



Lancaster City Council Pay Policy Statement 2013/14

1.0 Background

- 1.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as Council thinks fit”. Sections 38 – 43 of the Localism Act 2011 require that the Council produce a policy statement that covers a number of matters concerning the pay of the Council’s staff, principally Chief Officers.
- 1.2 This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011 and has been prepared in accordance with the February 2012 guidance issued by the Secretary of State for Communities and Local Government.

2.0 Purpose

- 2.1 The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying:
- The methods by which salaries of all employees are determined;
 - The detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - The Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

3.0 Other legislation relevant to pay and remuneration

- 3.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations 2006.
- 3.2 The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

4.0 Definition of Officers covered by the Policy Statement

4.1 This policy statement is required to cover “chief officer” posts as defined in the Localism Act 2011.

4.2 For Lancaster City Council these are:

- a) The Chief Executive (Head of Paid Service)
- b) Head of Governance (Monitoring Officer)
- c) Head of Resources (Section 151 Officer responsible for the administration of the authority’s financial affairs)
- d) Other Service Heads:

- Head of Community Engagement
- Head of Environmental Services
- Head of Health and Housing
- Head of Regeneration and Planning

- e) The following posts which report directly to any the officers listed above:

- Assistant Head of Regeneration and Planning (Development Management)
- Assistant Head of Regeneration and Planning (Policy and Delivery)
- Assistant Head of Regeneration and Planning (Environmental Management)
- Assistant Head of Community Engagement (Communications)
- Assistant Head of Community Engagement (Wellbeing)
- Assistant Head of Community Engagement (Partnerships)
- Cleansing / Grounds Maintenance Manager
- Democratic Services Manager
- Environmental Health Manager
- Financial Services Manager
- Finance and Administration Manager
- Fleet Manager
- Human Resource Manager
- ICT Manager
- Internal Audit Manager
- Legal Services Manager
- Parking and Administration Manager
- Principal Housing Manager
- Private Sector Housing Manager
- Repairs and Maintenance Manager
- Waste / Highways Manager

4.3 It should be noted that, whilst within the terms of the Act, the posts listed in 4.2 (e) above may fall within the wider definition of Chief Officer posts they are not designated as such within the Council. Their salaries are below the current Senior Civil Service minimum pay band of £58,200, and the terms and conditions of service for these officers are based on those defined by the National Joint Council for Local Government, National Agreement on Terms and Conditions of Service (NJC Green Book).

5.0 Arrangements for the Remuneration of Chief Officers

- 5.1 The Council's arrangements for the remuneration of the posts detailed in Para 4.2 (a) to (d) above are set out in the schedule that is attached to this policy statement at Appendix A. It is the policy of this Council to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the Council's requirements of the post in question at the relevant time.
- 5.2 As part of the development of the new senior management structure in 2010 there was a review of Chief Officer Pay (excluding the Chief Executive) in which each post was evaluated to determine its relative value. The outcomes of this review informed the development of a revised salary. The North West Employers Organisation provided guidance and advice on the valuation of the posts and statistical data which was used to determine the revised salary structure.
- 5.3 In 2012 the senior management structure within the Council was reviewed further. This review resulted in the distabishment of the Deputy Chief Executive Post and the Head of Property Services post. These changes have resulted in a re-evaluation of roles and responsibilities across the senior management structure. This review will inform any developments in relation to pay and rewards.

6.0 Policy on other Aspects of Chief Officer Remuneration

- 6.1 It is appropriate to cover other aspects of Chief Officer remuneration in this policy statement. These other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of a Local Government Pension Scheme (LGPS) pension or a redundancy/severance payment. These matters are set out in the schedule attached at Appendix B.

7.0 Chief Executive Remuneration

- 7.1 The post of Chief Executive (which also acts as Head of Paid Service) is paid on a fixed salary of £107,060. The postholder also acts as the Returning Officer for which additional fees are payable in relation to specific election based activities.

