

## APPOINTMENT AND CONDITIONS OF SERVICE COMMITTEE – 6 January 2015

<b>Title of paper:</b>	<b>PAY POLICY STATEMENT 2015-16</b>	
<b>Director(s)/ Corporate Director(s):</b>	Angela Probert, Strategic Director of Organisational Transformation	<b>Wards affected: ALL</b>
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<b>Other colleagues who have provided input:</b>	Ian Curryer – Chief Executive Glen O’Connell – Corporate Director Resources (Acting) and Director, Legal and Democratic Services Joanne Smart – Head of HR Della Sewell – Employee Relations Manager Sarah Wilson – Chief Elections Officer Jef Gould – HR Data Manager HR Business Partners Beverley Bull – Finance Analyst Systems John Bernard-Carlin – Team Leader, Legal Emma Hodgett – Resourcing & Reward Manager Andy Cross – Pensions Consultant Tina Adams – Finance Manager Capital & Tax Management	
<b>Date of consultation with Portfolio Holder(s) (if relevant)</b>	<b>4 December 2014</b>	
<b>Relevant Council Plan Strategic Priority:</b>		
Cutting unemployment by a quarter		<input type="checkbox"/>
Cut crime and anti-social behaviour		<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City		<input type="checkbox"/>
Your neighbourhood as clean as the City Centre		<input type="checkbox"/>
Help keep your energy bills down		<input type="checkbox"/>
Good access to public transport		<input type="checkbox"/>
Nottingham has a good mix of housing		<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs		<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events		<input type="checkbox"/>
Support early intervention activities		<input type="checkbox"/>
Deliver effective, value for money services to our citizens		<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>		
<p>This report introduces the Council's pay policy statement for 2015-16 as required by the Localism Act. The policy sets out information on pay and conditions for chief officers in comparison to the bulk of the workforce employed on 'Local Government Scheme' (LGS) terms and conditions.</p>		
<b>Recommendation(s):</b>		
<b>1</b>	Note the Council's Pay Policy Statement for 2015-16 which is being presented to the Full Council meeting on 26 January 2015.	

## **1. REASONS FOR RECOMMENDATIONS**

1.1 The pay policy statement is being presented to ACOS in order to demonstrate that decisions on pay and reward packages for chief executives and chief officers are made in an open and accountable way.

## **2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

2.1 The Localism Act requires local authorities to prepare and publish pay policy statement.

2.2 The Act requires that the statement must be approved formally by the Council meeting itself (it cannot be delegated to a sub-committee); must be approved by the end of March each year and must be published on the Council's website.

2.3 In more detail, the matters that must be included in the statutory pay policy statement are as follows:

- the Council's policy on the level and elements of remuneration for chief officers;
- the Council's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
- the Council's policy on the relationship between the remuneration of its chief officers and other officers;
- the Council's policy on other specific aspects of chief officers' remuneration, such as remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.

2.4 The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements, and termination payments.

2.5 The Council employs approximately 6900 people, of which 35<sup>1</sup> posts are chief officer posts as defined by the Local Government and Housing Act 1989 (and includes 1 Chief Executive, 4 Corporate Directors, 3 Strategic Directors, 13 Directors, 11 Heads of Service and 3 managers or specialists). This represents approximately 0.5% of the Council's overall non schools' workforce.

2.6 The apparent increase in chief officer posts this year is due to the implementation of the new operating model, which introduced a new management structure, and the resignation of the Corporate Director Resources, which has seen a number of acting-up arrangements being put in place (affecting reporting lines).

2.7 Sections 2, 4 and 5 and appendix 5 use retrospective pay information. Due to reporting pressures at Full Council in March 2015, this report will be taken in January 2015 and has, therefore, been produced earlier than before; the effect of this is a shorter period of data has been used in this report than in previous years' statements (April-October as opposed to April-December)

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<sup>1</sup> As at 31 October 2014

- 2.7 The pay multiple of the average chief officer's pay (£93,126) to that of the non-chief officer average earner (£25,702) including guaranteed payments<sup>2</sup> is 1:4. The relationship between the Chief Executive's pay (£160,000) to that of the Council's non chief officer average earner excluding allowances (£22,032) is a pay multiple of 1:7. These ratios have remained static since the last Pay Policy Statement in 2014-15.
- 2.8 As at 31 October 2014, there were no chief officers in receipt of bonus payments increments, pay awards, performance related pay, and other pay enhancements (overtime, weekend, evening, night working, etc).

