

**Meeting of the Full Council
Meeting to be held on 27 February 2014**

Report submitted by: The Interim Chief Executive

Part A

Electoral Division affected:
None

Pay Policy Statement 2014/15
(Appendix A refers)

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Executive Summary

This report sets out the County Council's proposed 2014/15 Pay Policy Statement as required by the Localism Act 2011.

The Pay Policy Statement must be approved by Full Council before it comes into force.

Recommendation

The Full Council is asked to approve the 2014/15 Pay Policy Statement, as set out at Appendix A.

Background and Advice

The Localism Act 2011 requires local authorities to prepare a pay policy statement each year. The pay policy statement must articulate the Council's approach to the remuneration of chief officers on appointment, subsequent progression and any use of bonus or performance related pay. In preparing pay policy statements local authorities must have regard to any guidance issued or approved by the Secretary of State. In preparing this statement for 2014/15 regard has been had to Guidance issued by the Department for Communities and Local Government.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting pay for its employees (except staff in schools), in particular its chief officers. The pay policy statement must be approved by a resolution of Full Council before it comes into force on 1 April each year and must then comply with the statement for the financial year to which it relates (although amendments may be made to the statement after the beginning of the financial year to which it relates). Once approved the statement (or an amended statement) must be published in such

manner as the local authority it thinks fit which must include publication on the local authority's website.

The pay policy statement must set out the local authority's policies for the financial year 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

The statement must set out:

- The definition of 'lowest-paid employees' adopted by the authority for the purposes of the statement, and
- The authority's reasons for adopting that definition.

The statement must include the local authority's policies relating to:

- The level and elements of remuneration for each chief officer
- Remuneration of chief officers on recruitment
- Increases and additions to remuneration for each chief officer
- The use of performance-related pay for chief officers
- The use of bonuses for chief officers
- The approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- The publication of and access to information relating to remuneration of chief officers.

A pay policy statement for a financial year may also set out the local authority's policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

The Employment Committee at its meeting on 29 January 2014 considered a proposed Pay Policy Statement for the financial year 2014/15 and agreed that the Full Council be recommended to approve the 2014/15 Pay Policy Statement, as set out at Appendix A. In considering the report the Committee noted that the recently approved living wage had not yet been fully implemented and the salary effect had not therefore been included in the draft pay policy statement for 2014/15. This and the effects of the County Council's planned re-organisation would be the subject of a mid-year review in 2014. A further report on any consequential changes to the 2014/15 pay policy statement would be presented to the Committee and to the Full Council in due course.

The Pay Policy Statement also takes account of the recommendations within the Hutton Review of Fair Pay in the Public Sector (March 2011) that 'government should not cap pay across public services, but should require that from 2011/12 all public service organisations publish their top to median pay multiples each year to allow the public to hold them to account.' The Statement therefore sets out the

Council's aim that the pay multiple between the median FTE salary and that of the Chief Executive will not exceed 1:16.

The Guidance also provides that Full Council should be offered the opportunity to consider salary packages in excess of £100k before any new appointment is made. In this regard the Pay Policy Statement sets out the grading structure for all posts at Director Grade 1 and above. All appointments are currently made in line with this grading structure and any proposal to make a new appointment otherwise than in accordance with it would first be referred to Full Council to consider.

Consultations

The proposed Pay Policy Statement for 2014/15 has been shared with the Joint Negotiating and Consultative Committee.

Implications:

This item has the following implications, as indicated:

Financial Implications

There are no direct financial implications arising from the adoption of the Pay Policy Statement.

Of note is the fact that the employee Pension Contribution bandings may change as a result of the Government Actuary's view of the results of the actuarial valuation but this is also something that could be picked up in a mid-year review.

Risk management

The Full Council is under a statutory duty to agree an annual Pay Policy Statement and this function cannot be delegated.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Employment Committee agenda	29 January 2014	Chris Mather, OCE, 01772 533559

Reason for inclusion in Part II, if appropriate

N/A