

Report to:	COUNCIL
Relevant Officer:	Linda Dutton, Head of Human Resources and Workforce Development
Relevant Cabinet Member:	Councillor L Williams, Leader of the Council
Date of Meeting:	10 February 2021

PAY POLICY STATEMENT 2021/2022

1.0 Purpose of the report:

- 1.1 To consider the recommendation of the Chief Officers Employment Committee from its meeting on 26 January 2021, regarding the proposed Pay Policy Statement. Following Council approval, the Pay Policy Statement has to be published by 31 March 2021.

2.0 Recommendation(s):

- 2.1 To approve the proposed Pay Policy Statement, as submitted to the Chief Officers Employment Committee and attached at Appendix 8(a).
- 2.2 To delegate to the Chief Executive in his role of Returning Officer, the revision of election fees to staff as set out at paragraph 5.9 in this report.

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 financial 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 Department for 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 All employees including Chief Officers are entitled to redundancy payments and pension release in accordance with the Council's Redundancy and Retirement Procedure. Where the proposed severance package is more than £95,000, the Exit Cap legislation introduces a concept of mandatory and discretionary waivers which require approval by full Council prior to approval by relevant Government departments including Ministry of Housing, Communities and Local Government (MHCLG).

5.6 At the current time the waiver process is not finalised as there is ongoing consultation to amend the Local Government Pension Scheme (LGPS) regulations in order to enable Councils to legally apply the £95,000 exit payment cap.

5.7 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 the Pay Policy statement.

5.8 The Chief Officers Employment Committee noted the Gender Pay Gap data, which was based on a snap shot as at 31 March 2020. This had identified a mean pay gap of -0.77% and a median pay gap of -5.40%, which confirmed that on average female employees were paid slightly more than their male counterpart. The mean and median gender gap data had been consistent over the last four reporting years. Nationally, on average male employees were paid 15.5% more. The quartile pay band data presented in the report confirmed that within the workforce, of which 60% were female, there was a good range of female employees across all levels within the

Council. This was believed to be due to the Council's family friendly policies, fair and transparent recruitment processes and access to learning and development opportunities.

- 5.9 The Council has previously agreed a set of fees for staff employed by the Returning Officer at elections. This Chief Officers Employment Committee has recommended that Council delegates authority to the Chief Executive in his role as Returning Officer to vary the fees, in order to ensure the fees are updated appropriately and to allow for possible new job roles. Any decision regarding the Returning Officer's own fee (other than those set by government) would remain subject to Council approval.

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 8(a) - Proposed Pay Policy Statement and Gender Pay Gap Report, as recommended by the Chief Officers Employment Committee.

6.0 Legal considerations:

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

7.0 Equalities considerations:

- 7.1 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.

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 Risk management considerations:

- 9.1 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.

10.0 Sustainability, climate change and environmental considerations:

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

11.0 Internal/ External Consultation undertaken:

11.1 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.

12.0 Background papers:

12.1 None.