

## **Pay Policy Statement 2016 - 2017**

**2 March 2016**

### **Report of the HR & OD Manager**

#### **PURPOSE OF REPORT**

To enable the Council to approve its Pay Policy Statement for 2016 - 2017, as required by the Localism Act 2011.

**This report is public**

#### **RECOMMENDATIONS**

- (1) That Council approve for publication the Pay Policy Statement for 2016 – 2017 as set out at Appendix One to this report.**

#### **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 must be approved by resolution of Council, and this function may not be delegated. The Statement must set out the Council's policies 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 and the five Chief Officers. 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.

1.3 The draft Pay Policy Statement attached to this report at Appendix One 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 The Council's Pay Policy Statement 2015 – 2016 was approved on the 4 March 2015. Members will recall that an amendment to this policy was approved on 21 October 2015, as a result of the Council adopting the Living Wage rate as the base rate of pay for all employees, except those on apprenticeship contracts. The amended document has now been updated for 2016 -2017, and has been drafted in accordance with guidance issued by the DCLG. The Act provides for the policy to be amended during the year to which it relates by resolution, if required.

1.5 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.

- 1.6 The Chief Officer (Governance) was formerly designated as the Monitoring Officer. However, that post is currently vacant, and at its meeting on 3 February 2016 Full Council designated the Democratic Services Manager as the Monitoring Officer from 1 March 2016. The remuneration for the additional duties is addressed by the payment of an honorarium. The total remuneration for the post, inclusive of the duties of Monitoring Officer, does not exceed SCP 53 (currently £46,559). This appointment does not affect the Council's pay policy arrangements.
- 1.7 Council minute 57 (2) 2009 requested that officers review and amend the structure (Pay and Grading Structure) within two years. Since the implementation of the current structure on 1 April 2010 the Council's organisational structure has been the subject of a number of reviews which have resulted in significant changes to staffing arrangements. Although since 2011 work has been undertaken to identify the options for a revised pay and grading structure, no alternative solution has yet been developed. Therefore consideration needs to be given during 2016/17 as to whether the current pay and grading structure is appropriate to the current needs of the Council and what alternatives are available. To complete this work it will be necessary to secure additional capacity beyond current resources.

## **2.0 Proposal Details**

- 2.1 Council is requested to approve the Pay Policy Statement at Appendix One.

## **3.0 Details of Consultation**

- 3.1 There has been no consultation, but in preparing the 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. Whilst it would be possible for Council to make amendments to the draft document, the approved document must meet the requirements of the Act.

## **5.0 Conclusion**

- 5.1 Council is asked to approve its Pay Policy Statement.

**CONCLUSION OF IMPACT ASSESSMENT****(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

None directly arising from this report. The Pay Policy Statement does not supersede the responsibilities of the Council under employment law, relating to equality and human rights.

**LEGAL IMPLICATIONS**

The legal implications are set out in the report.

**FINANCIAL IMPLICATIONS**

There are no financial implications directly arising from this report. As far as possible, the draft budget elsewhere on the agenda reflects the Pay Policy statement and any financial implications arising during the course of next year would be addressed as a matter of course, through the appropriate decision-making and reporting channels. Resource implications of undertaking a further pay and grading review as mentioned in section 1.7 would need to be met from the Council's reserves, such as Restructuring/Budget Support.

**OTHER RESOURCE IMPLICATIONS****Human Resources:**

The Pay Policy Statement 2016 - 2017 at Appendix One has been prepared by the HR & OD Manager.

**Information Services:** None

**Property:** None

**Open Spaces:** None

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted. The future consideration of the pay and grading structure as referred to in section 1.7 will need to feed into future corporate planning and budgeting processes.

**MONITORING OFFICER'S COMMENTS**

The Chief Officer (Governance) as Monitoring Officer at the time of publication of this report, has been consulted and has no further comments.

**BACKGROUND PAPERS**

None

**Contact Officer:** Stuart Hampson

**Telephone:** 01524 582076

**E-mail:** [shampson@lancaster.gov.uk](mailto:shampson@lancaster.gov.uk)

**Ref:**