

Administration & Regulation Committee

Minutes

23 February 2021 at 6.00 pm

Present:

Councillor Akbar (Chair); Councillors Abid, Adrees, Castleman (Vice-Chair), Lovell, S. Hussain, Mead and Wynn

1 Minutes (Ref 2.1)

Resolved: That the minutes of the meeting of the committee held on the 16 December 2020 be taken as read, approved as a correct record and signed by the Chair in due course.

2 Scales of Charges 2021-22 (Ref 7)

The Finance Business Partner presented the report (Ref: 7), seeking the committee's approval for the 2021/22 Scale of Charges, that were within its remit.

He informed the committee that detail the proposed charges to be approved by the Committee were as set out in Appendices A1 to A8.

He added that many of the fees were set by statute or linked to regulatory guidance and some required notice periods before implementing any changes. The implementation date for the proposed charges was 1 April 2021.

He referred the committee to paragraphs 10 to 24 of his report, which provided a summary of the proposed increases, which were broadly in line with inflation, except for the vehicle licence plate system for Hackney Carriages and Private Hire vehicles. The proposed increase in fee for the latter would be 5%, to reflect the cost of the materials that the Council had to purchase and was aimed solely at covering the costs. More details were set out in Appendix A2.

Dealing with members' questions and comments, the Finance Business Partner provided further information, as set out in the below paragraphs.

On why the discount offered if Fixed Penalty Notices were paid early had been removed at page 25 of the papers, he explained that the discount was still available and was in the notes on the ticket, but not published in public. He did not know the reason why it was removed, but could ask the service to put it back in for the sake of transparency.

Members agreed that the discount offer should be put back in and published in public, particularly as the discount offer for Smoke Free Enforcement was still published on the same page.

The Corporate Director, Inclusive Economy requested that she be allowed to check with the relevant service manager, the reason why the offer of the discount had been stuck off and respond to members outside the meeting, which was agreed.

The Vice-Chair, in the Chair moved that the recommendation in the report be approved, subject to the re-insertion and publication of the Fixed Penalty Notice discount offers, unless a valid reason could be shown, why not, following the check by the Corporate Director.

Resolved: That the proposed Scales of Charges 2021/22 to apply from 1 April 2021 be approved, subject to the re-insertion and publication of the Fixed Penalty Notice discount offers, unless a valid reason could be shown, why not.

3 Pay Policy Statement 2021-22 (Ref 8)

The HR Strategy and Policy Officer presented Pay Policy Statement 2021-22 report (Ref: 8), reminding the Committee of the Council's obligations under the terms of the Localism Act 2011 to produce and publish a Pay Policy Statement by the 31 March each year and requesting that the Committee agree to recommend the Pay Policy Statement 2021/22 at Appendix A to Full Council for approval and publication.

She said that the statement had been amended to account for the senior management re-structure and the introduction of a higher level pay spine (SD2) for Service Directors with statutory responsibilities.

She added that the Council must publish, for example, the ratio of the pay of the Chief Executive to that of the lowest paid employees, which had increased from 10.37:1 as at 1 January 2020 to 10.6:1 at 1 January 2021, due to the increment of the Chief Executive pay in May 2020.

As at 1 January 2021, the ratio of the Chief Executive's salary to the median full time equivalent earnings was 7.2:1, a very marginal increase from 7.1:1 in October 2020, due to the relative values of their median pay increments.

Other changes included the uplift in 'the living wage' to £9.50 per hour from 1 April 2021 (subject to a later report on the agenda). For those earning less than that, a supplements of 25p per hour or 7 p per hour were proposed to bring pay up to £9.50 per hour, until the national pay increase was agreed, when the supplement could be adjusted or removed, as appropriate. Options were provided to the Committee at Item 10.

In relation to exit payments for employees made redundant or who chose to take voluntary redundancy, the officer said that legislation to cap exit payments at £95k had been revoked on 12th February 2020, since the report was prepared.

