

Report to:	COUNCIL
Relevant Officer:	Linda Dutton, Head of Human Resources and Workforce Development
Relevant Cabinet Member:	Councillor Blackburn, Leader of the Council
Date of Meeting:	29 March 2017

PAY POLICY STATEMENT 2017/ 2018

1.0 Purpose of the report:

1.1 To consider the Council's Proposed Pay Policy Statement.

2.0 Recommendation(s):

2.1 To approve the Proposed Pay Policy Statement, as attached at Appendix ?

3.0 Reasons for recommendation(s):

3.1 The Council has a duty to agree a pay policy statement before 31 March each year.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

The Council has a duty to agree a pay policy statement and the proposed one is consistent with the guidance from the Department of Communities and Local Government.

4.0 Council Priority:

4.1 The relevant Council priorities are "The economy: Maximising growth and opportunity across Blackpool and "Communities: Creating stronger communities and increasing resilience".

5.0 Background Information

- 5.1 The Council is required to produce a pay policy statement, which must be in place for the year 2017/ 2018 and have received full Council approval before the start of that financial year.
- 5.2 The statement must set out the Council's policy on:
- i. Chief Officer Remuneration (at recruitment, salary, bonus, performance related pay, charges, fees, allowances, benefits in kind, enhancement to pension at termination).
 - ii. Remuneration of its lowest paid employees (elements as above), the definition used for this group and the reason for adopting that definition.
 - iii. The relationship between chief officer remuneration and that of other staff. This however is a minimum requirement and Councils can do more if they so wish.
- 5.3 The guidance from the Department for Communities and Local Government has added that they expect the policy statement to cover:
- i. The opportunity for full Council to vote on senior remuneration packages with a value over £100,000 prior to an offer of appointment being made.
 - ii. Policies should explain the planned relationship between Chief Officer remuneration and that of other staff and the ratio between the highest paid and median salary that the authority aims to achieve and maintain.
 - iii. The value of the system of earn back pay with an element of their basic pay at risk each year to be earned back through meeting pre-agreed objectives.
 - iv. Any decision that the Authority takes in relation to the award of severance to an individual Chief Officer.
 - v. An explicit statement on whether or not they permit an individual to be in receipt of a pension in addition to receiving a salary.
 - vi. Policies to deal with those who may have returned to the authority under a contract of service of any type having already received a severance or redundancy payment.

- 5.4 In addition to this guidance, it should be noted that the recommended practice for Local Authorities on data transparency states that the Council should disclose publicly:
- i. Employees salaries (that earn £50,000 and above). This includes disclosing their names, details of their remuneration, a list of responsibilities, for example, the services and functions they are responsible for, budget held and number of staff.
 - ii. An organisation chart.
 - iii. The pay multiple, which is the ratio between the highest paid salary and the median average salary of the whole authority's workforce.
- 5.5 The proposed policy also includes a reference to the re-employment/re-engagement of former employees. The inserted paragraph clarifies current practice and it was thought appropriate should form part of the statement.
- 5.6 The draft Pay Policy Statement for 2017/ 2018 had not been finalised when the subject was considered by the Chief Officers Employment Committee at its meeting on 25 January 2017. This was due to proposed changes by the Government to the terms and conditions of public sector workers (e.g. public sector exit payments) and these had not been clarified at the time and could have been part of the draft pay policy statement. As it was unlikely that the Committee would meet again prior to the March Council meeting, it was agreed that the Pay Policy Statement be submitted direct to the Council meeting in March for consideration.
- 5.7 As referred to above, the Government has proposed to establish a £95,000 cap on the total value of exit payments made to an individual in relation to their exit from public sector employment and intends to introduce clauses in the Enterprise Bill to give effect to such a cap. This was intended to be introduced by October 2016, however as at the date of this Pay Policy Statement the Council is awaiting final confirmation as to how this will be applied/ implemented and has therefore not been included in this proposed version.
- 5.8 The Government has published the Equality Act 2010 Specific Duties and Public Authorities) Regulations 2017 (the Regulations) which will implement the mandatory gender pay gap reporting requirement for public sector employers with 250 or more employees. The duty to report will commence from April 2018.

The Proposed Pay Policy Statement is attached at Appendix (a).

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 6(a) – Proposed Pay Policy Statement.

6.0 Legal considerations:

6.1 All legal duties concerned with this matter have been included in the Statement.

7.0 Human Resources considerations:

7.1 The Council's Pay Policy statement would cover Chief Officer Remuneration in various forms and also its relationship with that of other staff.

8.0 Equalities considerations:

8.1 The Council has gone through a pay review process and as part of that review, it has introduced two robust job evaluation schemes, which are designed to ensure fairness and equity in terms of pay. These schemes and the desire to ensure fairness and transparency around pay form the basis of the Council's Pay Policy Statement. The Council complies with the recommended practice for Local Authorities on data transparency already.

9.0 Financial considerations:

9.1 No changes to the Council's financial arrangements have been made as a result of the introduction of this statement.

10.0 Risk management considerations:

10.1 The most significant risks around pay relate to the increased costs of employment and balancing the need to pay an appropriate salary that will mean that the roles the Council needs to fill to discharge its duties as a Local Authority can be filled by skilled, appropriately qualified staff. To mitigate against the first risk the Council ensures that its budgets are managed effectively and to deal with the second risk, there is a policy to deal with market supplements if they can be objectively justified.

11.0 Ethical considerations:

11.1 The Council's values of accountability are important in this report in that the Council is stating its pay rationale.

12.0 Internal/ External Consultation undertaken:

- 12.1 Consultation has previously taken place with Trade Union Representatives on the policies referred to in the pay policy statement. Any new areas, which could be added to the statement will be discussed with the Trade Union representatives as well.

13.0 Background papers:

- 13.1 None