### **3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

As the production of a pay policy statement is a requirement under the Localism Act, no other options were considered.

### **4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

The average pay figures are based on 2014/15 prior to any pay awards for 2014/15 being paid. At the time of writing pay awards for 2014/15 have not been agreed.

The pay policy statement will assist Chief Officers in the discharge of their responsibilities relating to staffing numbers and payments to employees as set out in the Council's Financial Regulations and Corporate Financial Procedures.

### **5. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

The statement proposed for approval has been prepared in accordance with Sections 38 to 43 of the Localism Act 2011 which require the City Council to prepare, approve and publish a pay policy statement in the terms described in this report.

### **6. EQUALITY IMPACT ASSESSMENT**

Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

### **7. LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

- 7.1 Communities and Local Government, Openness and accountability in local pay: Draft guidance under section 40 of the Localism Act.
- 7.2 Local Government Association and Association of Local Authority Chief Executives (ALACE), Localism Act: Pay Policy Statement Guidance for Local Authority Chief Executives.
- 7.3 Department for Communities and Local Government, 2013. *Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011. Supplementary Guidance*. London

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<sup>2</sup> Includes basic FTE salary, pension – employer contribution on FTE basic pay, single status incentive payments, allowances and enhancements paid between 01/04/2013 to 31/12/2013

**8. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

8.1 Hutton, W., 2011. *Hutton Review of Fair Pay*. London

8.2 One Society, 2012. *Leading the Way on Fair Pay: An Assessment of Principal Local Authorities in England & Wales*. London

# Nottingham City Council

## Pay Policy Statement 2015-2016



Safer, cleaner, ambitious  
**Nottingham**  
A city we're all proud of



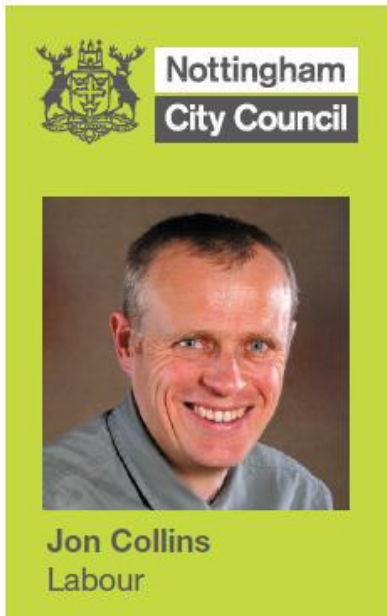
**Nottingham**  
City Council

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## Introduction from the Leader of Nottingham City Council, Jon Collins



Welcome to Nottingham Council's annual Pay Policy Statement. The statement sets out the Council's approach to setting pay and conditions for Chief Officers and those for the workforce.

This year's statement once again outlines the important steps we are taking to ensure that our employees can expect a reasonable wage. In last year's statement I mentioned we had approved payment of a Living Wage supplement, and I am proud to share that this is now part of all our lowest paid employees' salaries, increasing their hourly rate to £7.65. Furthermore we have agreed to pay increments to our employees on the lowest four pay bands for a period of two years (2014/15 and 2015/16), enabling them to benefit from salary increases.

We continue to be committed to providing quality services which offer value for money in a way that balances concern for the lower paid employees with job security and affordability. This is demonstrated in the 2014/15 budget when we made a firm commitment to reduce, wherever possible, employee costs and pledged to improve employee wellbeing and, thereby reducing the associated absence costs. It remains absolutely vital that we protect our workforce so that we can continue to deliver essential services for citizens in Nottingham.

As I have touched upon in previous Pay Policy Statements we have, over recent years, already made substantial savings and we will continue to take the difficult decisions necessary to protect public services in an increasingly challenging economic climate.

A handwritten signature in black ink, appearing to read 'J.N. Collins', is positioned above the printed name.

**Jon Collins**  
**Leader of the Council**

## Introduction from Chief Executive, Ian Curryer



Welcome to Nottingham City Council's annual Pay Policy Statement.

This statement outlines the Council's approach to setting pay and conditions for colleagues including senior staff (chief officers). It sets out how we are spending public funding appropriately and demonstrates our commitment to openness and transparency about pay and allowances.