8.0 Returning Officer Fees

- 8.1 The Council appointed the Chief Executive as Returning Officer in 2000.
- 8.2 In accordance with the national agreement the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of Returning Officer, Acting Returning Officer, Deputy Returning Officer or Deputy Acting Return Officer and similar positions which he or she performs subject to the payment of pension contributions thereon, where appropriate.
- 8.3 Fees for Returning Officer 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 elections duties as and when they arise, they are distinct from the process for the determination of pay for Chief Officers.

9.0 Head of Service Remuneration

- 9.1 There are six Head of Service posts, (which include the Monitoring Officer and the Section 151 Officer). These posts were established in 2010, following a review of the senior management structure, Progression within grade is normally annually on 1 April each year until the postholder reaches the top of grade. There is no assessment of performance linked to progression in grade. The basic salary/pay grade for Chief Officers is detailed in Appendix A.

10.0 Other Chief Officers Conditions of Service

- 10.1 The other terms and conditions of service are set out in the relevant conditions of service handbooks, which can be accessed via the Councils website.

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.

11.0 Additional Chief Officers Allowances

- 11.1 Any other allowances relating to the Chief Officers are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

12.0 Policy on Remunerating the Lowest Paid in the Workforce

- 12.1 The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Council decisions; these are then incorporated into contracts of employment. The lowest pay point in this Council is Scale Point Four, this relates to an annual salary of £12,145 and can be expressed as an hourly rate of pay of £6.2951. This pay point and salary was determined by the Council as part of its Fair Pay review the outcome of which was introduced on 1 April 2010. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.
- 12.2 The Council also employs Apprentices who are not considered within the definition of 'lowest paid employees' as they are employed under national rates of pay for Apprentices.

13.0 Relationship between Chief Officer Remuneration and that of other Staff

- 13.1 The highest paid salary in this Council is £107,060 which is paid to the Chief Executive. The pay multiple between the Chief Executive's salary and the Average Median Salary is a ratio of 1:5.60. The pay multiple between the Chief Executive's salary and the Mean Average is a ratio of 1:5.03. This Council does not have a policy on maintaining or reaching a specific 'pay multiple'. However the Council is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the Council as expressed in this policy statement. The Council's approach to the payment of other staff is to pay that which the Council needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the Council meets any contractual requirements for staff including the application of any local or national collective agreements, or Council decisions regarding pay.

Relationship of Salaries Summary

Post	Salary	Benchmark	Salary	Ratio
Chief Executive	£107,060	Median Salary *	£19,126	1 :5.60
		Mean Salary *	£21,287	1 :5.03
		Lowest Salary	£12,144	1 :8.82

** averages calculated using full-time equivalents*

Living Wage

- 13.2 Lancaster City Council is considering the adoption of a Living Wage pay supplement which, if adopted, would bring the lowest paid employees rate of pay equal to the current national living wage. Outside London this rate is of £7.45 per hour. The Living Wage is non statutory rate of pay which is set independently and reviewed annually.
- 13.3 If the Council were to introduce a Living Wage supplement with effect from 1 April 2013, the pay ratios based on pay including the Living Wage supplement would be as follows:

Post	Salary	Benchmark	Salary	Ratio
Chief Executive	£107,060	Median Salary *	£19,126	1 :5.60
		Mean Salary *	£21,396	1 :5.00
		Lowest Salary	£14.333	1 :7.47

14.0 Salary Information

- 14.1 A full schedule of salaries/grades within the Council is set out in Appendix C

15.0 Pay Structure (General)

- 15.1 The Council uses the nationally negotiated pay spine(s) (i.e. a defined list of salary points) as the basis for its local pay structure. These spinal points are divided into a number of locally determined pay grades.
- 15.2 The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with joint trade unions of the National Joint Council for Local Government Services.
- 15.3 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.
- 15.4 To determine the pay grade for the majority of posts the Council operates a Job Evaluation Scheme. The conventions are based on the evaluation factors within the Greater London Provincial Councils (GLPC) job evaluation scheme. In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

