

Report to: The Authority
Agenda #: 13
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Subject: Appointments & Remuneration Committee
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For: Noting

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1. Purpose of paper

- 1.1 This paper has been prepared to provide the Authority with an update on the key business and agreed proposals which were made at the last Appointment and Remuneration Committee on 9 March 2018.

2. Update on Progress

2.1 Pension Scheme

Members of the committee were presented with a number of proposed changes to the police staff pension scheme which had been previously considered and reviewed by the Pensions Working Group. Agreement was sought on the proposed next steps for implementing and alternative future pension provision to ensure sustainability and affordability long-term.

- 2.2 This area of business follows on from discussions at the previous committee and Authority meeting as part of the requirement for all public services to review their pension arrangements by April 2018. It was confirmed that the Department for Transport (DfT) have agreed to an extension for the BTP/A to go live with the pension scheme from September 2018.

- 2.3 The committee were invited to consider whether the Authority should offer new police staff joiners a Defined Contribution (DC) arrangement followed by access to a Career Average Revalued Earnings (CARE) scheme after 5 years, with the option for existing staff to join the arrangements. Members were also asked their views on whether the offer of a DC arrangement should be extended to police officers.

- 2.4 Within their considerations the committee were also asked to consider the key features to be implemented as part of the CARE scheme.
- 2.5 The following was agreed in principle by the committee, subject to consultation with staff associations and employees:
- To offer new police staff joiners a DC arrangement followed by access to a CARE scheme after 5 years.
 - To pause a decision on whether to extend the offer of a DC arrangement to officer to enable further analysis to be carried out to further understand risks and sustainability.
 - To implement a CARE arrangement with the same key features as the Network Rail CARE scheme.
- 2.6 Members will be provided with an updated proposal at the next committee following consultation in relation to variations to the standard CARE benefits.
- 2.7 Gender Pay Gap
- Members of the committee were informed of the statutory requirement to report on the gender pay gap information, which must be published by 30 March 2017. This requirement is in accordance with the Equality Act 2010 (Gender Pay Information) Regulation 2017.
- 2.8 It was confirmed that the information identifies the differences in average pay between men and women to enable the Government to understand the levels of earnings. This contrasts with equal pay which identifies the differences in pay for men and women where they carry out the same or a similar role, which is not being reported on.
- 2.9 The work is said to expose and where possible, minimise or readdress any identified inequalities. The data is a snapshot as captured at 31 March 2017 and can be found at appendix A.
- 2.10 Members were advised that BTP data, alike many other organisations, has revealed that there is a pay gap. Female employees are receiving slightly less earnings than males. Although, BTP are reporting a smaller pay gap than the national average as reported by the Office of National Statistics (ONS).
- 2.11 Data is yet to become available to enable a full benchmarking exercise to be carried out with other Police Forces. Analysis will be undertaken in this regard once the publication deadline has passed.
- 2.12 It has been identified that a clear area for the organisation to work on is based on the results from the quartile data. The overall number of female employees is noteworthy, particularly those within operation roles.

- 2.13 The committee were advised of the various measures being taken to develop a more representative workforce and how early steps have shown a positive difference.
- 2.14 BTP will continue to report on this information on an annual basis. A narrative will be included and more detail will be published to set the context and explain what activity is being progressed in response.
- 2.15 Chief Officer Group Restructure
- The Appointment and Remuneration Committee was presented with a revised structure for the Chief Officer Group (COG) following the completion of the work conducted by Deloitte.
- 2.16 Members may recall that the review was commissioned to consider the structure of the top management team within the Force, primarily to enable the effective delivery of the change portfolio identified by the Target Operating Model (TOM) project, now BTP 2021.
- 2.17 The new structure can be found at appendix B. It retains the current number of police officer roles within COG but increases the number of Director positions by including a Director of People and Culture.
- 2.18 The previous Finance Director role will increase in scope to assume wider responsibility for all commercial services. This role will absorb functions previously held by the Director of Capability and Resources, which is removed from the structure. A new role of Director of Strategy and Change subsumes the functions of the current Director of Capability and Resources and will additionally take on some functions formerly led by the Deputy Chief Constable (DCC).
- 2.19 The proposed restructure was approved by the Appointments and Remuneration Committee.
- 2.20 The new roles have been independently evaluated and will now be advertised. Member representation will be obtained as part of the recruitment process.
- 2.21 Committee members have directed that a transparent and open market process is adopted in relation to the new positions.

3. Recommendation

- 3.1 Members are respectfully asked to note the contents of this paper.