As our funding from Central Government continues to reduce, we have had to take some difficult decisions across the whole organisation to ensure that we deliver our key priority of providing essential services for the people of Nottingham, including those who work, study, invest and visit here.

To help enable the efficient delivery of essential services, this year we have implemented a new Operating Model designed to place the citizen at the heart of our organisation. This means that since 01 April 2014 the Council has been working under a new management structure, created by realigning existing posts.

As a Council we remain committed to ensuring that the benefits of our pay policy are felt by colleagues whose wages have gradually fallen in value. This has included the introduction of the Living Wage supplement and the payment of an increment to our lowest paid colleagues.

Furthermore, we continue to provide the opportunity for our colleagues to take advantage of a number of voluntary measures such as the purchasing of additional annual leave. With continued financial burdens that we face following the grant we receive from Central Government, the ongoing savings made through these schemes contribute to balancing our budget and enable us to protect jobs and essential services.

A handwritten signature in black ink that reads "Ian Curryer". The signature is written in a cursive, flowing style.

**Ian Curryer**  
**Chief Executive**



## 1 BACKGROUND

- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh local authorities to produce a pay policy statement for each financial year (starting from 2012/13).
- 1.2 The pay statements must articulate the Council's own policies on a range of issues relating to the pay of its workforce, particularly its senior employees (or 'chief officers' as defined by the Local Government and Housing Act 1989) and its lowest paid employees.
- 1.3 The Act requires the policy to be considered by a meeting of Full Council and cannot be delegated to any sub-committee. All decisions on pay and reward made in 2015/16 must comply with the pay policy statement. The statement may be amended in year but must be agreed again by a meeting of Full Council.
- 1.4 This pay policy statement provides information on Nottingham City Council's pay and conditions for chief officers in comparison to the bulk of the workforce employed on 'Local Government Scheme' (LGS) terms and conditions. It also sets out the approach that will be taken during 2015/16.
- 1.5 Sections 2, 4 and 7 and appendix 5 use retrospective pay information. Due to reporting pressures at Full Council in March 2015, this report will be taken in January 2015 and has, therefore, been produced earlier. The effect of this is a shorter period of data has been used than in previous years' statements (April-October as opposed to April-December).
- 1.6 The Council's structure currently consists of four main departments; Children and Adults, Development, Communities, and Resources; delivering specific functions for its citizens.

## 2 DEFINITIONS AND SCOPE

- 2.1 Definition of Chief Officer at Nottingham City Council  
Appendix 1 provides a structure chart of all the Chief Officers as defined by the Local Government and Housing Act 1989 employed at the Council as at 31 October 2014. Earlier this year, the City Council adopted a new operating model, which means that since 1 April 2014 the Council has been working under a new management structure. Consequently there are more Chief Officers captured by the statement this year than in previous years; however the number of posts has risen due to temporary acting-up arrangements (affecting reporting lines) and the realignment of existing posts.
- 2.2 'Lowest Paid' Employee  
The bulk of the workforce is employed on Local Government Scheme (LGS) terms and conditions. The 'lowest paid employee' is defined as LGS employees employed on Greater London Provincial Council (GLPC) Grade A, spinal point 5, equating to £12,435 basic pay.  
  
This is the lowest pay point and salary offered for a substantive post at the Council excluding apprentices and casual workers.
- 2.3 With effect from 1 April 2013, the Council paid a Living Wage supplement to all colleagues on Grade A (£12,266 - £12,915) the difference between Grade A and £6.83 (£13,189). This

supplement was paid to all employees, schools' employees and casual workers. As of 1 April 2014, the Council increased this supplement to £7.65 (£14,759), meaning many employees on Grade B have benefited too.

## 2.5 The pay policy statement has excluded:

- Apprentices;
- Colleagues on NHS terms and conditions;
- Colleagues on Enviro Energy terms and conditions;
- Colleagues on East Midlands Council's terms and conditions;
- Colleagues on Learning Skills Council terms and conditions;
- Colleagues on Craft terms and conditions;
- Non chief officer Heads of Services and managers on Senior Leadership Management Group (SLMG) terms and conditions; and
- Employees employed on Soulbury and Theatrical Management Association/the Broadcasting Entertainment Cinematograph and Theatre Union (TMA/BECTU) terms and conditions.

The reason for excluding these groups is because apprentices are not on permanent contracts. The majority of Heads of Services are not chief officers as defined by the Local Government and Housing Act.