Dealing with questions and comments from members, further information was provided, with key points recorded as set below.

To comments of the apparent unfairness of why the pay of the Chief Executive kept rising, when the pay of the lowest paid remained the same, it was explained that it was due to the fact that the lowest

pay grade of L1A was not subject to increments, compared with the Chief Executive's pay which had four increments. The NJC payspine was also set at national level, with local councils only having discretion to fit grades across that payspine. Previous annual uplifts at the lowest points of the NJC payspine had removed the increments within grade L1A. The annual pay uplift for the Chief Executive and chief officers were also subject to national decisions.

The Chair moved that the recommendations in the report, subject to any amendments discussed, be approved, which was agreed.

Resolved: (i) That the Committee acknowledge its awareness of the statutory responsibilities under the Localism Act 2011 to produce and publish a Pay Policy Statement annually by 31 March each year

(ii) That the Pay Policy Statement 2021/22, as attached Appendix A to the report (Ref 8) be agreed

(iii) That the Pay Policy Statement 2021/22 attached as Appendix A to the report be submitted to the Full Council meeting on 23 March 2021 for approval, subject to any amendments needed following the resolution of the committee on Item 10, 'The Living Wage at minute 5 below

(iv) That the need for the Pay Policy Statement 2021/22 to be updated and re-published when the pay awards are settled be approved.

4 Gender Pay Gap Update (backward view) and Gender Pay Gap 2021-22 (forward view) (Ref 9)

The HR Strategy and Policy Officer presented the Gender Pay Gap update report (Ref: 9). She said the report was retrospective and forward looking, to advise the Committee of the council's 2020 Gender Pay Gap (GPG), as at 31 March 2020 and the actions devised to narrow the council's GPG and its effectiveness in light of the pandemic and beyond.

She reminded the Committee that since April 2017, legislation required all public sector employers of 250 or more employees to capture specific gender pay and bonus gap data annually, at a snapshot date of 31 March and to publish this data by 30 March of the following year.

Key points covered were as set out in the below paragraphs.

There had been a marked narrowing of the GPG from the previous year, with the mean GPG decreasing from 7% in favour of males in 2019 to 3.7% in 2020. Similarly, the median GPG decreased from 12.62% in favour of males in 2019 to 8.35% in 2020.

She explained that the variations were due to the change in the pay structure, with a reduction in the number of pay points in the NJC pay spines and in the way market supplements were paid, with recipients having a choice of lump sum payments in advance or monthly payments in their pay. With about 80% of those receiving market supplements being females, mostly in social work, the boost in their monthly pay could be as much as £500 a month in some cases, which had influenced the narrowing of the GPG.

She added that there was little difference between males and females, but the pay gap was due to females having breaks in service and had less time in posts.

The data at Appendix 1 also showed a marked narrowing of gender bonus gaps, which relied on payments of the market supplement as an incentive, which could change in future years, as it also depended on whether staff chose lump sum payments or monthly payments with their wages.

Dealing with a question from the Chair on what actions had been taken to narrow the GPG, the committee was informed that these were set out in Appendix 2 to the report. These included more flexible working from day one of employment, home working, particularly since the pandemic and the promotion of female staff taking up mentoring and coaching roles to assist in their career advancement. However, the recruitment moratorium had slowed overall recruitment which may have stifled some movement of female employees into higher graded roles.

She added that Luton was ahead of other local authorities and the private sector in reducing its GPG.

There was a large cohort of female employees in the council, which would also have an impact of the GPG. To eliminate the GPG, there was a need to get more female staff into the higher grades and senior management tiers within the Council.

The vice-Chair commented that it was good to see female staff on their way to more equality and fairness in pay. He added that, as most directors were female, that should help with narrowing the GPG.

The Chair also welcomed the narrowing of the GPG and looked forward to more progress in the next year. He moved that the recommendations in the report be approved, which was agreed.