- 15.5 New appointments will normally be made at the minimum of the relevant pay scale point for the grade, although this can be varied where necessary to secure the best candidate. This arrangement applies equally to all employees of the Council. Where the appointment salary is above the minimum point of the pay scale and is not affected by other Council policies, for example promotion, redeployment or flexible retirement, this is approved in accordance with the Council's Constitution (Part 3 - Responsibility for Functions Section 14). The principle of appointing at the bottom of the pay grade applies equally to Chief Officers.
- 15.6 From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate.
- 15.7 Any temporary market supplement applied to the salary grade for a particular post will be subject to approval in accordance with the Council's Market Supplement Policy (*URL link to document via the Council's Website*),

16.0 Recruitment of Chief Officers

- 16.1 The Council's policy and procedures with regard to recruitment of chief officers is set out within the Council's Constitution (Part 4 - Rules of Procedure, Section 6, Officer Employment Procedure Rules). (*URL link to document via the Council's Website*)
- 16.2 When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own Equal Opportunities, Recruitment and Redeployment Policies as approved by Council.
- 16.3 The determination of the remuneration to be 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.
- 16.4 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'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals. The Council does not currently have any chief officers engaged under such arrangements

17.0 Approval of Salary Packages in Excess of £100k

- 17.1 The Council will ensure that, at the latest before an offer of appointment is made, any salary package for any post that is in excess of £100k will be considered by full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

18.0 Pension Contributions

- 18.1 Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Lancashire County Government Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded.

18.2 The current Employer contribution rate set at 1 April 2011 is = 20.6%

18.3 The Employee contribution rate effective from 1 April 2013 is based on salary as detailed below:

Salary (Full Time)	Contribution Rate
Up to £13,700	5.5%
£13,701 - £16,100	5.8%
£16,101 - £20,800	5.9%
£20,801 - £34,700	6.5%
£34,701 - £46,500	6.8%
£46,501 - £87,100	7.2%
Over £87,100	7.5%

19.0 Payments on Termination

19.1 The Councils approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, 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).

19.2 The policy applied equally to all permanent employees regardless of their grade is set out in the Council's Early Termination of Employment Policy.
([URL link to document via the Council's Website](#)),

20.0 Accountability and Decision Making

20.1 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.

21.0 Amendments to the Policy

21.1 As the policy statement covers the period 1 April 2013 to 31 March 2014, amendments may need to be made throughout the relevant period. As the Localism Act 2011 requires that any amendments are approved by the Council by resolution, proposed amendments will be reported to the Personnel Committee for recommendation to full Council.

22.0 Policy for Future Years

22.1 This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the Council prior to the start of each financial year.

Arrangements of the remuneration of Chief Officers

Post	Chief Executive
Base Salary	£107,060
Pension Contribution	7.5%
Election Fees	The Returning Officer fees are based on a fee calculated periodically by the Cabinet Office. The Council pays the fees for the local elections, and the fees for other elections such as parliamentary, European and County Council are paid for externally.
Expenses	Travel and other expenses reimbursed through normal council procedures
Bonuses	The terms within the Contract of employment do not provide for the payment of any bonus
Honoraria	Honoraria payments do not apply to this post.
Ex-Gratia Payments	There are no plans for this post to receive any ex-gratia payments
Severance Arrangements	The Council's normal policy in relation to redundancy and early retirement applies to this post. The arrangements are the same for all employees of the Council.

Post	Head of Governance (Monitoring Officer)			
Base Salary Grade	Point One	Point Two	Point Three	Point Four
	£61,857	£62,630	£63,413	£64,206
Pension Contribution	7.2%			
Election Fees	If appointed to a formal role as part of any election, fees would be paid in respect of the specific duties undertaken.			
Expenses	Travel and other expenses reimbursed through normal council procedures			
Bonuses	The terms within the Contract of employment do not provide for the payment of any bonus			
Honoraria	Honoraria payments do not apply to this post.			
Ex-Gratia Payments	There are no plans for this post to receive an ex-gratia payments			
Severance Arrangements	The Council's normal policy in relation to redundancy and early retirement apply to this post. The arrangements are the same for all employees of the Council.			

