



Committee: PERSONNEL COMMITTEE
Date: WEDNESDAY, 9 MARCH 2022
Venue: MORECAMBE TOWN HALL
Time: 6.10 P.M.

A G E N D A

1. **Apologies for absence**

2. **Minutes**

Minutes of meeting held on 4th November 2021 (previously circulated).

3. **Declarations of Interest**

To receive declarations by Councillors of interests in respect of items on this Agenda.

Councillors are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Councillors should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Councillors are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

4. **Items of Urgent Business authorised by the Chair**

5. **Pay Policy Statement 2022-2023 (Pages 3 - 11)**

Report of the Director of Corporate Services.

Published on 9th March 2022.

ADMINISTRATIVE ARRANGEMENTS

(i) **Membership**

Councillors Paul Anderton (Chair), Oliver Robinson (Vice-Chair), Roger Cleet, Mel Guilding, Caroline Jackson, Alistair Sinclair and Jason Wood

(ii) Substitute Membership

Councillors Phillip Black (Substitute), Roger Dennison (Substitute), Adrian De La Mare (Substitute), Merv Evans (Substitute), Mandy King (Substitute), Malcolm Thomas (Substitute) and Joanna Young (Substitute)

(iii) Queries regarding this Agenda

Please contact Stephen Metcalfe, Democratic Services - email sjmetcalfe@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Democratic Support email democracy@lancaster.gov.uk.

KIERAN KEANE,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER, LA1 1PJ

Published on Tuesday, 1st March 2022.

PERSONNEL COMMITTEE**Pay Policy Statement 2022-2023****9 March 2022****Report of the Director of Corporate Services****PURPOSE OF REPORT**

To ask that Personnel Committee consider and recommend to Full Council the Pay Policy Statement for 2022 – 2023 as required by the Localism Act 2011.

This report is public.

RECOMMENDATIONS

- (1) **To consider and recommend to Full Council, on 16th March 2023, the Pay Policy Statement 2022-23.**

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

2022.

3.0 Details of Consultation

There has been no consultation, but in preparing the revised Statement, regard has been made to Government guidance and national negotiations and consultations.

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

Personnel Committee is requested to approve and recommend to Full Council the Pay Policy Statement for 2022-2023

CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):
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None directly arising from this report.

LEGAL IMPLICATIONS

The Council has a statutory obligation, pursuant to s38 of the Localism Act 2011 to approve annually a Pay Policy Statement.
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FINANCIAL IMPLICATIONS

This year the pay settlements for the Green Book (1.75%) and Chief Officers (1.5%) have been received much later than is usually the case. The revenue budget for 2021-22 included no inflation in line with the government announcement on a public sector pay freeze. Once it was known that a pay award was being offered, an estimated 2.0% was included for 2021-22 in the calculation of the base budget for 2022-23 (alongside a 2.0% increase for that year too). The impact of this has been included within quarterly monitoring throughout the year.

With regard to 2022-23, discussions regarding the pay award have not yet taken place. However, as outlined above, the calculated budget now includes a further tolerance of 0.25% for Green Book employees and 0.5% for Chief Officers. These budgets will be monitored as part of the Council's usual monitoring arrangements and any variances will be highlighted at the earliest opportunity prior to inclusion in the budget as part of the 2023-24 budget setting process.
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OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces
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The Pay Policy Statement 2022-2023 has been prepared by HR.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no additional comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

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: Sarah Davies
Telephone: 01524 582009
Email: sdavies@lancaster.gov.uk
Ref:

Lancaster City Council Pay Policy Statement 2022-23

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 2021/2022.
- 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 regard 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 Communities and the Environment
 - Director of Corporate Services
 - Director for Economic Growth and Regeneration
 - 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
 - Head of Community Involvement & Leisure
 - Head of Democratic Services
 - Head of Economic Development
 - Head of Financial Services
 - Head of Housing
 - Head of HR
 - Head of ICT
 - Head of Legal Services
 - Head of Planning & Place
 - Head of Property, Investment & Regeneration
 - Head of Public Protection
 - Head of Public Realm
- 3.3 All the posts named at 3.2 have been evaluated to fall into a pay grade which currently starts from £53,633 up to a maximum pay point of £67,296 (Grade 14). 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 pay and grading structure introduced in 2020.

- 3.4 The Monitoring Officer role attached to the Head of Legal Services role, and 151 Officer role attached to the Head of Financial Services post are paid an Allowance. For 2022/23 onwards to ensure that appropriate skills, capacity and resilience arrangements are in place an allowance of £9,000 is made for the Monitoring Officer and 151 Officer roles and an allowance of £6,000 is made to be divided up and awarded pro rata to Deputies carrying out these statutory functions (e.g. 1 deputy for each role would attract £6,000, 2 Deputies £3,000 each). Note, where the statutory function is carried out by a Director or Deputy Director of the Authority, it is expected that the existing roles are remunerated at a sufficient level to accommodate the Allowance and no further payment would be made.

4. Remuneration of the Chief Executive

- 4.1 The post of Chief Executive (which also acts as Head of Paid Service) has been paid on a fixed salary of £118,433 as at 1 April 2021. The Chief Executive Recruitment Committee has met and set a salary expectation for appointments to this role from 1st April 2022 onwards at £120,000 (plus latest pay award) effective from that date. This was agreed for the Interim Chief Executive post at Council on 23rd February 2022 and will be included in the permanent appointment report to Full Council expected to take place on 16th March 2022.
- 4.2 The Council's Head of Paid Service is appointed for a defined term through to 31 March 2022. This role is incorporated into the Chief Executive post and its remuneration arrangements are described in 4.1.

