

REPORT TO	DATE OF MEETING
CABINET	8 JANUARY 2014

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
PAY POLICY – 2014/15	LEADER	S NUGENT	6

SUMMARY AND LINK TO CORPORATE PRIORITIES

The Localism Act 2011 – [Chapter 8 - Pay Accountability], requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees. The Policy must be approved by the Council in open forum, by the end of March each year and then be published on its website.

RECOMMENDATIONS

Cabinet agree that the attached Pay Policy for 2014/15 is recommended for approval by the Council at its meeting on 22 January 2014.

Cabinet agrees that the proposal to alter the Council's Redundancy Policy is recommended for approval by the Council at its meeting on 22 January 2014 and this change to take effect from 23 February 2014.

DETAILS AND REASONING

The Pay Policy sets out the existing approach to the remuneration of all posts within the Council. In particular it specifies certain mandatory requirements that must be detailed within the Policy. This refers to:-

- The pay structure of the Council and how it is set.
- Senior Management Remuneration, providing details of the pay grade for posts defined as Chief Officer and the accompanying allowances.
- The recruitment arrangements for a Chief Officer.
- The relationship between the salaries of Chief Officers and other employees.
- Details of the lowest paid posts within the Council.
- Employer's Pension Contribution details.
- Termination of employment payments.

The purpose of the Pay Policy, which is at Appendix A, is to ensure there is transparency as to how pay and remuneration is set by the Council, for all of its employees and particularly for its most senior level posts.

The Council already publishes pay and remuneration details of its senior manager's on its Website.

The rest of the Policy remains unaltered from the Policy approved by the Council for 2013/14, except for:-

- The pay scales have been updated to reflect the 1% pay award applied to all salary points, except the chief executive's salary points with effect from 1 April 2013.

The Policy will be reviewed annually and approved by the Council prior to the end of March each year.

REDUNDANCY POLICY

Reference is made at paragraph 15 of the Pay Policy to the Council's Redundancy Policy.

It is proposed that the Redundancy Policy is amended as follows:-

- That the enhanced discretionary multiplier of 2.2 weeks redundancy pay is amended and the statutory redundancy scheme is now applied, in relation to the calculation of redundancy pay.

The current Redundancy Policy has been in place since 2007 and within the policy there is a discretionary element under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. This discretion is to pay an employee a multiplier of 2.2 weeks redundancy pay, as against the statutory amount of weeks' redundancy pay.

Therefore, for example if an employee is entitled to 10 weeks redundancy pay, they will currently receive from the Council 22 weeks' redundancy pay, as opposed to 10 weeks statutory redundancy pay. The Council is therefore incurring additional costs relating to the payment of redundancy pay.

This proposal will be the only amendment to the Redundancy Policy, which is at Appendix B.

The majority of Lancashire Local Authorities have amended their Pay Policy in recent years and have reverted to now only paying the statutory weekly redundancy pay.

Consultations with UNISON have taken place regarding this proposal.

The revised Redundancy Policy, subject to its approval, will take effect one month and one day after the Council meeting, [ie 23 February 2014].

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	The pay and remuneration detailed within the Pay Policy are all within the approved budget of the Council. The altering of the Redundancy Policy will result in less costs being incurred, in relation to future redundancy payments.		
LEGAL	The Pay Policy has been prepared to ensure the Council complies with the requirements of the Localism Act 2011		
RISK	There are no recognised risks		
OTHER (see below)	Consultations with UNISON have taken place. An Equality Impact Assessment for the Pay Policy has been completed		
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Localism Act 2011 – Chapter 8

Guidance Note – North West Employers Organisation

LGA – Guidance for Local Authority Chief Executives

SN/December 2014