally agreed pay rise for Chief Officers has been back-dates to the 1<sup>st</sup> January 2015.