Resolved: (i) That the Committee be aware the Council's statutory responsibilities under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to calculate and publish its gender pay gap data for the snapshot date of 31 March 2020 by 30 March 2021

(ii) That the gender pay gap data attached at Appendix 2 be submitted to the Council meeting on 23 March 2021, with a recommendation that they be approved for publication by 30 March 2021.

5 The Living Wage (Ref 10)

The Business Manager, HR Strategy presented the report (Ref: 10), requesting the Committee to consider whether to apply the new real Living Wage rate of £9.50 per hour from 1 April 2021.

She said that the Committee previously agreed to adopt the real Living Wage at £9.30 per hour from 1 April 2020, which currently only applied to SCP1 (£9.25 per hour) on the NJC pay spine, as SCP 2 was £9.43 per hour and above the real Living Wage.

She added that the Committee needed to consider the three options in the recommendations in the report and decide which one was preferred. There was budget provision to pay for any of the three options, by way of pay supplements.

She said that Schools Forum had been advised of the uplift and had been encouraged to adopt it for all staff whose pay is determined by the governing bodies, particularly where fewer than five employees within the school would be affected.

She also said that from 1st April all schools catering staff would no longer be directly employed by Luton Council, this had reduced the numbers in the workforce who would be due a pay supplement to bring their pay in line with £9.50 per hour.

Dealing with members' questions and comments, the HR Business Manager, provided further information and clarifications, as set out in the below paragraphs.

There were no exact costing figures to hand for the three options under consideration, but she said there was budget provision for each one of them, which was cleared by Finance, with a cost saving with Option 3, as staff would remain on £9.30 per hour, instead of the proposed uplift to £9.50.

After a short discussion, members preferred option 2 (ii), that the council awaits the outcome of the NJC national pay negotiations (effective from 1 April 2021) before determining any pay supplements to align to the Living Wage.

The Corporate Director, Inclusive Economy suggested that the words from option 2 (i), reading, 'that schools be encouraged to pay the same', be added to the resolution, which was agreed.

The Chair moved that that Option 2 (ii) with the additional sentence, 'that schools be encouraged to pay the same', be approved, which was agreed.

Resolved: That the council awaits the outcome of the NJC national pay negotiations (effective from 1 April 2021), before determining any pay supplements to align to the Living Wage and that schools be encouraged to pay the same.

6 Ethnicity Pay Gap Update (Ref 11)

The HR Strategy and Policy Officer presented the Ethnicity Pay Gap Update

report (Ref: 11), to advise the Committee of the Council's 2020 Ethnicity Pay Gap (EPG), calculated in accordance with legislation introduced in April 2017 for measuring Gender Pay Gap and based on data captured on the snapshot date of 31 March 2020.

She said that the report was based on the same data as for the gender pay gap report (at minute 4 above) and referred members to Appendix 1 – Ethnicity Pay Gap 2020 data.

She added that analysis of the data suggested that the mean (average) Ethnicity Pay Gap was 7.4% in favour of white employees and the median (mid-point) Ethnicity Pay Gap was 7.6 % in favour of white employees in relation to all council staff. The gap was due to the disproportionate number of BAME employees in roles with lower salaries and allowances, compared to white employees occupying the same roles and not due to white employees being paid more for the same roles.

She sounded a note of caution on the reliability of the analysis, as it was based on 80% of staff who chose to provide data on their ethnicity. The data shows 20% of staff chose not to say (for reasons of personal choice) or their ethnicity was 'not known' because it has not been captured or checked during their employment..

In terms of the mean (average) Ethnicity Bonus Gap , this was 9.6% and the median (mid-point) Ethnicity Bonus Gap was 11.1% in favour of BAME employees. This was due to the relatively high proportion of BAME employees receiving market supplement payments and long service awards compared to white workers.