5. Remuneration of other Chief Officers

- 5.1 The 3 Director roles are paid within a band which starts from £85,102 up to a maximum of £93,611, with the band maximum being set at 10% higher than the minimum. These amounts are inclusive of the 1.5% pay award effective from 1 April 2021. There has not been an agreement of pay award for 2022-2023, therefore the salary will remain the same as 2021, pending any national pay award agreement. These Chief Officers will move up the band through incremental progression, linked to the achievement of objectives, following approval from Personnel Committee. Appraisals will be conducted after the end of the financial year in order to ensure that a whole years' performance is taken into account. A decision whether to award the increment or not will then be applied as a pay adjustment approved by Personnel Committee.

Deputy Directors are paid within a band which starts at £69,145 and has a maximum of £76,060, 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. Appraisals will be conducted after the end of the financial year in order to ensure that a whole years performance is taken into account. A decision whether to award the increment or not will then be applied as a pay adjustment approved by Personnel Committee.

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

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. The Council uses the NJC payspine SCP 3-49. In April 2020 the grades within the payspine were renamed, but the SCP's within them remain the same.
- 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) 3 automatically defaults to the Living Wage on 01 April each year and the Council uses this to define its 'lowest paid' employees.
- 14.4 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. Following conclusions of National negotiations, the Council will work towards a minimum wage of £10 per hour.
- 14.5 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.
- 14.6 The nationally negotiated pay settlements have not yet been made for the JNC, however an interim settlement has been reached. We are ensuring that we are compliant with their requirement for an uplift in Grade 2 (Building Labourer) pay to ensure ongoing compliance with the statutory National Living Wage and are prepared to further review this for relevant grades and salaries once a final settlement is agreed.

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 developing and reviewing Council policy in respect of human resources, staff and conditions of service and HR matters pertaining to Chief Officers. They also consider and deal with voluntary severance and other personnel or HR matters that are not delegated to officers.
- 18.2 The Chief Executive, in accordance with the Council's constitution, is able to determine Chief Officer applications under the Family Leave Scheme and Flexible Working Hours Scheme. They also deal with disciplinary matters of staff below Chief Officer level and can approve acting up and honorarium payments and severance payments up to £50,000.
- 18.3 Head of Service, in accordance with the Council's scheme of delegation are responsible for personnel or HR matters pertaining below Chief Officer level.

01 April 2020			01 April 2020	
New Global Grading System Grade (GGS)	Annual £	New SCP	Development Points	
G5	18562	3		
	18933	4	GG5-6	
G6	19312	5		
	19698	6		
	20092	7		
	20493	8	GG6-7	
	20903	9		
	21748	11		
	22183	12		
	23080	14		
	23541	15		
	G7	24491	17	
25481		19	GG7-8	
25991		20		
27041		22		
27741		23		
28672		24		
29577		25		
30451		26	GG8-9	
31346		27		
32234		28		
G8	32910	29		
	33782	30		
	34728	31	GG9-10	
	35745	32		
	36922	33		
	37890	34		
	38890	35		
	39880	36	GG10-11	
	40876	37		
	41881	38		
G9	42821	39	GG11-12	
	43857	40		
	44863	41		
	45859	42		
	46845	43		
	47837	44	GG12-13	
	48843	45		
	49869	46		
	50773	47		
	52711	48	GG13-14	
G10	53777	49		
	55391	50		
	57052	51		
	58764	52		
	60527	53		
	62343	54		
	64213	55		
	66139	56		
	68123	57	GG14-15	
	68804	58		
G11	69486	59		
	70167	60		
	70848	61		
	71529	62		
	72211	63		
	72892	64		
	73573	65		
	74254	66		
	74936	67		
	83444	68		
G12	84682	69		
	85521	70		
	86359	71		
	87198	72		
	88036	73		
	88875	74		
	89713	75		
	90552	76		
	91390	77		
	92228	78		
G13	92228	79		
	116683	80		
G14				
G15				
G16				
G17				
G18				

01 April 2021 pay award			01 April 2021	
Global Grading System Grade (GGS)	Annual £	New SCP	Development Points	
G5	18887	3		
	19264	4	GG5-6	
G6	19650	5		
	20043	6		
	20444	7		
	20852	8	GG6-7	
	21269	9		
	22129	11		
	22571	12		
	23484	14		
	23953	15		
	G7	24920	17	
25927		19	GG7-8	
26446		20		
27514		22		
28226		23		
29174		24		
30095		25		
30984		26	GG8-9	
31895		27		
32798		28		
G8	33486	29		
	34373	30		
	35336	31	GG9-10	
	36371	32		
	37568	33		
	38553	34		
	39571	35		
	40578	36	GG10-11	
	41591	37		
	42614	38		
G9	43570	39	GG11-12	
	44624	40		
	45648	41		
	46662	42		
	47665	43		
	48674	44	GG12-13	
	49698	45		
	50742	46		
	51662	47		
	53633	48	GG13-14	
G10	54718	49		
	56360	50		
	58050	51		
	59792	52		
	61586	53		
	63434	54		
	65337	55		
	67296	56		
	69145	57	GG14-15	
	69836	58		
G11	70528	59		
	71220	60		
	71911	61		
	72602	62		
	73294	63		
	73985	64		
	74677	65		
	75368	66		
	76060	67		
	85102	68		
G12	85952	69		
	86804	70		
	87654	71		
	88506	72		
	89357	73		
	90208	74		
	91059	75		
	91910	76		
	92761	77		
	93611	78		
G13	93611	79		
	118433	80		
G14				
G15				
G16				
G17				
G18				