



LATE REPORTS, URGENT BUSINESS and SUPPLEMENTARY INFORMATION

Council

Wednesday, 26 September 2018

The following reports were marked 'to follow' on the Agenda. They are now enclosed, as follows:

Agenda Item Number	Page	Title
11	1 - 7	PAY POLICY
		Referral from Personnel Committee.
Agenda Item Number	Page	Title
13	8 - 10	MOTION ON NOTICE - LOCAL PLAN
		Briefing Note
14	11 - 13	DESIGNATION OF SECTION 151 OFFICER
		To consider the report of the Chief Executive.



Pay Policy Statement 2018 - 2019

26 September 2018

Report of the Chief Executive

PURPOSE OF REPORT

To enable Council to approve the revised Pay Policy Statement for 2018 – 2019 for approval by Council, as required by the Localism Act 2011.

This report is public

RECOMMENDATIONS

- (1) That Council approves the revised Pay Policy Statement for 2018 – 2019, to take effect from 1st January 2019.**

1.0 Introduction

- 1.1 Section 38 of the Localism Act 2011 places a requirement on local authorities to publish a Pay Policy Statement by the 31st March in each year. The Statement for the year 2018 – 19 was approved by Council in February 2018, however changes to the Council's structure at Chief Officer level, as agreed by Council in July 2018, must be reflected in the Pay Policy Statement. This revised Statement must be approved by resolution of Council, and this function may not be delegated. The Statement sets out the Council's arrangements relating to:

- the remuneration of its Chief Officers;
- the remuneration of its lowest-paid employees, and
- the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

- 1.2 Chief Officers within this Council have been defined as the Chief Executive, the Assistant Chief Executive, three Directors and two Deputy Directors. However, the definition in the Localism Act 2011 is wide enough to cover those reporting directly to these officers, and this is covered within the Pay Policy Statement. The Pay Policy Statement should be read in conjunction with the arrangements for other aspects of Chief Officer Remuneration and Lancaster City Council's Pay and Grading Structure, 1 April 2018, which are appended to the report.
- 1.3 The draft revised Pay Policy Statement has been prepared in accordance with the requirements of the Localism Act 2011, and having regard to the guidance issued by the Department for Communities and Local Government (DCLG) under Section 40 of the Act.
- 1.4 During the course of the year, if the authority makes any determination relating to the remuneration or any other terms and conditions of a Chief Officer, it must comply with its Pay Policy Statement.
- 1.5 It is recommended that the revised Pay Policy Statement be effective from 1st January 2019, when it is expected newly appointed Directors will be in post.

2.0 Proposal Details

- 2.1 On 18th September 2018, Personnel Committee considered the revised statement and recommended that it was taken forward for approval by Council. Council is now asked to approve the revised Pay Policy Statement.

3.0 Details of Consultation

- 3.1 There has been no consultation, but in preparing the revised Statement, regard has been had to government guidance and to advice given by North West Employers.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 In order to comply with the Localism Act 2011, it is necessary for Council to approve a Pay Policy Statement. The attached draft document has been prepared by officers in order to comply with the statutory requirements.

5.0 Conclusion

- 5.1 Council is requested to approve the revised Pay Policy Statement for 2018-19.

<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) None directly arising from this report.</p>

<p>LEGAL IMPLICATIONS</p>

<p>There are no legal implications.</p>

<p>FINANCIAL IMPLICATIONS</p>

<p>There are no financial implications arising from approval of the revised Pay Policy Statement. Salaries and payments within the statement have previously been agreed at full Council, and budget provision has made in accordance with previous agreements.</p>

<p>OTHER RESOURCE IMPLICATIONS</p>

<p>Open Spaces, ICT, Property: None</p>

<p>Human Resources,</p>

<p>The Pay Policy Statement 2018 - 2019 has been prepared by the HR Manager.</p>
--

<p>DEPUTY SECTION 151 OFFICER'S COMMENTS</p>

<p>The Deputy section 151 Officer has been consulted and has no further comments.</p>

<p>DEPUTY MONITORING OFFICER'S COMMENTS</p>
--

<p>The Deputy Monitoring Officer has been consulted and her comments incorporated.</p>
--

<p>BACKGROUND PAPERS</p>	<p>Contact Officer: Dave Rigby Telephone: 01524 582180 E-mail: darigby@lancaster.gov.uk Ref:</p>
---------------------------------	---

<p>None</p>

Lancaster City Council Pay Policy Statement 2018-19

Effective from 1st January 2019

1. Introduction and Purpose

- 1.1 In accordance with the requirements of Section 38 of the Localism Act 2011, this Pay Policy statement has been produced to reflect the Council's approach to pay policy for the year 2018/19.
- 1.2 This statement sets out the Council's policies in relation to the remuneration of our Chief Officers and all other employees. It also clarifies the relationship between Chief Officer remuneration and the remuneration of our lowest paid employees.
- 1.3 The purpose of this statement is to demonstrate transparency with regards to setting the pay of Council employees.

