

Updated Pay Policy Statement 2024

Date: 27 June 2024
Agenda Item:
Contact Officer: Jane Dukes
Tel Number:
Email:
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.
- 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 in July 2024.
- 2.2 The committee delegate authority to the Chief Operating Officer 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 The Employment Committee received a draft version of the 2024 Pay Policy Statement at its meeting in February. Changes have been made following the feedback, and these changes are highlighted in yellow in Appendix A. Below is a summary of the key questions asked at the February meeting and responses:

Question	Response
Age breakdown of apprentices	An email was sent to the Chair on 18 April 2024 with further details on apprentices following a further question at Full Council
Length of time honorariums are in place and whether there is an impact on service delivery	Of the two honorariums questioned, one has now come to an end, the other is protected by TUPE
What processes and procedures are in place to make sure that allowance payments remain appropriate?	Some allowances are nationally negotiated as part of green book. In terms of local allowances, market supplements have a review date agreed, some allowances are protected by TUPE.
How long do the pay protection periods have left to run?	Pay protection for various effected staff are all due to end in the near future
Performance bonuses – 5% of the workforce, however we awarded 20 bonuses in 2023	Our headcount is variable, therefore to allow us to budget for the performance bonuses we have stated that they will be awarded to the top 5%, or no more than 20 employees. Due to the exceptional performance of staff in 2023, the decision was taken to award the maximum of 20 bonuses.
Performance bonus – confirm that no one who has a not upheld on a disciplinary process has been denied a bonus	Yes, this is correct

- 3.7 Following the departure of the Assistant Director for Regulation, Enforcement and Operations in April 2024, responsibilities for these services have now moved to sit with existing members of Leadership Team. These changes have been reflected in the Pay Policy Statement and have been highlighted in yellow.
- 3.8 Under the Localism Act, the Pay Policy Statement should be approved by the Authority before the start of the new financial year. Whilst it was considered by Employment Committee in February and the Minutes duly submitted to Council, it is considered, and confirmed by the Monitoring Officer, that the statement should receive final approval from Full Council. It will therefore be submitted to Full Council in July and the technical delay, which was due to a change in personnel, noted in the Annual Governance Statement.

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*
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*
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.
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
Crime & safety Issues	None
Data assessment	Not applicable
Environmental impact (including climate change and biodiversity)	None
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	New 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 deliver 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 £150,000 per annum and Talent Acquisition fees of £30,000 per annum.</p> <p>The approved savings target of £180,000 per annum equates to 2% of relevant employee budgets (excluding Operational Services and Building Control).</p> <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>	Green Likelihood (Green) and Impact (Green)
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)

Background documents	Any previous reports or decisions linked to this item
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Relevant web links	Any links for background information which may be useful to understand the context of the report
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