

<b>Report to:</b>	<b>CHIEF OFFICERS EMPLOYMENT COMMITTEE</b>
<b>Relevant Officer:</b>	Linda Dutton, Head of Human Resources and Workforce Development
<b>Relevant Cabinet Member:</b>	Councillor Blackburn, Leader of the Council
<b>Date of Meeting:</b>	25 January 2017

## **PAY POLICY STATEMENT**

### **1.0 Purpose of the report:**

1.1 To consider arrangements for agreeing the Council's Pay Policy Statement.

### **2.0 Recommendation(s):**

2.1 To agree that the draft Pay Policy Statement be submitted straight to the Council meeting in March for consideration.

### **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 another option would be to call another meeting of this Committee which would then recommend Council.

### **4.0 Council Priority:**

4.1 The relevant Council priorities are:

- "The economy: Maximising growth and opportunity across Blackpool"
- "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 draft Pay Policy Statement for 2017/ 2018 has not yet been finalised and as there is unlikely to be another reason for this committee to meet before the March Council meeting it is suggested that the draft statement be submitted straight to the Council meeting. There are some changes proposed by the Government to the terms and conditions of public sector workers (e.g. public sector exit payments) and these have not yet been clarified and could be part of the draft pay policy statement, if they are agreed prior to the March Council meeting.

Does the information submitted include any exempt information?

No

**List of Appendices:**

None.

**6.0 Legal considerations:**

6.1 All legal duties will be 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