2. Setting Terms and Conditions

- 2.1 The Council's Chief Officers, including the Chief Executive, are employed under the nationally agreed JNC terms and conditions. All other employees are employed under the nationally agreed NJC terms and conditions.
- 2.2 Pay increases relating to cost of living are agreed nationally by the NJC and JNC negotiating bodies.

3. Definitions of Chief Officers within Lancaster City Council

- 3.1 Chief Officers within this Council are currently defined as the Chief Executive, the Assistant Chief Executive, and:
 - Director for Economic Growth and Regeneration
 - Director for Communities and the Environment
 - Director of Corporate Services
 - Deputy Directors for Communities and the Environment
- 3.2 In addition to the above, the Council has a number of posts which may fall into the wider external definition of Chief Officer posts via reporting lines, although they are not designated as such within this Council. These other posts are as follows
 - Business Support Manager
 - Commercial Centre Manager
 - Council housing Building Programme Manager
 - Democratic Services Manager
 - Economic Development Manager
 - Head of Finance & S151
 - HR Manager
 - ICT Manager
 - Internal Audit Manager (**under review)
 - Principal Housing Manager
 - Private Sector Housing Manager
 - Public Protection Group Manager
 - Operations Manager- Public Realm
 - Regeneration Manager
 - Repairs and Maintenance Manager
 - Senior Property Officer
 - Sports and Leisure Manager
 - Waste & Recycling Manager

- Head of Legal Services & Monitoring Officer
- Planning Manager

- 3.3 All of the posts named at 3.2 above fall into a pay grade which currently has a maximum pay point below £50,000. The terms of service for these posts are governed by the National Joint Council for Local Government National Agreement on Terms and Conditions of Service (the NJC Green Book).
- 3.4 The Head of Legal Services & Monitoring Officer post, and the Head of Finance and S151 Officer post both attract annual allowances of £6,000 to reflect the additional responsibility the statutory roles bring.

4. Remuneration of the Chief Executive

- 4.1 The post of Chief Executive (which also acts as Head of Paid Service) is paid on a fixed salary of £111,334 as at 1 April. The post holder also acts as the Returning Officer for which additional fees are payable in relation to specific election based activities.

5. Remuneration of other Chief Officers

- 5.1 The Council has established a new salary structure applicable to the 3 Director roles and the Assistant Chief Executive role, within a band which starts from £80,000 up to a maximum of £88,000, with the band maximum being set at 10% higher than the minimum. Chief Officers will move up the band through incremental progression, linked to the achievement of objectives, following approval from Personnel Committee.

Deputy Directors are paid within a band which starts at £65,000 and has a maximum of £71,500, which again provides for 10% progression. Deputy Directors will move up the band through incremental progression, linked to the achievement of objectives, following approval from Personnel Committee.

Incremental progression for Chief Officer level roles will commence only on 1st April 2020, at the end of the first full financial year of the roles being in place.

6. Policy on Other Aspects of Chief Officer Remuneration

- 6.1 Aside from 'pay' there are other aspects of Chief Officer Remuneration which are outlined below:
- 6.1.1 **Travel and other expenses:** reimbursed through normal Council policies and procedures in the same way for all staff.
- 6.1.2 **Bonuses:** The terms of employment do not provide for the payment of any bonuses.
- 6.1.3 **Performance Related Pay:** There is an element of performance related pay applicable only to Chief Officers, in the form of incremental progression.
- 6.1.4 **Honoraria:** Honoraria payments do not apply to Chief Officer posts.
- 6.1.5 **Severance arrangements (for Chief Officers ceasing to hold office):**

The Council's normal policies in relation to redundancy and early retirement apply to these posts, in line with relevant regulations. Arrangements are the same for all employees of the Council.

Any payments falling outside the provisions above or the relevant periods of notice within the contract of employment shall be subject to formal decision made by Personnel Committee.

- 6.2 There are no provisions for any other increases or additions to Chief Officer remuneration, other than as outlined in this policy.

7. Returning Officer Fees

- 7.1 Fees for Returning Officers and other electoral duties are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda. As these relate to performance and delivery of specific election duties as and when they arise, they are distinct from the process for the determination of pay for Chief Officers.

