

<b>Meeting</b>	<b>Chief Officers' Appointments Panel</b>
<b>Date</b>	<b>14 February 2018</b>
<b>Title</b>	<b>Annual Review - Council's Pay Policy</b>
<b>Purpose</b>	<b>Agree on a recommendation to full Council</b>
<b>Author</b>	<b>Dilwyn Williams - Chief Executive</b>
<b>Cabinet Member</b>	<b>Councillor Mair Rowlands</b>

## **BACKGROUND**

1. Since 2012 there is a statutory responsibility on all Councils to adopt a pay policy on an annual basis. This statutory requirement notes that it is a function for the full Council to approve that pay policy.
2. When adopting the pay policy for 2012/13, the full Council resolved to ask the Chief Officers' Appointments Panel to conduct an annual review of the pay policy's future sustainability and to submit recommendations to a meeting of the full Council in March each year.
3. Subsequently, and in accordance with the arrangements adopted since then, the Committee is asked to consider the content of the draft pay policy for 2018/19 and to submit a recommendation to the meeting of the full Council on the 2nd of March.

## **CHIEF OFFICERS**

4. There were no changes in responsibilities amongst Heads of Department and Corporate Directors during 2017/18 and therefore no new evaluation has been conducted for 2018/19. However, current Chief Officer salaries are based on either the lower quartile or the median for jobs of corresponding size within the National Public Sector Market, as shown in January 2012.
5. This means that the comparison with jobs of corresponding size in the National Public Sector Market has not been conducted as part of the corporate pay policy review for six years. It is highly likely therefore that the salaries of Chief Officers in Gwynedd have fallen below the lower quartile and median of corresponding jobs in the meantime. It was suggested last year that it would be timely to conduct such an exercise for consideration by the Committee when reviewing in 2018/19. However in view of the current financial climate, it was decided not to conduct the review. This subsequently means that there is a danger that the

salaries of the Council's Chief Officers will lose ground with those salaries paid by neighbouring authorities.

6. The Joint National Council for Chief Officers and the Joint National Council for Chief Executives are currently considering pay awards for the next two years but no formal offer has been submitted thus far.
7. Chief Officers and the Chief Executive have a contractual right to those pay rises agreed upon nationally and to this end, the draft policy states, **“Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with current contractual requirements”**. This means that the Council approves those pay rises agreed upon nationally as a result of annually adopting the pay policy.

#### **POSTS BELOW CHIEF OFFICER LEVEL**

8. The Council has established its minimum salary on point 8 within the National pay scale following a review of the 2015/16 Pay Policy, this in an attempt to move closer towards the “Living Wage”, as defined by the Living Wage Foundation.
9. In his budget statement on the 8th July, 2015, the Chancellor of the Exchequer announced that he would establish the “National Living Wage” for workers aged 25 and above. It was announced in last year's Autumn Statement that this “National Living Wage” would rise to £7.83 an hour as from the 1st April, 2018.
10. Point 8 (the Council's minimum salary) is currently £7.90 per hour (compared with the £8.75 per hour recognised as the Living Wage by the Living Wage Foundation). Recently, national representatives on behalf of the Local Government Employers have tabled a final offer to workforce representatives on a proposed pay rise for the next two years. Agreement on the basis of these terms would award those workers on point 20 and above an additional annual pay increase of 2% for the next two years whilst those on points 8-19 would get a pay increase of between 3.7% and 9.1% in 2018/19 and up to a further 8% in 2019/20. This would lead to a minimum salary of £9.18 within the Council as from the 1st April, 2019 (£8.62 as from the 1st April, 2018).
11. Trade union representatives, who represent local government workers, have stated that they will formally respond to this offer at the beginning of March following consultation with their members.
12. In light of these national initiatives to raise salaries on the lower levels of the pay structure and the fact that the Council remains in a position of needing to budget

for the cost of any national agreement, there is no intention to recommend any further local changes to the minimum salary in 2018/19.

13. As reported last year, the Council has been holding discussions with local representatives of the recognised trade unions for the past two years in an attempt to ensure a collective agreement on a package that would lead to changes in other elements of the local Conditions of Service.
14. There has been a constructive dialogue and two of the three unions, namely the GMB and UNITE, were prepared to hold a ballot amongst members on the package under consideration. However, UNISON's National Office confirmed in December 2017 that it would not permit any local branch to hold a ballot on an offer which would lead to "a deterioration in terms and conditions".
15. This means that the Council has written to all those members of staff, employed under the Local Government Workers' conditions, in order to outline the package. The opportunity to submit comments on the details of the offer remains open to Council staff until the 12th March. The Cabinet will consider those comments received prior to making a final decision later in March.
16. Details of the proposed amendments are as follows;
  - Abolishing the additional payment of a 1/5 of the hour for working between 8 and 10 in the evening. Gwynedd Council remains the only employer amongst the neighbouring authorities that issues an additional payment for working these hours.
  - The financial detriment scheme enables the Council to protect the salary grade of staff for a period of up to 3 years in situations of restructuring services. We are considering amending the scheme from the 3 years to:
    - 1 year of 100% protection
    - 1 year on 50% protection
  - Amending the policy for the reimbursement of travelling expenses. Under the revised policy, officers would be expected to subtract the total number of miles that are travelled to and from the normal place of work from any business journey that starts and ends at the individual's home. This would mean that officers would only receive reimbursement for any additional miles that are travelled on Council business.
  - Reduce the weekly payment for being "on duty" outside of normal hours of work from £265.88 per week to £200 per week. This change WOULD NOT

have an impact on what is paid for being “on call” (the sum of £159.53 per week).

- A collective agreement signed in 2012 implemented a change that meant a reduction in all workers’ pay equivalent to 1½ days per annum. The Council is offering to take the first step in removing this reduction in pay by lowering the deduction of pay from 1½ days to 1 day i.e. the ½ day’s annual pay would be given back to us as staff members. The Council also intends to consider how it can remove the remaining 1 day’s reduction in its entirety as soon as possible.

17. It is intended for those changes finally agreed upon to become effective as from the 1st July this year and this means that the relevant Conditions of Service, which form part of the Pay Policy, will be amended as from that date.

### **RECOMMENDATION**

18. That the Committee submits the draft 2018/19 Pay Policy Statement to the Council for adoption.