

Report to:	CHIEF OFFICERS EMPLOYMENT COMMITTEE
Relevant Officer:	Linda Dutton, Head of Human Resources and Workforce Development
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting:	14 January 2019

PAY POLICY STATEMENT 2019/ 2020

1.0 Purpose of the report:

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

2.0 Recommendation(s):

2.1 To recommend to the Council to approve the Proposed Pay Policy Statement, as attached at Appendix 3a.

3.0 Reasons for recommendation(s):

3.1 The Council has a duty to agree a pay policy statement before 31 March each year. The statement attached at Appendix 3a meets the statutory requirements outlined in paragraph 5.2 of this report and the expectations of the guidance from the Ministry for Housing, Communities and Local Government outlined in paragraph of 5.3 of this report. The statement also includes the required gender pay reporting outlined in paragraph 5.5 of the report.

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 both:

- “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 2019/2020 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 Ministry of Housing, 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 values 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 Mandatory gender pay gap reporting for public sector employers with 250 or more employees commenced from April 2018 and the required information is therefore now contained within this Pay Policy.

5.6 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. Final confirmation as to how this will be applied/ implemented is still awaited and has therefore not been included in this Pay Policy.

5.7 The draft Pay Policy Statement for 2018/ 2019 has been considered by the Corporate Leadership Team on 18 December 2018. Following approval by the Committee the Pay Policy Statement will be submitted to full Council on 30 January 2019 for final approval.

5.8 Does the information submitted include any exempt information? No

5.9 **List of Appendices:**

Appendix 3a – Proposed Pay Policy Statement including gender pay gap reporting.

6.0 **Legal considerations:**

6.1 All legal duties have been complied with.

7.0 Human Resources considerations:

7.1 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.

8.0 Equalities considerations:

8.1 All equalities duties have been complied with.

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 desire to ensure fairness and transparency around pay form the basis of the Council's Pay Policy Statement.

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 continue to be discussed with the Trade Union representatives.

13.0 Background papers:

13.1 None.