Arrangements of the remuneration of Chief Officers (Continued)

Post	Head of Resources (Chief Financial Officer)			
Base Salary Grade	Point One	Point Two	Point Three	Point Four
	£61,857	£62,630	£63,413	£64,206
Pension Contribution	7.2%			
Election Fees	If appointed to a formal role as part of any election, fees would be paid in respect of the specific duties undertaken.			
Expenses	Travel and other expenses reimbursed through normal council procedures			
Bonuses	The terms within the Contract of employment do not provide for the payment of any bonus			
Honoraria	Honoraria payments do not apply to this post.			
Ex-Gratia Payments	There are no plans for this post to receive an ex-gratia payments			
Severance Arrangements	The Council's normal policy in relation to redundancy and early retirement apply to this post. The arrangements are the same for all employees of the Council.			

Post	Head of Community Engagement			
Base Salary Grade	Point One	Point Two	Point Three	Point Four
	£61,857	£62,630	£63,413	£64,206
Pension Contribution	7.2%			
Election Fees	If appointed to a formal role as part of any election, fees would be paid in respect of the specific duties undertaken.			
Expenses	Travel and other expenses reimbursed through normal council procedures			
Bonuses	The terms within the Contract of employment do not provide for the payment of any bonus			
Honoraria	Honoraria payments do not apply to this post.			
Ex-Gratia Payments	There are no plans for this post to receive an ex-gratia payments			
Severance Arrangements	The Council's normal policy in relation to redundancy and early retirement apply to this post. The arrangements are the same for all employees of the Council.			

Arrangements of the remuneration of Chief Officers (Continued)

Post	Head of Environmental Services			
Base Salary Grade	Point One	Point Two	Point Three	Point Four
	£61,857	£62,630	£63,413	£64,206
Pension Contribution	7.2%			
Election Fees	If appointed to a formal role as part of any election, fees would be paid in respect of the specific duties undertaken.			
Expenses	Travel and other expenses reimbursed through normal council procedures			
Bonuses	The terms within the Contract of employment do not provide for the payment of any bonus			
Honoraria	Honoraria payments do not apply to this post.			
Ex-Gratia Payments	There are no plans for this post to receive an ex-gratia payments			
Severance Arrangements	The Council's normal policy in relation to redundancy and early retirement apply to this post. The arrangements are the same for all employees of the Council.			

Post	Head of Health and Housing			
Base Salary Grade	Point One	Point Two	Point Three	Point Four
	£61,857	£62,630	£63,413	£64,206
Pension Contribution	7.2%			
Election Fees	If appointed to a formal role as part of any election, fees would be paid in respect of the specific duties undertaken.			
Expenses	Travel and other expenses reimbursed through normal council procedures			
Bonuses	The terms within the Contract of employment do not provide for the payment of any bonus			
Honoraria	Honoraria payments do not apply to this post.			
Ex-Gratia Payments	There are no plans for this post to receive an ex-gratia payments			
Severance Arrangements	The Council's normal policy in relation to redundancy and early retirement apply to this post. The arrangements are the same for all employees of the Council.			

Arrangements of the remuneration of Chief Officers (Continued)

Post	Head of Regeneration and Planning			
Base Salary Grade	Point One	Point Two	Point Three	Point Four
	£61,857	£62,630	£63,413	£64,206
Pension Contribution	7.2%			
Election Fees	If appointed to a formal role as part of any election, fees would be paid in respect of the specific duties undertaken.			
Expenses	Travel and other expenses reimbursed through normal council procedures			
Bonuses	The terms within the Contract of employment do not provide for the payment of any bonus			
Honoraria	Honoraria payments do not apply to this post.			
Ex-Gratia Payments	There are no plans for this post to receive an ex-gratia payments			
Severance Arrangements	The Council's normal policy in relation to redundancy and early retirement apply to this post. The arrangements are the same for all employees of the Council.			