8 Other Chief Officer Conditions of Service

- 8.1 The other terms and conditions of service are set out in the relevant conditions of service handbooks, as follows:

Chief Executive: The Joint Negotiating Committee for Local Authority Chief Executives – Conditions of Service

All other Chief Officers: The Joint Negotiating Committee for Chief Officers in Local Authorities – Conditions of Service

9. Pension Contributions

- 9.1 For all employees, including Chief Officers, where employees have exercised their right to be a member of the Local Government Pension Scheme, the Council will make contributions to the Pension Fund in line with the Employer contribution rates determined by the Actuary.

10. Recruitment of Chief Officers

- 10.1 The Council's policy and procedures in relation to the recruitment of Chief Officers is set out within the Council's Constitution.
- 10.2 When recruiting for all posts, the Council will take full and proper account of all provisions of employment legislation and its own agreed policies.
- 10.3 The remuneration offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. New appointments for staff up to and including Chief Officers are normally made at the minimum of the grade for the post, although this can be varied if necessary to ensure the best candidate can be appointed.
- 10.4 Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service' (rather than them being direct employees of the Council). These will be sourced through a relevant recruitment process, under relevant Officer delegations, ensuring the Council is able to demonstrate the maximum value for money from securing the service.

11. Approval of Salary Packages in Excess of £100K

- 11.1 Before any offer of appointment is made, the Council will ensure that salary packages in excess of £100,000 will be considered by full Council. This salary package will be defined as base salary, bonuses, fees, routinely payable allowances and any benefits in kind which are due under the contract.

12. Re- Employment of Former Chief Officers

- 12.1 Former Chief Officers who were in receipt of redundancy or other severance payments may only be considered for re-employment with the Council (which includes engagement through a contract for services) after a period of 12 months has elapsed since their termination date.

13. Publication and Access to Information regarding Chief Officer Remuneration

- 13.1 Upon approval by Council, the Pay Policy Statement will be published on the Council's website. In addition, relevant information will be reported in the Council's annual Statement of Accounts.

14. Payment of Lower Paid Employees within the Council

- 14.1 The Council uses the NJC negotiated pay spine (i.e. a nationally agreed and defined list of salary points) as the basis for its local pay structure, which determines the salaries for the large majority of its workforce.
- 14.2 The Council operates a Job Evaluation Scheme to determine the pay grade for posts below Chief Officer level, and uses the Greater London Provincial Councils (GLPC) scheme.
- 14.3 The Council ensures that all staff (aside from Apprentices) are paid at least the 'Real Living Wage' rate. Spinal Column Point (SCP) 10 automatically defaults to the Living Wage on 01 April each year and the Council uses this to define its 'lowest paid' employees.
- 14.4 Where the Council experiences a difficulty in recruiting or retaining staff to a particular post, a temporary market supplement may be applied to the salary grade in accordance with the Council's Market Supplement Policy.
- 14.5 The Council employs Apprentices who are not considered within the definition of 'lowest paid employees'. They are paid under the separate Apprentice Pay Rates, the highest of which equates to the real Living Wage rate.
- 14.6 The Council does not have a policy on maintaining a specific pay ratio between its Chief Officers and its lowest paid staff, although it is conscious of the need to ensure that Chief Officer salaries are not excessive.
- 14.7 The pay levels from 1 April 2018 within the Council define the multiple between the median full time equivalent earnings and:
- the Chief Executive as 1:5.3
 - the 5 Chief Officers as 1:3.2
- 14.8 The pay levels from 1 April 2018 within the Council define the multiple between the lowest earnings and
- the Chief Executive as 1:6.6
 - the 5 Chief Officers as 1:4.0

15. Pension Contributions

- 15.1 Where employees have exercised their right to join the Local Government Pension Scheme, the Council agrees to contribute to the Scheme at rates set by Actuaries.

16. Payments on Termination

- 16.1 The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to retirement, is set out within its policy statement and in accordance with:
- Local Government (Early Termination of Employment Discretionary Compensation) (England and Wales) Regulations 2006.
 - Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.
 - Local Government Pension Scheme (Admin) Regulations 2008 (regulation 66).
 - The Local Government Pension Scheme Regulations 2013.
 - The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

17. Changes to Pay Policy

- 17.1 Should any amendments be required to this policy during the year, then matters will be reported to the Personnel Committee for consideration, for subsequent referral to Council.

