

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:	12 February 2020

PAY POLICY STATEMENT 2020/ 2021

1.0 Purpose of the report:

- 1.1 To consider the recommendation of the Chief Officers Employment Committee from its meeting on 20 January 2020 regarding the proposed Pay Policy Statement. Following Council approval, the Pay Policy Statement has to be published by 31 March 2020.

2.0 Recommendation(s):

- 2.1 To approve the proposed Pay Policy Statement, as submitted to the Chief Officers Employment Committee and attached at Appendices 8 (a) and (b).

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 Housing, 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 2020/ 2021 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 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 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. Confirmation as to how this will be applied/ implemented is still awaited and has therefore not been included in this Pay Policy.
- 5.6 The Equality Act 2010 Specific Duties and Public Authorities) Regulations 2017 (the Regulations) implemented the mandatory gender pay gap reporting requirement for public sector employers with 250 or more employees. The duty to report commenced in April 2018 and the information is therefore contained within this Pay Policy statement.
- 5.7 The Chief Officers Employment Committee noted that based on a snap shot as at 31 March 2019 a mean pay gap of -0.94% and a median pay gap of -6.69% had been identified, which confirmed that as had been the case in previous years on average female employees of Blackpool Council were paid more than their male counterpart. Nationally, on average male employees were paid 8.9% more. The quartile pay band data presented in the report confirmed that this was very similar in each quartile, reflecting a workforce where males and females were employed in the same proportion throughout all levels of the workforce. Whilst it was acknowledged that those figures were relatively favourable, the Council remained committed to the principle of gender pay equality and would continue to monitor performance and promote initiatives such as family friendly policies, learning and development, leadership and recruitment and retention.

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 8(a) - Proposed Pay Policy Statement.

Appendix 8(b) – Gender Pay Gap Report

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'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.

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.

13.0 Background papers:

13.1 None.