

<b>Meeting</b>	<b>Chief Officer Appointment Committee</b>
<b>Date</b>	<b>13 February, 2013</b>
<b>Title</b>	<b>Pay Policy for Chief Officers</b>
<b>Purpose</b>	<b>To make recommendations to the full Council</b>
<b>Author</b>	<b>Chief Executive – Harry Thomas</b>
<b>Portfolio Leader</b>	<b>Council Leader – Councillor Dyfed Edwards</b>

## 1. **BACKGROUND**

- 1.1 Last year, for the first time, all Councils were legally obliged to adopt a pay policy for Chief Officers on an annual basis. The statutory provision requires that this should be a function of the full Council.
- 1.2 In adopting a pay policy for 2012/13, the full Council resolved to request this committee to review the sustainability of the pay policy for the future and to report back to the Council. This Committee is therefore required to advise the Council on its Chief Officer pay policy for 2013/14 which will be considered by the full Council on 28<sup>th</sup> February.
- 1.3 In order to do this, the Committee must first consider the effects of the reorganisation of services that took place last summer when the post of Head of Social Services, Housing and Leisure was created to undertake all the functions of the previous Head of Social Services and many of the functions of the Head of Provider Services. When the appointment to the post was made, it was decided to use the salary of the former Head of Social Services post as a temporary salary for the new post pending an independent evaluation of the appropriate salary.

## 2.0 **EVALUATION OF THE EFFECTS OF RESTRUCTURING**

- 2.1 The Hay Group was commissioned to evaluate the following roles due to an increase in responsibilities
- Head of Education                      Added operational delivery of schools cleaning and catering.
  - Head of Customer Care                Added non-school building cleaning and caretaking.
  - Head of Highways and Municipal    Added public convenience cleaning
  - Head of Strategic and Improvement    As part of a separate restructuring, has taken on the Democratic Service.

- Head of Social Services, Housing and Leisure Management of social care as well as the majority of the provider services (leisure, residential and care homes etc).

2.2 A summary of the Hay Group evaluation is included at APPENDIX 1. In short, the recommendations are:-

- Head of Education – no change
- Head of Customer Care – no change
- Head of Highways and Municipal – no change
- Head of Strategic and Improvement – no change
- Head of Social Services, Housing and Leisure - the additional duties, over and above the old social services post are significant and the total Hay points is significantly higher than the next ranked head of service post. The Hay Group therefore recommend a salary using the same policy (lower quartile) as HS3 and Director posts. When this policy is applied to the evaluated size of post it equates to a salary of £80,972. (This compares with the temporary salary used at appointment of £75,111)

2.3 The additional financial responsibilities – direct responsibility for an extra £29m – and the additional manpower responsibilities – over 1,000 extra staff – lead me to recommend accepting the Hay Group recommendations.

2.4 The additional cost of £5,861, plus on costs for a full year (£3,419 for 2012/13) will be more than covered by the savings arising from the deletion of the Head of Provider Service post which are £120,000 for a full year.

### 3.0 **THE REMAINDER OF THE PAY POLICY**

3.1 The existing pay policy stipulates that:-

- Directors are paid at just below the lower quartile of the public sector market (lower quartile means that 75% of the sector that has been evaluated as having equal job sizes are paid more).
- The Heads of Education and Social Services, Leisure and Housing are also paid at the level of the lowest quartile.
- The others Heads of Service are paid at the median of the public sector market for similar sized jobs.

3.2 Whilst there are several factors which affect Gwynedd Council's ability to attract and retain senior managers, I believe that for those Heads of Service paid at the median level, the pay policy is broadly sustainable at this point in time. I therefore recommend no change for these posts.

- 3.3 The situation regarding the Directors and remaining Heads of Service is more difficult. Paying at the lowest quartile level does expose the Council to risks. For example, it is my understanding that the highest paid Directors in the other five North Wales authorities and Powys are paid at a higher level than Gwynedd Directors (even after the recent re-rating). To have the lowest pay in a group of which Gwynedd is one of the larger authorities brings risks in the medium term.
- 3.4 On balance, though, I think we can afford to risk deferring this issue for at least another year. Therefore I recommend no change in 2013/14.
- 3.5 Another issue that needs attention is the timing of re-rating actual pay to the benchmarks. The Council needs to be more explicit about this issue. Given that a re-rating has occurred this year, I recommend that the next re-rating applies to the financial year 2015/16.

#### 4.0 **CONCLUSIONS**

- 4.1 Both paying too much and paying too little can represent bad value ultimately to taxpayers and service users. Striking a balance is difficult at the best of times but the overall aim has to be the same as it is with the remuneration of other staff - sustainability. I believe that on balance, an unchanged policy for next year meets this aim but I cannot say the same for the longer term.

#### 5.0 **RECOMMENDATIONS**

- 5.1 That the pay of the newly evaluated Head of Social Services, Housing and Leisure be set at £80,972 with effect from 1 September 2012.
- 5.2 That there is no change to the pay bands of the other Heads of Service affected by the re-structuring last year.
- 5.3 That there is no change to the overall pay policy for next year in terms of the benchmark levels i.e. median and lower quartile for the same posts.
- 5.4 That the re-rating of actual pay to benchmark levels next occurs in 2015/16.