In addition, there are a very small number of colleagues employed on such terms and conditions (20 on BECTU, 71 SLMG non chief officers, 35 on NHS terms and conditions, 2 on Craft grade, 40 on Soulbury, 36 on Enviro Energy terms and conditions, 43 on East Midlands Councils, 1 on Learning and Skills and 88 Apprentices).

Furthermore, the lowest paid employee for each of the excluded groups is paid higher than LGS employees; for example, Soulbury (£30,075), BECTU/TMA (£15,467), NHS (£15,851), Craft (£17,906), East Midlands Council (£19,317), and SLMG (£48,048) is higher than LGS employees.

## 2.6 Schools' Employees

As specified in the Localism Act, the pay policy statement does not include information on, or apply to, chief officers and employees based in schools.

## 2.7 Public Health Employees (transferred to Nottingham City Council under Statutory Transfer during 2013)

A number of colleagues transferred into the Council from the PCT with effect from 1 April 2013.

Some of the aforementioned Public Health employees may come under the definition of 'chief officers', however as this was a Statutory Transfer under a 'Cabinet Officer Statement of Practice' their pay and conditions was determined and governed by the provisions of their previous contract and terms and conditions. These include Agenda for Change and Medical and Dental Terms and Conditions for Consultants (England) 2003. It is important to note that for this reason, some or all of this pay policy statement does not apply to such officers.

### **3 HOW PAY AND CONDITIONS ARE AGREED FOR CHIEF OFFICERS**

3.1 Chief Officers' pay and conditions are ratified by the Council's remuneration committee; Appointment and Conditions of Service (ACOS). The responsibility for this function is set out in Appendix 2 which provides an extract from the Council's Constitution. In summary, the main responsibilities of ACOS relating to chief officers' pay and conditions are:

- To undertake the appointment process in respect of the Chief Executive, Deputy Chief Executive and Corporate Directors, making recommendations to Full Council;
- To determine the terms and conditions of City Council employees and procedures for disciplinary action and dismissal;
- To receive reports on action taken in respect of terms agreed for the Chief Executive, Deputy Chief Executive, Corporate Directors and the Senior Leadership Management Group (SLMG) leaving the employment of the Council where those terms included compensation;
- Determine redundancies, ill health retirements, flexible retirements and terminations of employment (including payments over £30,000 relating to efficiency) and any exercise of discretions to increase total LGPS pension and award additional LGPS pension for the Chief Executive, Deputy Chief Executive, Corporate Directors and Directors;
- To approve any proposals from the Chief Executive for changes to salary levels (including ranges of salaries) for Corporate Directors and the Deputy Chief Executive.

3.2 The Committee is accountable to Council, has eleven members (politically balanced (one place is reserved for the relevant Portfolio Holder (or their substitute) in relation to matters in respect of the appointment process for the Chief Executive and Corporate Director and the dismissal process for the Chief Executive)). The Committee meets on a monthly basis.

3.3 Chief officers have no power to negotiate their own terms and conditions outside of the Council's policies and procedure either during recruitment, throughout employment, or upon termination of their contract. The degree of responsibility exercised by chief officers in return for their basic pay is restricted to established pay gradings (Appendix 3) or with regards to other pay such as market supplement or acting up allowances in accordance with the provisions contained within the Council's pay policy (Appendix 4).

### **4 PAY, TERMS AND CONDITIONS AT NOTTINGHAM CITY COUNCIL**

4.1 The chief officers working at Nottingham City Council belong to a group referred to internally as the 'Senior Leadership Management Group (SLMG)'. Colleagues employed as Heads of Services and other senior managers are also part of SLMG and its associated terms and conditions; however the majority are not chief officers as defined by the Local Government and Housing Act.

