

REPORT TO FULL COUNCIL



DATE	21 February 2017
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Head of People and Development
TEL NO	01282 425011 ext. 7120
EMAIL	hbrennan@burnley.gov.uk

Pay Policy Statement 2018/19

PURPOSE

1. To seek approval for the Council's Pay Policy Statement which is required to be published prior to the end of March each year.

RECOMMENDATION

2. That Full Council
 - approves the attached Pay Policy Statement for 2018/19; and
 - notes the Council's Gender Pay Gap report which is at Appendix H of the Pay Policy Statement

REASONS FOR RECOMMENDATION

3. The Localism Act 2011 – [Chapter 8 - Pay Accountability], requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees. The Pay Policy Statement must be approved by the Council in open forum, by the end of March each year and then be published on its website.

SUMMARY OF KEY POINTS

4. The Pay Policy Statement sets out the existing approach to the remuneration of all posts within the Council. In particular it specifies certain mandatory requirements that must be detailed within the Statement. This refers to:
 - the pay structure of the Council and how it is set;
 - Senior Management Remuneration, providing details of the pay grade for posts defined as Chief Officer and the accompanying allowances;
 - the recruitment arrangements for a Chief Officer;
 - the relationship between the salaries of Chief Officers and other employees;
 - details of the lowest paid posts within the Council;

- employer's Pension Contribution details;
- termination of employment payments.

5. The Localism Act includes five key measures that underpin the Government's approach to decentralisation, these being; Community rights, Neighbourhood Planning, Housing, General Power of competence and empowering cities and other local areas.
6. The purpose of the Pay Policy Statement (PPS) is to ensure there is transparency on how pay and remuneration is set by the Council, for all of its employees and particularly for its most senior level posts. The Council already publishes pay and remuneration details of its senior managers on its website under the DCLG's requirements of the Transparency Code which specifies what open data local authorities must publish. This will be updated at the start of the new municipal year.
7. The Statement is reviewed annually and approved by Full Council prior to the end of March each year. National pay negotiations on pay rates for 2018 are yet to be agreed and are not incorporated into the Statement.
8. As was also the case last year, the Statement details the adjustment made to the NJC Pay Policy and pay spine to accommodate the increase in the Foundation Living Wage (FLW) to £8.75 /hour, which the Council will apply from April 2018, subject to the outcome of the national pay award.

From April 2016 the Council agreed to further amend the pay spine, reducing the pay points in Grade 3 from 3 to 2 (points 12 and 13) and moving Grade 2 from scp10 to scp11 of the pay spine to reflect the increase in the Foundation Living Wage. It is anticipated that national pay negotiations for 2018 and 2019 may uplift these lower pay points to above the FLW and therefore the pay points in Grades 2 and 3 may be further reviewed once the outcome is known. As things stand spinal column point 11 will continue to be a minimum of the Living Wage (as calculated by the Centre for Research in Social Policy at Loughborough University) replacing the agreed scp11 on the national pay spine, as the FLW is currently greater.

9. Due to the pending pay award there has been no change in the pay ratios other than an improvement in the ratio of the lowest paid to the Chief Executive (6.6) which has improved further due to the increase in the FLW.
10. The Council considers it is important that a balance is struck to ensure it rewards managers appropriately for the additional responsibilities which have fallen out of the recent senior management structure changes and that it retains and attracts talented senior officers. It is proposed that from April 2018 the Council's senior management structure will be readjusted from 9 to 9.6 FTE posts. The Council had 14 senior posts in April 2015. Following the deletion of a director post at the beginning of 2017 head of service posts have all been reviewed and re-job evaluated and salaries benchmarked by external independent advisers. As a result the chief officer Band 2 and Band 3 salaries will be increased. Salaries will be based on the median+7.5% of the most relevant median salary, in terms of local authority population and type, as required under the Chief Officer terms and conditions of employment

Band	April 2017	April 2018
Band 2	£57,237	£59,125
Band 3	£51,786	£54,169

11. The Government is proposing to introduce a cap on the total value of exit payments in the public sector of £95,000 enacted through the Enterprise Bill 2015-16. Regulations regarding the implementation for this cap are still awaited. Proposed regulations concerning the recovery of exit payments made to employees in the public sector who return to the same job within a period of 12 months are also still awaited. The latest information suggests these regulations will be implemented during 2018. Council policies and procedures will be updated accordingly once full details are available.
12. The updated Statement complies with the guidance issued by the Department of Communities and Local Government in Spring 2013.
13. This year, in addition to the Pay Policy Statement the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires public sector organisations with 250 or more employees to publish information to demonstrate how large the pay gap is between their male and female employees. The data has been calculated according to the requirements of the Equality Act 2010 and is based on the Council's workforce at 31st March 2017 which comprised of 56% male and 44% female. It takes into account the permanent, temporary and casual workforce.

The gender pay gap is different to equal pay. Equal pay relates to men and women receiving equal pay for equal work. Not meeting this requirement is unlawful. The Council operates job evaluation schemes to ensure that work of equal value is paid at the same rate.

The gender pay gap is a measure of any disparity in pay between the average earnings of males and females. The Council's mean pay gap is 2.3% and the median pay gap is 7.9% which is lower than the national average. Latest figures (January 2018) suggest the median pay gap for the public sector is 19.4% and across all industries in Lancashire is a 12%.

The Council will continue to apply its flexible working policies, anonymised recruitment processes, talent management and promote other learning and development programmes to ensure all employees have equal access for career development.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

14. The pay and remuneration detailed within the Pay Policy Statement are all within the approved budget of the Council.

POLICY IMPLICATIONS

15. The policies and appendices referred to in the Pay Policy Statement have previously been approved through Council procedures and in consultation with trade unions and are available on the Council's website. The job evaluation schemes used to establish the grades of posts have been agreed nationally with the trade unions and meet equality and human rights standards.

DETAILS OF CONSULTATION

16. Management Team, Member Structures Officers' Group and Trade Unions.

BACKGROUND PAPERS

17. Report to Council regarding the Pay Policy Statement dated 22nd February 2017

FURTHER INFORMATION:**PLEASE CONTACT:****Heather Brennan x 7120****ALSO:**