

<b>Meeting</b>	<b>Chief Officers' Appointments Committee</b>
<b>Date</b>	<b>25 February 2016</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>Chief Executive - Dilwyn O. Williams</b>
<b>Cabinet Member</b>	<b>Councillor Peredur Jenkins</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 Committee 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 2016/17 and to submit a recommendation to the meeting of the full Council on the 3 March.

## **CHIEF OFFICERS**

- 4 Last year, it was reported that a number of responsibilities had been re-allocated to some Heads of Department following the deletion of the posts of Head of Customer Care, Head of Legal Services and one Corporate Director as well as the combining of the previous roles of Head of Human Resources and Head of Strategic and Improvement. Those posts which undertook additional responsibilities were evaluated and the Council accepted this Committee's recommendation to amend the Head of Finance's pay band as a consequence.
- 5 No further amendments to Heads of Department nor Corporate Directors' responsibilities have been introduced during 2015/16 and therefore no new evaluations have been conducted in respect of 2016/17. The current policy does state that Chief Officers' salaries are to be benchmarked with the market and in light of movements within the market, there is a need to review any updates. However, in light of the financial climate currently faced, and the effect of it on a

number of Council staff, it would not be appropriate to conduct the exercise this year. The matter has been discussed with the Heads of Department and the Directors and they are unanimously agreed that it would not be appropriate to review the benchmarking at this point in time.

- 6 The Joint National Council for Chief Officers and the Joint National Council for Chief Executives has offered a 1% pay rise per annum for the next two years to Chief Officers and Chief Executives. This offer has not, as yet, been accepted.
- 7 Amendments to the Local Authorities Regulations (Standing Orders) (Wales) 2006, which came into force on the 1st July, 2014, notes that the relevant authority must set the level of salary paid to a chief officer and any change to that level of salary. This includes any salary increases that the Joint National Council agrees upon nationally.
- 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 the Council approves those pay rises agreed upon nationally as a result of annually adopting the pay policy.

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

- 9 The Council resolved to establish 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. Point 8 currently lies at £7.19 per hour (compared with the £8.25 per hour recognised as the Living Wage by the Living Wage Foundation).
- 10 In his budget statement on the 8th July, 2015, the Chancellor of the Exchequer announced that he would establish £7.20 per hour as the “Living Wage” as from the 1st April this year (rising to £9.00 per hour by April 2020) for workers aged 25 and above.
- 11 The National Employers’ representatives have presented an offer to the trade unions (who represent local government workers) for 2016/17 and 2017/18 which has an emphasis on moving closer to paying the “Living Wage”. This offer, as yet, has not been accepted.
- 12 The offer is based on a pay rise of 6.5% in 2016/17 and 3.2% in 2017/18 for those workers on the minimum salary within the Council, with each pay point up to point 17 (2016/17) and point 13 (2017/18) receiving a pay rise higher than the 1% which is to be offered to all other staff in both years.

- 13 In light of these national proposals 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 2016/17.
- 14 The Council will maintain a dialogue with local representatives of the recognised unions during the next twelve months in order to consider possibilities relating to raising the Council's minimum salary in future. We will report back to the Committee on the conclusions of those discussions when reviewing the Pay Policy for 2017/18.

#### **RECOMMENDATION**

- 15 That the Committee submits the draft 2016/17 Pay Policy Statement (Appendix 1) to the Council for adoption.