

THE VALE OF GLAMORGAN COUNCIL

CABINET: 24<sup>TH</sup> FEBRUARY, 2020

REFERENCE FROM CORPORATE PERFORMANCE AND RESOURCES  
SCRUTINY COMMITTEE: 5<sup>TH</sup> FEBRUARY, 2020

“ PAY POLICY 2020/2021 (REF) –

Prior to consideration of the report all senior officers left the room, with the exception of the Head of Human Resources and Organisational Development and the Operational Manager for Employee Services, who remained to answer any initial technical questions, to leave the room during the item.

The Council had a statutory requirement under Section 38(1) of the Localism Act 2011 to prepare a Pay Policy Statement and the proposed Pay Policy Statement for the new financial year 2020/21 was attached as an Appendix to the report. The Statement needed to be approved and published by 31<sup>st</sup> March, 2020. The document provided a framework for ensuring that employees were rewarded fairly and objectively, in accordance with the service needs of the Council and that there was openness and transparency in relation to the process. Cabinet had referred the report to the Committee for consideration prior to final consideration and approval by Full Council on 26<sup>th</sup> February, 2020.

The Pay Policy had been incrementally developed since 2012 to incorporate the following:

- Guidance from Welsh Government as contained in the document “Pay Accountabilities in Local Government in Wales” as updated January 2016;
- Changes as prescribed by the Local Authorities Standing Orders (Wales) (Amendment) Regulations 2014 which took effect from 1<sup>st</sup> July, 2014;
- Changes as prescribed by the Local Government (Wales) Act 2015 to ensure that any proposed changes to the salary of Chief Officers (as defined in the Localism Act 2011) were made following consultation with the Independent Remuneration Panel for Wales;
- Necessary refinements as a result of changes to the Council’s senior management structure over recent years;
- The effects of national and locally negotiated pay and associated benefit awards along with the provisions of the National Living Wage.

At the request of the Chairman, supplementary information had been provided to the Committee and included in the agenda which outlined the number of staff in each pay grade according to gender as at January 2020.

| Grade              | Female       |            | Male       |            | Grand Total  |
|--------------------|--------------|------------|------------|------------|--------------|
|                    | No.          | %          | No.        | %          |              |
| APPRENTICE         | 17           | 74%        | 6          | 26%        | 23           |
| Grade 1            | 294          | 89%        | 36         | 11%        | 330          |
| Grade 2            | 294          | 85%        | 51         | 15%        | 345          |
| Grade 3            | 161          | 70%        | 70         | 30%        | 231          |
| Grade 4            | 424          | 76%        | 132        | 24%        | 556          |
| Grade 5            | 584          | 85%        | 103        | 15%        | 687          |
| Grade 6            | 367          | 76%        | 116        | 24%        | 483          |
| Grade 7            | 130          | 64%        | 73         | 36%        | 203          |
| Grade 8            | 127          | 59%        | 88         | 41%        | 215          |
| Grade 9            | 183          | 71%        | 73         | 29%        | 256          |
| Grade 10           | 51           | 65%        | 27         | 35%        | 78           |
| Grade 11           | 47           | 64%        | 27         | 36%        | 74           |
| Chief Officer      | 24           | 50%        | 24         | 50%        | 48           |
| <b>Grand Total</b> | <b>2,703</b> | <b>77%</b> | <b>826</b> | <b>23%</b> | <b>3,529</b> |

In referring to the report a Committee Member asked for clarification regarding the reference to non-consolidated increments within the pay ranges for Heads of Service and Directors as outlined in section 6.13 of Appendix A to the report, noting that these were cited as being based on performance and asking how this was measured and whether there was a clear set of criteria in place for the awarding of these increments. The Operational Manager for Employee Services responded by advising that the awarding of non-consolidated increments was decided by assessments carried out at performance reviews and that officers who had reached increment 3 within their pay range, if marked as “good” or “excellent” at performance review, would then move up to increment 4 which was non-consolidated, however prior to moving up again to increment 5, they would be taken back down to increment 3. The Member then sought further clarification as to whether the non-consolidated increments were awarded as a matter of course and whether there were any members of staff who were eligible and had not been awarded the increase in increment. The Head of Human Resources and Organisational Development responded that while there were no employees who were eligible and had not been awarded the non-consolidated increments at present, her service area was continually ensuring that the process relating to this remained robust.

A Member then raised concerns regarding the gender pay gap as indicated by the data contained in the supplementary information provided, to which the Operational Manager for Employee Services agreed that this should be looked at, however he also noted that this gap had been reduced since the introduction of the new pay structure. The Head of Human Resources and Organisational Development wished to further clarify that the gender pay gap had reduced from 8.36% to 4.57% between 2017 and 2019, however she acknowledged that this issue was something that the Council needed to further work on.

The Committee Member then asked for clarification regarding the reference to the multiple between the median (average) full time equivalent pay and that of the Managing Director contained at Appendix A to the report and the statement that the Council would review this data annually and seek to benchmark this information as appropriate, asking for further information about what the benchmarking process looked like. The Operational Manager for Employee Services responded that in order to benchmark, the Pay Policies of other Local Authorities were looked at and considered.

A Committee Member then asked whether there were safeguards in place to ensure the Vale of Glamorgan did not face the same issues that had been encountered by Caerphilly County Borough Council in relation to the pay grades of senior officers, to which the Leader responded that the issues in question had arisen as a result of a self-appointed salary scale at the Local Authority in question, which he assured Committee Members did not take place at the Vale of Glamorgan.

The Chairman remarked that he was happy to support the Pay Policy, but expressed the view that more rigorous benchmarking was required. He highlighted that a reduction to the gender pay gap in particular should be prioritised and that the Local Authority should be aiming for this to be equal at all levels, noting that it was of particular concern that people might be taking breaks in their career and finding themselves unable to move upwards upon returning to work. The Chairman therefore suggested that reports regarding the benchmarking of both the median pay and that of the Chief Officer and the gender pay gap be prepared and tabled for discussion at future Scrutiny Committee meetings.

Having considered the report and there being no further questions, it was subsequently

#### RECOMMENDED –

(1) T H A T Cabinet endorsement of the Pay Policy be approved with the Committee noting that the report was to be presented to Full Council for final consideration and approval on 26<sup>th</sup> February, 2020.

(2) T H A T the comments of the Committee as below be submitted to Cabinet for its consideration:

- more clarity should be provided regarding how performance based assessments were carried out for members of staff eligible for non-consolidated increments within their pay ranges;

- further benchmarking be undertaken in relation to Chief Officer and Senior Officer salaries ;
- the Council should continue to reduce the gender pay gap with the aim for all scale levels to have equal representation

(3) T H A T further reports as outlined in Recommendation (2) above be presented for discussion at future Scrutiny Committee meetings.

#### Reasons for recommendations

- (1) In view of the contents of the report.
- (2) To ensure that Cabinet is aware of the views of the Committee ahead of the reports final consideration and approval by Full Council.
- (3) To provide Committee Members with further information for further discussion in relation to such matters.”