

Meeting:	Chief Officers' Appointment Panel
Date:	11 February 2020
Title:	Annual Review – Council's Pay Policy
Purpose:	Agree on a recommendation to full Council
Author:	Dilwyn Williams – Chief Executive
Cabinet Member:	Councillor Nia Jeffreys

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 the responsibility for approving a pay policy rests with the full Council.
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 policy for 2020/21 and to submit a recommendation to the meeting of the full Council on the 5th of March.

CHIEF OFFICERS

4. One of the two Corporate Director roles remains vacant since October 2019, further to the decision not to fill that post for the time being. The Committee's members will be aware that a final decision will need to be taken in due course on whether to appoint to that role or not.
5. The current salaries for Chief Officers are based on either the lower quartile or the median for jobs of corresponding size within the National Public Sector Market, as of January 2012. 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 over seven years. It is likely therefore that in the meantime the salaries of Chief Officers in Gwynedd have fallen below the lower quartile and median for corresponding jobs. It was suggested last year that it would be timely to conduct such an exercise for consideration by the Committee when reviewing for 2019/20. However in view of the financial climate, it was decided not to conduct the review. The financial challenges remain of course, and as a result a review has not been conducted during the past 12 months either. 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. Having said that, I'm not comfortable with setting pay for chief officers through comparing with the market alone, as it's apparent from other areas of the public sector that this can lead to unrealistic and unjustified pay increases. There is however a need to be aware of what would happen if we were to lose some of our best leaders and therefore during 2020/21 I intend to conduct a review of the situation so as to report back to this Committee on the risk that we are facing.

7. In 2018 the Joint National Council for Chief Officers and the Joint National Council for Chief Executives agreed on a 2% pay award for both financial years leading up to the end of 2019/20.
8. 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 Council approves those pay rises as a result of annually adopting the pay policy. No decision has been taken yet on any increase in pay for 2020/21; the Council will implement any decision taken (backdated to the 1st of April 2020) when we receive confirmation of a decision.

POSTS BELOW CHIEF OFFICER LEVEL

9. During 2018 national representatives on behalf of the Local Government Employers and the recognised workforce representatives agreed on a pay award for the wider local government workforce. The agreement was effective over a period of two years between 2018 and 2020. This led to a general increase of 2% for the years 2018/19 and 2019/20, with staff on the lowest pay grades receiving higher percentages of increase.
10. The discussions on an increase in pay for the year 2020/21 are ongoing, and therefore it is possible that we will not receive confirmation of a decision before the start of the new financial year. The Council will therefore implement any agreement as soon as possible and backdate any increase to the 1st of April 2020.

RECOMMENDATION

11. That the Committee submits the draft 2020/21 Pay Policy Statement to the full Council for approving.