18. Accountability and Decision Making

- 18.1 In accordance with the Constitution of the Council, the Personnel Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

NOTICE OF MOTION – LOCAL PLAN

To be proposed by Councillor Tim Hamilton-Cox and seconded by Councillor Caroline Jackson and Dave Brookes

This council notes that:

1) Among the four recommendations approved by full council on 20th December in connection with 'Advancing the Local Plan for Lancaster district', the second recommendation stated:

'[Full council] Delegates to the Chief Officer (Regeneration and Planning) the authority to make minor changes to improve the clarity, consistency and appearance of the documents and policies maps, and, insert additional illustrative or factual material prior to formal publication and submission.'

2) The edition of the 'STRATEGIC POLICIES & LAND ALLOCATIONS DPD - PRE EXAMINATION (AUGUST 2018) presented to Planning Policy cabinet liaison group (PPCLG) at its meeting on 11th September, contained a significant number of 'suggested modifications' which were described variously as both 'minor' and 'main'.

3) PPCLG 'is a non-decision making consultative forum' and therefore is not in a position to formally approve the suggested 'main' modifications on behalf of full council.

Accordingly, full council resolves to bring the edition of the 'STRATEGIC POLICIES & LAND ALLOCATIONS DPD', which is to be submitted to the public examination starting in January 2019, back to full council on 14th November. This will ensure that full council has an opportunity to debate the revised content, and to amend and approve the development plan document as necessary.

OFFICER BRIEFING NOTE

On 20th December 2017 Lancaster City Council made a formal decision to publish and submit its Local Plan documents to the Government for Examination. Officers did make changes which fall within the definition provided by the recommendation that accompanied the report. The Local Plan documents were formally submitted to the Government on 15th May 2018. At that point the independent Examination of the Council's submitted Local Plan commenced. The Inspector is charged with determining if the plan **as submitted** has been properly prepared, that is, to determine if it is "sound".

The Inspector, Richard McCoy, has only three options: he can conclude that the;

- Local Plan as submitted is sound
- Local Plan as submitted is unsound
- Local Plan as submitted, but with modifications, can meet both the legal requirements and the criteria for soundness in the National Planning Policy Framework.

By far the most common outcome from Local Plan Examinations is the third option and it would be unrealistic to anticipate that complex Local Plan documents will be found sound precisely as submitted. Planning Inspectors are advised to work proactively with the local planning authorities to clarify and address any fundamental concerns identified. Where an Inspector is likely to conclude that the plan could be made sound with modifications he will be asked by the Council to recommend modifications to the Local Plan that would address the issues with soundness or procedural requirements that he has identified.

For clarity, the Inspector can only recommend modifications if he asked to do so by the Council. If the Council requests that the Inspector recommends modifications then these will

be set out in an appendix to his report. The Council must then choose to either **adopt** the Local Plan that it prepared and submitted with the modifications that it asked the Inspector to make, or, to **not adopt** the Local Plan that it prepared and submitted with the modifications that it asked the Inspector to make.

As the Examination hearing sessions do not commence until January 2019, the process has not reached that point yet.

In order for it to be reported to Council in December 2017 the Local Plan as published was very largely complete by the autumn of 2017. In the intervening 12 months there have been significant changes to national policy, including the publication of the new National Planning Policy Framework, updates to Planning Practice Guidance, and updates to many evidence base documents, including the annual housing land monitoring report. It is prudent to ensure that consideration is given to the implication of these updates on the effectiveness of the Local Plan's content.

The Planning Policy Cabinet Liaison Group (PPCLG) was not asked to formally approve the suggested 'main' modifications on behalf of full council. Specifically, in the capacity of advising the cabinet member, the report asked for acknowledgement of the continuing preparation of the evidence base which informs the Local Plan and the **endorsement of draft suggested Modifications** to the Local Plan which had been prepared to provide greater clarity and respond to some of the issues raised by representations received following publication.

Members were advised that it would be useful to undertake a period of informal consultation in the autumn on these draft suggested modifications as this would provide an opportunity for informal comments to be received from any party who had a view on how the Local Plan might be revised to take account of the comments that they made during the formal publication period and changing circumstances. The draft suggested Modifications have no formal status. Similar informal consultations have been held prior to the Examination of all previous Development Plan Documents. Previously Local Plan Inspectors have found it useful to have an indication from the Council of how the Local Plan's content could be revised to take account of comments received and updated evidence in advance of the Examination Hearing sessions. Consideration of how wording changes could resolve issue can help shape the Inspector's consideration of the submitted documents.

