

Report to:	COUNCIL
Relevant Officer:	Linda Dutton, Head of Human Resources and Workforce Development
Relevant Cabinet Member:	Councillor Lynn Williams, Leader of the Council
Date of Meeting:	8 March 2021

PAY POLICY STATEMENT 2021/2022

1.0 Purpose of the report:

- 1.1 Further to the decision of the Council on 10 February 2021, to reconsider the decision regarding the Pay Policy statement as the Government has withdrawn Restriction of Public Sector Exit Payments Regulations 2020 and the supplementary HM Treasury Directions which form part of the Pay Policy statement. Following this reconsideration, the Pay Policy Statement has to be published by 31 March 2021.

2.0 Recommendation(s):

- 2.1 To set aside the decision of the Council on 10 February 2021 relating to the Pay Policy Statement and approve the updated Pay Policy Statement, attached at Appendix 8(a).
- 2.2 To delegate to the Chief Executive the authority to reflect changes in legislation or decisions made from time to time by or on behalf of the authority and republish the Pay Policy Statement for 2021/ 2022.

3.0 Reasons for recommendation(s):

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

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

- 3.3 Is the recommendation in accordance with the Council's approved budget? Yes

- 4.0 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 Housing, Communities and Local Government. This version is the same as Council agreed on 10 February 2021

without the reference to the Restriction of Public Sector Exit Payments Regulations 2020 and the supplementary HM Treasury Directions.

5.0 Council Priority:

- 5.1 The relevant Council priorities are “The economy: Maximising growth and opportunity across Blackpool” and “Communities: Creating stronger communities and increasing resilience”.

6.0 Background Information

- 6.1 The Council is required to produce a pay policy statement, which must be in place for the financial year 2020/ 2021 and have received full Council approval before the start of that financial year.

- 6.2 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.

- 6.3 The guidance from the Department for Housing, Communities and Local Government was reported at the last meeting and has been referenced in the statement.

- 6.4 The decision made on 10 February 2021 by Council included reference to all employees including Chief Officers being entitled to redundancy payments and pension release in accordance with the Council’s Redundancy and Retirement Procedure. Where the proposed severance package was more than £95,000, the Exit Cap legislation introduced a concept of mandatory and discretionary waivers which required approval by full Council prior to approval by relevant Government departments including Ministry of Housing, Communities and Local Government (MHCLG).

- 6.5 On 12th February 2021, the Government revoked, with immediate effect, the Restriction of Public Sector Exit Payments Regulations 2020 and the supplementary HM Treasury Directions (which only came into force on 4th November 2020).

6.6 The Government announced that the Regulations, which limited exit payment most public sector employees could receive in connection with loss of employment to a maximum of £95,000, may have “unintended consequences” and should, therefore, be withdrawn.

6.7 The Council in agreeing the statement on 10 February 2021 was not aware that this decision was due to be made by Government and it is considered reasonable and opportune to ask Council to review its previous decision. This change has now been updated in the Pay Policy statement and the updated version is attached at Appendix 9 (a). There is no other changes to the document agreed by Council at the last meeting.

6.8 Does the information submitted include any exempt information? No

7.0 List of Appendices:

Appendix 9(a) - Proposed Pay Policy Statement and Gender Pay Gap Report.

8.0 Financial considerations:

8.1 No changes to the Council’s financial arrangements have been made as a result of this statement.

9.0 Legal considerations:

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

10.2 While it is not normal practice to revisit previously agreed decisions of Council, so soon, it is considered that in the circumstances, this decision should be reviewed. It is also recommended that should there be any legislative changes in year then the Chief Executive be authorised to make those changes and republish the statement.

11.0 Equalities considerations:

- 11.1 The Council's pay review process introduced two robust job evaluation schemes, which are designed to ensure fairness and equity in 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.
- 11.2 The desire to ensure fairness and transparency around pay form the basis of the Council's Pay Policy Statement.

12.0 Sustainability, climate change and environmental considerations:

- 12.1 None directly.

13.0 Internal/ External Consultation undertaken:

- 13.1 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, would be discussed with the Trade Union representatives.

14.0 Background papers:

- 14.1 None.