- 4.2 Appendix 5 provides a comprehensive breakdown of all the terms and conditions offered to the Council's chief officers in comparison to LGS employees as at 31 October 2014, including pay range, allowances, fees and other benefits in kind. The table also provides information on which pay and condition is contractual.
- 4.3 The table highlights that many of the terms and conditions offered to LGS employees, such as overtime, incremental progression, travel expenses within County of Nottinghamshire, weekend/evening allowances etc are not available to the Council's chief officers.
- 4.4 The Chief Executive is paid on a spot salary of £160,000 as agreed by the Council's appointing committee (Appointment and Conditions of Service).
- 4.5 The total additional payments made to the Council's Chief Officers between 1 April 2014 to 31 October 2014 are listed in the table below:

<b>Pay Element</b>	<b>Total for Chief Officers*</b>
Total year to date additional payments (1 April 2014 to 31 October 2014) Additional payments include: Car mileage, relocation expenses (travel and accommodation), allowances for additional responsibilities, standby, general expenses (e.g. subsistence, parking etc), election duties, and travel expenses.	£39,527

\* as defined by the Local Government and Housing Act 1989

## **5 ELECTION DUTY PAYMENTS**

- 5.1 The Returning Officer's fee is a payment made to a nominated chief officer (at Nottingham City Council, this is the Chief Executive) for being in charge of the running of Local, European, Parliamentary elections in addition to National Referenda.
- 5.2 The National Referendum, European and Parliament elections are funded and paid for by central government and are therefore not related to Nottingham City Council's terms and conditions. The Council does not govern the fee payable to the Chief Executive for these elections and therefore the Chief Executive can retain any fee paid to them from these funds.
- 5.3 There was a European election during 2014-2015 so the Chief Executive has received an additional fee during this financial year, but as outlined in 5.2 this is an independent payment and is not paid or funded by the City Council and is not part of Nottingham city Council's terms and conditions.
- 5.4 The funding for any local election comes from local authority funds and follows the same principles as those for a central government funded election. The new Chief Executive is not contractually entitled to a payment for local elections and there has not been an local elections during this financial year.

## 6 MONITORING OFFICER'S FEE

6.1 The Monitoring Officer has the specific duty to ensure Nottingham City Council, its officers, and its elected councillors maintain the highest standards in all they do. The monitoring officer's legal basis is found in Section 5 of the Local Government and Housing Act 1989 , as amended by Schedule 5 paragraph 24 of the Local Government Act 2000.

The Monitoring Officer's three main roles are:

1. To report on matters they believe are, or are likely to be, illegal or amount to maladministration.
2. Matters relating to the conduct of councillors and officers.
3. Responsibility for the operation of the Council's Constitution.

6.2 The monitoring officer has a duty to write a report if they consider any proposal, decision, or omission made by the Council, or on behalf the Council, is illegal or would be illegal. The duty is a personal duty, and the monitoring officer cannot delegate it to someone else unless they are ill or away, in which case a deputy monitoring officer can take over the role.

6.3 The fee payable to the Monitoring Officer is funded by the Council. When the statutory role was created it was agreed that remuneration would be based on an approximate 10% loading on salary of the Director currently holding the post.

## 7 PAY RELATIONSHIPS

### Without Allowances

7.1 The relationship between the Chief Executive's basic pay (£160,000) to that of the Council's non chief officer<sup>3</sup> average earner excluding allowances (£22,032) is a pay multiple of 1:7.

7.2 The pay multiple of the Chief Executive's basic pay (£160,000) to that of the Council's non chief officer median earner excluding allowances (£19,317) is 1:8.

### With Guaranteed Payments<sup>4</sup>

7.3 The relationship between the average chief officer's pay including guaranteed payments (£93,126) and to that of the Council's non chief officer average earner including guaranteed payments (£25,702) is 1:4.

7.4 The relationship between the median pay of chief officers including guaranteed payments (£95,067) and to that of the Council's non chief officer median earner including guaranteed payments (£22,537) is 1:4.

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<sup>3</sup> The definition of 'non chief officer' in section 7 includes colleagues on Greater London Provincial Council (GLPC), non -chief officers on Senior Leadership Management Group (SLMG) pay scales and Local Government Service (LGS) pay scales. It excludes the Chief Executive (CEX) and Corporate Directors' (CDIR). The ratio has been calculated using basic FTE pay, not actual pay.

<sup>4</sup> Includes basic FTE salary, pension – employer contribution on FTE basic pay, single status incentive payments, allowances and enhancements paid between 01/04/2013 to 31/12/2013

## **8 THE COUNCIL'S STATEMENT ON PAY AND CONDITIONS FOR CHIEF OFFICERS FOR 2015/16**

The section sets out the Council's approach to determining pay and conditions for chief officers for 2015/16.

(NB. Please refer to paragraph 2.7 of this document for the application of the statements below to Public Health employees under Statutory Transfer)

### **8.1 Remuneration of chief officers on recruitment**

The basic pay for new chief officers will fall within the bandings for their job as set out in Appendix 3. New chief officers will normally start on the minimum pay point for their grading and will not be offered more than the maximum for their grade.

