

# **Lancaster City Council Pay Policy Statement 2021-22**

## **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 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:
  - 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 fall into a pay grade which currently starts from £52,711 up to a maximum pay point of £66,139. 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 Head of Legal Services & Monitoring Officer post, and the Head of Financial Services and S151 Officer post both attract annual allowances of £6,000 to reflect the additional responsibility the statutory roles bring.

#### **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 £116,683 as at 1 April 2020, inclusive of the 2.75% national pay award effective from that date. This currently remains the same in 2021-2022, pending any national pay award agreement.
- 4.2 The Council's Head of Paid Service is appointed for a defined term through to 31 March 2022. Once an appointee to the permanent role is confirmed, the Head of Paid Service will be subject to a pay band of £110,000 to £121,000, where progression through the band will be linked to the achievement of objectives.

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

- 5.1 The 3 Director roles are paid within a band which starts from £ 83,844 up to a maximum of £92,228, with the band maximum being set at 10% higher than the minimum. These amounts are inclusive of the 2.75% pay award effective from 1 April 2020. There has not been an agreement of pay award for 2021-2022, therefore the salary will remain the same as 2020, 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 £68,123 and has a maximum of £74,936, 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 pay spine SCP 3 -49. In April 2020 the grades within the pay spine 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.

## **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 is 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 payment and severance payment 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.