In the period following the Hearing Sessions that the Council will need to ask the Inspector to recommend modifications to the Local Plan that would address any issues with soundness or procedural requirements that he has identified. Any such modifications may be shaped by the Inspector's consideration, at the Examination Hearing Sessions, of the draft suggested modifications and informal responses received.

It is anticipated that the request for the Inspector to make recommendations on modifications, if required, following the Hearing Sessions, would be made by the Portfolio Holder for Regeneration and Planning.

However, the decision on whether or not to adopt the Local Plan with the Inspector's recommendations, if he is minded to find it sound, can only be made by full Council. This is anticipated in 2019.

FINANCIAL IMPACT

N/A

SECTION 151 OFFICER COMMENTS

The Deputy Section 151 Officer has been consulted and has no further comments.

MONITORING OFFICER COMMENTS

The Monitoring Officer has seen this note. The Cabinet Liaison Group advises the Cabinet Member. The modifications are usually are designed to assist the inspector to understand the impact of changes in regulations or central government. At the conclusion of the process full council will be asked to adopt or not adopt the local plan.

COUNCIL

Designation of Section 151 Officer Responsibility 26 September 2018

Report of the Chief Executive

PURPOSE OF REPORT
To enable the Council to designate an officer to be Section 151 Officer with effect from 15 October 2018.
This report is public

RECOMMENDATIONS

- (1) That the newly appointed interim Head of Financial Services, Daniel Bates, be designated as the Council's Section 151 Officer with effect from 15 October 2018, for the purposes of section 151 of the Local Government Act 1972.
- (2) That the net cost of the interim appointment (£38K) be met from the Budget Support Reserve.

1.0 Introduction

- 1.1 Every local authority must make arrangements for the proper administration of its financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs; that officer should be designated as the Section 151 Officer. This is a statutory chief officer level responsibility.
- 1.2 The Council's previous S151 Officer recently left the organisation, and the deputy S151 Officer (and current Head of Financial Services) leaves the Council on 14 October 2018. Had the deputy S151 Officer not been leaving the Council, this report would have been to recommend that he would be designated as S151 Officer.
- 1.3 The Council has recently commenced the process to recruit permanently to the post of Head of Finance & S151 Officer. It is envisaged that an appointment to the permanent post will be made during October / November 2018, with a start date of January or February 2019, allowing for a 3 month notice period. This will mean a potential gap, both in the management of the Financial Services team, but also for the role of S151 Officer.
- 1.4 To bridge that gap, an interim manager has been appointed as interim Head of Finance, starting on 2nd October 2018, and it is proposed he is designated,

by full Council, as S151 Officer, for the period to 28th February 2019, by which time a permanent replacement should have joined the Council. Taking the appointment to the end of February will allow for continuity during the budget setting process up to Budget Council. In addition, it will also allow for a period of hand over to the newly appointed Head of Financial Services.

- 1.5 Mr Bates has significant experience in local government and, more recently central government, having worked in the sector for more than 25 years across organisations at all levels, ranging from district councils, to unitary authorities and HM Treasury. He is CIPFA qualified and has acted as S151 and Deputy S151 Officer in other authorities, most recently East Hants District Council and Havant Borough Council.
- 1.6 This proposal was considered by Personnel Committee on 18th September 2018, and the Committee agreed to recommend Mr Bates' appointment as S151 Officer to full Council.

2.0 Proposal Details

- 2.1 It is proposed therefore that Daniel Bates be designated as the S151 Officer for the period from 15 October 2018 to 28th February 2019.

3.0 Conclusion

- 3.1 Council is asked to approve this designation.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

There is no impact

LEGAL IMPLICATIONS

The Council is legally obliged to appoint a S151 Officer

FINANCIAL IMPLICATIONS

The day rate for Mr Bates is £695, and he will be working 4 days each week.

Other suitable candidates were found for the role, however these were at a substantially higher cost than Mr Bates, with day rates ranging between £853 and £1,036.

Whilst part of the cost of Mr Bates' appointment will be met from the savings of the vacant permanent Head of Finance role, there is additional cost to the Council. The cost of the interim appointment will be £54,210 less vacancy savings of £15,750 leaving £38,460 which will need to be met from the Budget Support Reserve.

OTHER RESOURCE IMPLICATIONS

There are no other resource implications.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer is a statutory role and as stated in the report every Council must have a designated officer to fulfil that role. The interim appointment will ensure the Council fulfils that duty and will provide the necessary professional advice and support during the forthcoming budget setting process.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

None

Contact Officer: Susan Parsonage

Telephone: 01524 582011

E-mail: sparsonage@lancaster.gov.uk

Ref: