



URGENT BUSINESS

Personnel Committee

Thursday, 12 March 2020

The following report has been accepted by the Chair as urgent business.

The reason for urgency is that a Pay Policy for 2020/21 must be agreed by Council by 31st March 2020; a draft must be recommended to Council by the Personnel Committee (as per Personnel Committee's Terms of Reference in the Constitution). Council meets on 18th March 2020.

Agenda Item Number	Page	Title
4	2 - 10	ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIR PAY POLICY STATEMENT 2020/2021

PERSONNEL COMMITTEE

URGENT BUSINESS Pay Policy Statement 2020-2021 12 March 2020

Report of the Head of HR

PURPOSE OF REPORT

To ask that Personnel Committee consider and recommend to Full Council the Pay Policy Statement for 2020 – 2021 as required by the Localism Act 2011.

This report is public.

RECOMMENDATION

- (1) To consider and recommend to Full Council, on 18 March 2020, the Pay Policy Statement 2020-21.

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. This includes the remuneration of its chief officers. This 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 The 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.

2.0 Proposal Details

- 2.1 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.
- 2.2 It is recommended that the revised Pay Policy Statement be effective from 1st April 2020.

3.0 Details of Consultation

There has been no consultation, but in preparing the revised Statement, regard has been had to Government guidance.

4.0 Options and Options Analysis (including risk assessment)

In order to comply with the Localism Act 2011, it is necessary for Council to approve a Pay Policy Statement.

5.0 Conclusion

- 5.1 Personnel Committee is requested to approve the Pay Policy Statement for 2020-2021.

CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing): None directly arising from this report.	
LEGAL IMPLICATIONS The legal requirement to publish the annual Pay Policy Statement is contained within the report.	
FINANCIAL IMPLICATIONS There are no financial implications arising from approval of the 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.	
OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces The Pay Policy Statement 2020 - 2021 has been prepared by the Head of HR	
SECTION 151 OFFICER'S COMMENTS The s151 Officer has been consulted and has no additional comments.	
MONITORING OFFICER'S COMMENTS The role of Chief Officers is critical to the performance of the Council. The Head of Paid Service, S151 Officer and Monitoring Officer are statutory post and must be maintained.	
BACKGROUND PAPERS Pay and Grading Structure Guidance issued by the Department for Communities and Local Government (DCLG) under Section 40 of the Localism Act 2011.	Contact Officer: Jayne Cordley-Williams Telephone: 01524 582179 Email: jcwilliams@lancaster.gov.uk Ref:

Lancaster City Council Pay Policy Statement 2020-21

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 2020/2021
- 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 Joint Negotiating Committee (JNC) terms and conditions. All other employees are employed under the nationally agreed National Joint Council (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 (in senior positions) within this Council are currently defined as the Chief Executive, and:
 - Director for Economic Growth and Regeneration
 - Director for Communities and the Environment
 - Director of Corporate Services
 - Deputy Director for Communities and the Environment
 - Chief Finance Officer (S151)
 - Monitoring Officer
- 3.2 In addition to the above, the Council has a number of posts which may fall into the wider statutory definition of Chief Officer posts via reporting lines, although they are not designated as such within this Council. These other posts are as follows
 - Democratic Services Manager
 - Head of Economic Development
 - Head of HR
 - Senior Head of People & Transformation
 - Head of ICT
 - Head of Internal Audit
 - Planning Manager
 - Service Manager Economy & Commerce
 - Service Manager Culture & Heritage
 - Head of Public Realm
 - Head of Regeneration & Investment
 - Repairs and Maintenance Manager
 - Head of Communities & Involvement
 - Head of Housing
 - Head of Public Protection
 - Head of Planning & Place
 - Senior Property Officer
 - Head of Legal Services
 - Head of Financial Services
 - Community Connector Manager
- 3.3 All the posts named at 3.2 above fall into a pay grade which currently has a maximum pay point below £64,269. 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) and accordance with the new pay and grading structure 2020.

- 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 £113,560 as at 1 April 2019, inclusive of the 2% pay award effective from that date. This currently remains the same in 2020-2021, pending any pay award agreement.
- 4.2 The Council's Head of Paid Service as at 1 April 2019 is appointed for a defined term through to 31 October 2019. Once an appointee to the permanent role is confirmed, the Head of Paid Service will be subject to a pay band of £110,000 to £121,000, where progression through the band will be linked to the achievement of objectives.

5. Remuneration of other Chief Officers

- 5.1 The 3 Director roles are paid within a band which starts from £81,600 up to a maximum of £89,760, with the band maximum being set at 10% higher than the minimum. These amounts are inclusive of the 2% pay award effective from 1 April 2019. There has not been an agreement of pay award for 2020-2021, therefore the salary will remain the same as 2019, until advised. These 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 £66,300 and has a maximum of £72,930, 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.

Statutory Chief Officers are remunerated in accordance with their technical expertise and background

Incremental progression for Chief Officer level roles will commence on 1st April 2020, at the end of the first full financial year of the new 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 to Chief Officers and the Head of Paid Service, 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 most 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 Willis Towers Watson Global Grading 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 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.

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.

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LCC NEW Grades (GGS)		Annual £	New SCP	Developmental Points	
	Grade 5	18065	3		
	Grade 6	18426	4	Grade 5-6	
		18795	5		
		19171	6		
Grade 7		19554	7		Grade 6-7 A
		19945	8	Grade 6-7 B	
		20344	9		
		21166	11		
		21589	12		
	22462	14			
	22911	15			
	Grade 8	23836	17		
24799		19	Grade 7-8 A		
25295		20	Grade 7-8 B		
26317		22			
26999		23			
27905		24			
Grade 9		28785	25		
		29636	26		Grade 8-9 A
		30507	27		Grade 8-9 B
		31371	28		
	Grade 10	32029	29		
		32878	30		
		33799	31		Grade 9-10 A
		34788	32		Grade 9-10 B
		35934	33		
		36876	34		
Grade 11		37849	35		
		38813	36		Grade 10-11 A
		39782	37		Grade 10-11 B
	Grade 12	40760	38		
		41675	39		Grade 11-12 A
		42683	40		Grade 11-12 B
		43662	41		
		44632	42		
		45591	43		
Grade 13		46557	44	Grade 12-13 A	
		47536	45	Grade 12-13 B	
		48534	46		
Grade 14		49414	47		
		51300	48		Grade 13-14 A
		52338	49		Grade 13-14 B
		53908	50		
		55525	51		
		57191	52		
		58907	53		
		60674	54		
		62494	55		
		64369	56		

No change from 2019

Posts		Annual £
Deputy Director	1	66300
	2	66963
	3	67626
	4	68289
	5	68952
	6	69615
	7	70278
	8	70941
	9	71604
	10	72267
	11	72930
Director	1	81600
	2	82416
	3	83232
	4	84048
	5	84864
	6	85680
	7	86496
	8	87312
	9	88128
	10	88944
	11	89760
Chief Executive		113560

Note: No pay awards agreed, figures are the same as 2019