Policy on other aspects of Chief Officer Remuneration

Activities	Arrangements / Council Policy
Recruitment	The post will be advertised and any appointment made at the approved salary for the post, unless there is good reason that the Council will not be able to secure the appointment at that level and unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the Council's policy and any variation will be approved through the appropriate Council decision making process.
Progression within Pay Grade	The Council will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The Council will also apply any pay increases that are as a result of Council decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.
Additions to Pay	The Council will not make any payments beyond those defined in the contract of employment
Performance Related Pay	The Council does not operate performance related pay
Earn – Back (Withholding an element of Basic Pay)	The Council does not operate an earn-back pay scheme The system of performance management is sufficiently robust to ensure high levels of performance from its senior officers. Any areas of under-performance are addressed rigorously.
Re-employment	An employee who is dismissed on redundancy grounds, and received a voluntary (enhanced) redundancy payment, may be considered for re-employment to posts within the Council after the minimum statutory period of four weeks has elapsed subject to the following conditions: <ul style="list-style-type: none"> • The post did not exist and was not foreseeable at the time of the dismissal. • The vacancy has been advertised in accordance with Council policy and procedures. • The appointment was made on the basis of the best person for the job with regard to the usual selection procedures. • The appointment has Service Head approval. These conditions will apply for 12 months from the date of dismissal, after which a former employee may be considered for re-employment to any post within the Council.

Pay Rates as at 1 February 2013

SCP		Annual £	Monthly £	Hourly £
4	GRADE 1	12145	1012.08	6.2951
5		12312	1026.00	6.3816
6		12489	1040.75	6.4734
7		12787	1065.58	6.6278
8		13189	1099.08	6.8362
9	GRADE 2	13589	1132.42	7.0435
10		13874	1156.17	7.1913
11		14733	1227.75	7.6365
12		15039	1253.25	7.7951
13		15444	1287.00	8.0050
14		15725	1310.42	8.1507
15		16054	1337.83	8.3212
16	GRADE 3	16440	1370.00	8.5213
17		16830	1402.50	8.7234
18		17161	1430.08	8.8950
19		17802	1483.50	9.2272
20		18453	1537.75	9.5647
21		19126	1593.83	9.9135
22		19621	1635.08	10.1701
23		20198	1683.17	10.4692
24	GRADE 4	20858	1738.17	10.8113
25		21519	1793.25	11.1539
26		22221	1851.75	11.5177
27		22958	1913.17	11.8997
28		23708	1975.67	12.2885
29	GRADE 5	24646	2053.83	12.7747
30		25472	2122.67	13.2028
31		26276	2189.67	13.6195
32		27052	2254.33	14.0218
33		27849	2320.75	14.4349
34		28636	2386.33	14.8428
35	GRADE 6	29236	2436.33	15.1538
36		30011	2500.92	15.5555
37		30851	2570.92	15.9909
38		31754	2646.17	16.4589
39	GRADE 7	32800	2733.33	17.0011
40		33661	2805.08	17.4474
41		34549	2879.08	17.9077
42		35430	2952.50	18.3643
43		36313	3026.08	18.8220
44	GRADE 8	37206	3100.50	19.2849
45		38042	3170.17	19.7182
46		38961	3246.75	20.1945
47		39855	3321.25	20.6579
48		40741	3395.08	21.1171
49	GRADE 9	41616	3468.00	21.5707
50		42498	3541.50	22.0278
51		43392	3616.00	22.4912
52		44303	3691.92	22.9634
53		45106	3758.83	23.3796

The JNC (Craft and Associated Employees) - Red Book		
Annual £	Monthly £	Hourly £
13618	1134.83	7.0780
14457	1204.75	7.5140
15902	1325.17	8.2651
16008	1334.00	8.3202
19572	1631.00	10.1726
20141	1678.42	10.4683
20697	1724.75	10.7573
21266	1772.17	11.0530
21457	1788.08	11.1523
22034	1836.17	11.4522
22583	1881.92	11.7375
22892	1907.67	11.8981
23469	1955.75	12.1980

Posts	Annual £	Monthly £	Hourly £	
Head of Service	1	61857	5154.75	32.0621
	2	62630	5219.17	32.4628
	3	63413	5284.42	32.8686
	4	64206	5350.50	33.2797
Chief Executive	107060	8921.67	55.4920	