

**Pay Policy Statement 2026/2027
Wednesday 25th March 2026**

Referral from People and OD Committee

PURPOSE OF REPORT

To ask that Council consider and agree the People and OD Committee's recommendation for the Pay Policy Statement for 2026-2027 as required by the Localism Act 2011

This report is public

RECOMMENDATIONS

(1) To consider and recommend to Full Council, on 25th March 2026, the Pay Policy Statement 2026-2027

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 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.

1.2 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.

1.3 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 Salary ranges are in-line with the most recent pay award. A further pay award is due wef 1st April 2026.

2.3 People and OD Committee noted that the statutory officer allowance, as per section 3.2 of the pay policy, has not increased since 2022-23, and therefore approved a

backdated increase in-line with the pay claims. For previous years this amounts to:

23/24	3.5% (£9,315)
24/25	2.5% (£9,548)
25/26	3.2% (£9,853)
26/27	tbc

- 2.5 Please note that as per the Hutton Report, the Pay Policy now also includes 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. This can be found in section 14.5 of the Pay Policy.

3.0 Gender Pay Gap

- 3.1 People and OD Committee would also like Council to note that the Gender Pay Gap has reduced year on year, from a mean gender pay gap of 4.3% in 2023 to 1.8% in 2025. The disparity between average wages for men and women is 12.8%, or £2,548 per year, according to TUC analysis of official pay data. The reduction at Lancaster City Council is as a result of proactive measures introduced such as an uplift ensuring casual rates of pay match the substantive role being undertaken and the inclusion of holiday pay, alongside other workforce measures as detailed in the Council's People Plan.

Not all Councils include casual staff in their gender pay gap reporting but Lancaster City Council does and acknowledges the important role that casual staff play in delivering services. However, reporting the gender pay gap without including casual data results in a negative pay gap for the first time (i.e. women are paid more than men).

Continuous engagement with the Women's Network has led to the implementation of the following actions which have contributed to the reduction of the Gender Pay Gap:

- Sharing the Council's flexible working policy and guidance with all staff
- Ensuring vacancy forms ask recruiting managers to consider whether a job share or part time working could be an option
- Creating shadowing and mentor opportunities at all levels to ensure women have the opportunity to experience other roles to help them understand their development needs and to help build confidence
- Continuing to provide safe spaces for women to share and discuss topics that are meaningful to them
- Improving Council recruitment processes and removing potential barriers to employment

- 3.2 Other workforce strategies within the People Plan include:

- Implementation of a Workforce Inclusion Strategy
- A training and development programme for all people managers – which will cover equality issues in HR workshops and through accredited leadership qualifications
- Implementation of an Inclusive Recruitment strategy recruitment practices to reduce the potential for unconscious bias
- Increased focus on intelligent decision making via data-driven decisions

- On-going commitment to the Real Living Wage and using our job evaluation scheme to ensure that grades are allocated to job roles according to responsibility carried and nothing else
- Continued commitment to hybrid working and other flexible working practices
- New approach to employee engagement to improve the options available for people to feedback on issues
- Implementation of workforce planning, with the aim of supporting the potential in all of our people to develop, including the promotion of apprenticeships to increase skills, qualifications and experience
- Continued tight monitoring of any requests for changes in pay

4.0 Conclusion

- 4.1 Members are asked to consider and recommend the 2026-2027 Pay Policy to Full Council.

CONCLUSION OF IMPACT ASSESSMENT

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

No notable impact.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

No financial implications

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

There are no resource implications arising from this report

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no comments

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments.

BACKGROUND PAPERS

2026-2027 Pay Policy Statement
JNC Conditions of Service Handbook

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