

# **Lancaster City Council Pay Policy Statement 2025 - 2026**

## **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 2025/2026.
- 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:
  - Chief Officer – Resources (S151)
  - Chief Officer – Governance (Monitoring Officer)
  - Chief Officer – People and Policy
  - Chief Officer – Planning and Climate Change
  - Chief Officer – Sustainable Growth
  - Chief Officer – Environment and Place
  - Chief Officer – Housing and Property
- 3.2 In addition to the above, the Council has further 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
  - Senior Manager – Democratic Services
  - Senior Manager - ICT
- 3.3 All the posts named at 3.2 fall into a pay grade which currently starts from £59,157 up to a maximum pay point of £73,705 (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).
- 3.4 The Monitoring Officer function attached to the Chief Officer – Governance post, and the Section 151 Officer role attached to the Chief Officer – Resources posts are paid an allowance for this responsibility.

An allowance of £9,000 (per annum) is made for the Monitoring Officer and 151 Officer functions. An allowance of £6,000 per annum is 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).

#### **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 £131,256. There has not been an agreement of pay award for 2025/2026, therefore the salary will remain the same as 2024/2025, pending any national pay award agreement.

#### **5. Remuneration of other Chief Officers**

- 5.1 Chief Officers are paid within a band which starts from £75,396 up to a maximum of £82,732. There has not been an agreement of pay award for 2025/2026, therefore the salary will remain the same as 2024/2025, pending any national pay award agreement.

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 **Honoraria:** through normal Council policies and procedures in the same way for all staff.

- 6.1.4 **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.

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 People and OD Committee, as per the constitution.

- 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 It is the Council's policy not to re-employ any Chief Officer who was previously made redundant from the authority / received any other severance payment, or later engage them under a contract for service or interim contract except under exceptional circumstances

## **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 - 47.
- 14.2 The Council operates a Job Evaluation Scheme to determine the pay grade for posts and uses the Willis Towers Watson Global Grading Scheme. Job evaluation is carried out by the HR team and recognised Trade Unions are given the opportunity to review the scoring.
- 14.3 The Council ensures that all staff (aside from Apprentices) are paid at least the 'Real Living Wage' rate. The lowest pay rate within the pay structure is Spinal Column Point (SCP) 3, which is uplifted to ensure the Council pays the Living Wage on 1<sup>st</sup> April each year.
- 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.
- 14.5 The Hutton Report recommends the use of Chief Executive pay compared to median earnings as a relevant measure of the relationship between pay rates across the workforce and the data transparency code recommends the publication of the ratio between the highest paid salary and the median average salary of the whole of the authority's workforce.

For information, as of 1 May 2025, the Council employed 676 full time-equivalents in post and therefore the median average salary has been calculated as the 338th occurrence which for 2025/26 equates to £30,060 per annum. The lowest earnings is currently £24,309 per annum. Both amounts are pay award pending.

- As of 1 May 2025, The pay levels within the Council define the multiple between the median (average) full time equivalent earnings and the Chief Executive as 1:4.37. Put simpler, the Chief Executive pay is equal to 4.37 median salary amounts
- As of 1 May 2025, the pay levels within the Council define the multiple between the lowest earnings and the Chief Executive as 1:5.40. Put simpler, the Chief Executive pay is equal to 5.40 lowest salary amounts
- The ratio is significantly below the ceiling ratio of 1:20 for the public sector recommended by The Hutton Review in order to support fair and equal pay.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

## **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 People and OD Committee for consideration, for subsequent referral to Council.

## **18. Accountability and Decision Making**

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