

# Pay Policy Statement 2024

Date: 26 February 2024  
Agenda Item: Updated Pay Policy 2024  
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Key Decision? NO  
Local Ward Members N/A

Lichfield  
district council

## EMPLOYMENT COMMITTEE

### 1. Executive Summary

- 1.1 To inform the Committee of the Council's duties under Section 38 of the Localism Act 2011 to prepare and update the annual Pay Policy Statement for 2024 in respect of new bonuses and employee incentives to aid recruitment and retention of staff.
- 1.2 To approve publication of the updated Pay Policy Statement, subject to Full Council approval.

### 2. Recommendations

- 2.1 It is recommended that Employment Committee approves the contents of the updated Pay Policy Statement as set out in **Appendix A** and recommends the policy for approval by Full Council.
- 2.2 The committee delegate authority to the Assistant Director Operations, Regulation & Enforcement in consultation with the Chair of this committee, to update and republish the pay policy in respect of the pay spine set out at Appendix 1 and any updated ratios once the national pay negotiations for 2024 are concluded.

### 3. Background

- 3.1 Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit".
- 3.2 The Pay Policy Statement (attached at **Appendix A**) sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. 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 senior managers i.e. 'chief officers', as defined by the relevant legislation;
  - the relationship between the remuneration of its chief officers, those who are not chief officers and the lowest paid;
- 3.3 This statement is required to be submitted to Full Council for approval and will then be published on the Council's website. In addition, for posts where the full-time equivalent salary is £50,000 p.a, or more, the Council's Annual Statement of Accounts will include a note setting out the total amount of :-
  - salary, fees or allowances paid to or receivable by the person in the current and previous year;
  - any bonuses so paid or receivable by the person in the current and previous year;

- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above

- 3.4 The Council’s pay structure is largely based on the Council’s Single Status Agreement and on the National Joint Council for Local Government Services job evaluation scheme which has the support of both trade unions and employees. Any changes to jobs or new jobs go through a job evaluation process to ensure that there is consistency and fairness in place. The salaries are set according to the national pay grading scale (pay grades attached at **Appendix 1 within the Pay Policy Statement**.)
- 3.5 Pay negotiations for all Lichfield District Council employees (below Chief Executive and Chief Officers) are conducted at a national level on our behalf by National Joint Council (NJC). As part of our collective agreement with Unison, we participate in national bargaining and therefore any negotiated settlement reached at a national level is mandatory and must be applied to our employees. Pay awards for Chief Officers are also determined at a national level by the Joint National Council (JNC) a separate machinery exists for Chief Executives.
- 3.6 Over the last 18 months we have implemented a number of initiatives to strengthen our organisational resilience, and our approach to reward, retention and recruitment. Highlights include:
- Implementing a Belonging and Wellbeing Strategy
  - Implemented the Joseph Rowntree Foundation Living Wage – for which accreditation has been granted and a comms campaign will be launched imminently
  - Revamping the annual appraisal process with all staff now the subject of ‘Objectives and Key Results’ and includes a performance related bonus
  - Offering an employee referral bonus to employees who help to attract talent
  - Implemented a talent acquisition approach to recruitment for senior roles
- 3.7 Annual reporting and monitoring of the impact of these incentives will feature in the Gender Pay Gap Report due to be calculated after the 31 March 2024, to be reported to the summer Employment Committee. Work to develop a Disability Pay Gap is being scoped following request by the committee as part of the transfer of HR provision to LWMTS and scoping of the new systems which underpin the service.
- 3.8 Work is still ongoing regarding the procurement of private health insurance agreed at July Full Council , which we anticipate will be resolved in the next few weeks.

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| Alternative Options             | None the Pay Policy must be agreed annually to comply with the Local Government Act.   |
| Consultation                    | Employee Representatives have been consulted with regard to this report requirement and updated policies.  |
| Financial Implications          | This report sets out the existing financial obligations regarding pay policy which have been built in to the MTFS. An assumed inflationary cost pressure of 4% has been built into these assumptions to allow for the 2024/25 pay award. |
| Approved by Section 151 Officer | Yes/No   |

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| Legal Implications             | We have a statutory duty to report these figures annually. A fair and transparent Pay policy provides some assurance regarding equal pay and fair and consistent pay practices in line with collective bargaining agreements. Pay audit and impact assessments are ongoing to ensure this. |
| Approved by Monitoring Officer | Yes/No   |

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| Contribution to the Delivery of the Strategic Plan | The revised Pay Policy ensures that we are a good council, by maintaining an up to date and relevant pay structure that helps to retain and attract skilled officers. |
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| Equality, Diversity and Human Rights Implications | An EIA has been produced to consider the impact of the updates on people with protected characteristics. Ongoing monitoring and reporting on pay, including the plan to develop a disability pay gap report, is ongoing. |
| EIA logged by Equalities Officer                  | Yes  |

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| Crime & Safety Issues | None |
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| Environmental Impact (including Climate Change and Biodiversity). | None |
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| GDPR / Privacy Impact Assessment | All identifying information has been removed from narrative reporting except those items that must be detailed under transparency regulations. |
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|   | Risk Description & Risk Owner                                | Original Score (RYG)                           | How We Manage It   | Current Score (RYG)                         |
|---|--|--|--|---|
| A | Non - compliance with legislation or challenges on equal pay | Yellow Likelihood (Green) and Impact (Yellow)  | Through the publication of an annual pay policy statement and maintaining a consistent approach to conducting Job Evaluation.  | Green Likelihood (Green) and Impact (Green) |
| B | Failure to adopt the new settlement for 2024 when agreed     | Yellow Likelihood (Yellow) and Impact (Yellow) | Delegation has been sought to reflect the agreed settlement once it is confirmed.  | Green Likelihood (Green) and Impact (Green) |
| C | Failure to savings budget related to staff turnover          | Yellow Likelihood (Yellow) and Impact (Yellow) | <p>The MTFs assumes a level of staff turnover each year and assumes financial savings of <b>£150,000</b> per annum and Talent Acquisition fees of <b>£30,000</b> per annum.</p> <p>The approved savings target of <b>£180,000</b> per annum equates to <b>2%</b> of relevant employee budgets (excluding Operational Services and Building Control).</p> | Green Likelihood (Green) and Impact (Green) |

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|   |                                   |  | <p>Therefore, should the initiatives contained within this report be successful and lower staff turnover below the assumed level, then there would be a budgetary shortfall (each 0.5% is £39,000).</p> <p>The vacancy savings budget will continue to be monitored through Money Matters Reports and any changes will be considered through the MTFS process. 4% has been budgeted for this years NJC Pay Award</p> |   |
| D | Pay award exceeds budgeted amount | Yellow Likelihood (Yellow) and Impact (Yellow) | Due regard to advice from the Employers Committee has been taken to set the likely national figure.  | Green Likelihood (Green) and Impact (Green) |

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|  | Background documents |
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|  | Relevant web links |
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