She re-iterated that the results were unreliable until ethnicity data was collected from the 600 or so employees who did not provide the information. Actions were being taken to encourage employees to provide the missing information, through the i-Trent self-service platform, as part of the People Plan.

Dealing with a question from the Chair on the disparity at M5 grade and above (Appendix 1, page 83 of the report), she said that the ethnicity pay gap (7.7% in favour of white employees) was due to the larger number of white senior officers compared with BAME officers at these grades, whereas there were larger numbers of BAME officers at the lower grades. Conversely, the ethnicity bonus pay gap in favour of BAME was due to larger numbers from this group who received market supplement payments, albeit that the overall numbers receiving these allowances were quite small.

Answering another question on a progress report back to the committee, she said this would be part of the People Plan, which was being developed and would be presented to the committee in due course.

The Chair moved that the recommendations to note the report be approved, which was agreed.

Resolved: (i) That the analysis set out in the report, showing an Ethnicity Pay Gap between 7.4% and 7.6%, based on 80% of staff, as 20% of employees had declined or omitted to reveal their ethnicity and that this did not mean that white or BAME staff were paid differently for equivalent work and rather reflected the proportional ethnicity split within different grades and roles in the Council, be noted

(ii) That the activity underway to address any ethnicity pay gap and the measures being taken to support the recruitment, retention and development of staff from a BAME background, built on the Council's clear and unequivocal commitment to equality and fairness, including a specific commitment to increase the proportion of BAME staff and the development of a new People Plan, which would have equality and diversity at its heart, be noted.

7 People Plan Annual Report (Ref 12)

The Workforce and Organisational Development Manager presented the report (Ref: 12), updating the Committee on the Council's People Plan since the last annual update in 2019.

She clarified that the report focused on progress and achievements in the previous year to December 2020, relating to the current People Plan and did not cover work on the new People Plan being developed, which was planned for launch in April 2021 to cover the forthcoming 3 years.

She acknowledged and thanked all HR and other colleagues, who had contributed and collaborated in the progress achieved and on the new initiatives since 2019, details of which were provided in the report and appendices. She emphasised that much had been achieved despite the challenges of Covid-19, which was remarkable.

She requested that the Committee note the progress and achievements made on the People Plan up to 2020 and the fact that a new People Plan was being developed to cover from April 2021 for the following 2 years, aligned to Luton 2020-2040, the Corporate Plan 2021-2023 and the Council's Target Operating Model.

In the absence of any questions, the Chair moved that the recommendation to note the report be approved, which was agreed.

Resolved: (i) That the progress and achievements made on the People Plan in 2020, as detailed in the report (Ref: 12) be noted

(ii) That it be also noted that a new People Plan 2021-24 was being written, in consultation with Service Directors and Service Managers, to support delivery of Luton 2020-2040, the Corporate Plan 2021-2023 and the Council's Target Operating Model

8 Administration & Regulation Committee Work Programme 2020/21 (Ref 13)

The Service Director, Customer and Organisation Development presented the report (Ref: 13), requesting that the committee to review its work programme for the meeting on 30 March 2021, as Appendix A.

He drew members' attention to the item on 'Missing Sensitive Data on i-Trent and Leavers' Demographics 2019/2020', which would deal with the issues of the 20% missing data, including sensitive ethnicity data, discussed at minute 6 above, which would later be included in the new People Plan.

The absence of any questions, the Chair moved that the work programme for the meeting on 30 March 2021 be approved, which was agreed.

Resolved: (i) That the work programme for the meeting on 30 March 2021 be approved,

(ii) That the Democratic Services Officer be requested to update the work programme in consultation with the Service Director, Customer and Organisation Development and the Chair as required.

A member congratulated all the officers for their excellent work and the way they dealt with questions, which were handled very well.

(Note: (i) In the absence of the Chair at the beginning of the meeting, the Vice-Chair took the Chair to the end of Item 7. The Chair took over from Item 8 to the end of the meeting

(ii) The meeting ended 7.04 pm)