In certain circumstances, it may be necessary to offer a higher starting salary within their pay grading in accordance with 5.2 of the Council's Pay Policy (Appendix 4).

Full council will be provided with an opportunity to vote before any salary package over £100,000 for new appointments.

### **8.2 The level and elements of remuneration for each chief officer**

Any changes or amendments to SLMG pay gradings will be subject to consultation with chief officers, their trade union representatives and formal ratification by ACOS. Any decision to pay market supplements or acting up allowances to chief officers will be subject to a business case put forward to the Strategic Director of Organisational Transformation for approval in accordance with section 8 of the Council's Pay Policy.

### **8.3 Increases and additions to remuneration for each chief officer**

There is currently no incremental progression through the pay band for chief officers. Annual pay awards are negotiated nationally with the trade unions. There have been no pay awards for chief officers for the past five years.

### **8.4 The use of performance related pay for chief officers**

The Council will continue not to offer performance related pay to chief officers due to budget constraints.

### **8.5 The use of bonuses for chief officers**

The Council will not offer bonus payments to chief officers.

### **8.6 Earn Back Pay**

The Council is not intending to introduce the policy of 'earn back pay' which requires chief officers to have an element of pay 'at risk' to be earned back each year through meeting pre-agreed objectives.

The Council is confident that it has robust performance management procedures in place through its Performance Appraisal Framework to deal with poor performance. The Council's

Performance Appraisal system requires a number of mandatory competencies and objectives (team and individual) to be met which are reviewed throughout the year.

#### 8.7 The payment of chief officers on their ceasing to hold office under or to be employed by the Council

The Council's payment to chief officers leaving the Council under the following types of termination is set out below:

- Redundancy Dismissal – Contractual notice and redundancy pay as set out in the Council's Local Government (Early Termination of Employment) Regulations 2006 (DCR Policy). See Appendix 6 for policy details. Note that if the chief officer is aged 55 or over, under Pension regulations they automatically access their pension benefits without any reduction.
- Efficiency - Efficiency payment as set out in the Council's Local Government (Early Termination of Employment) Regulations 2006 (DCR Policy). See Appendix 6 for policy details.
- Retirement – Under Pension Regulations, chief officers may automatically access their pension benefits from age 65, when they leave employment. The Council does not operate a default retirement age whereby employees are dismissed at age 65.
- Early Retirement – Chief Officers can request access to their pension from age 55 with the Council's consent, and the Council may choose to waive the actuarial reduction. Chief Officers may retire from age 60 without consent but will leave with a reduced pension unless they are protected by the 85 year rule, which will be phased out by 2016.
- Flexible Retirement – Chief Officers may apply to access their pension from age 55 but remain working at the Council either under reduced pay or reduced hours. Any flexible requirement requests for chief officers would need to be approved by ACOS.
- The Council has the power to grant additional pension to chief officers at the discretion of ACOS supported by a business case. See Appendix 7 for policy details.

#### 8.8 Re-employment of former chief officers

Former chief officers will be permitted to apply for vacancies at the Council by following the normal competitive recruitment process.

Where former chief officers are applying for work under a contract for services with the Council (e.g. as a Consultant or casual worker), the Leader of the Council along with the Director of HR and Transformation will scrutinise and decide whether to approve such requests following a consideration of the skills required and an assessment of value for money.

#### 8.9 The Council's Internal Jobs Market

With effect from 1 August 2013, the Council implemented an internal jobs market called 'People Plus' which utilises existing employees and trainees to fill vacancies and undertake

project work as and when they arise (other than on occasion, very specialised or suitable entry level posts, which will be converted to apprenticeships). It focuses on the Council utilising its internal talent pool, deploying strengths, skills, and experience from one post to another across the organisation. This delivers a flexible resourcing model and will form part of our Talent Management strategy.

#### 8.10 *The appointment of former chief officers in receipt of a pension (pension abatement)*

The Council is not in a position to abate pension payments (the act of reducing or suspending pension payments) if a chief officer is re-engaged or re-employed. The Council's pension fund is administered by Nottinghamshire County Council who set the rules for employers to follow on abatement.

Therefore until the policy is amended by Nottinghamshire County Council, the City Council cannot enforce pension abatement for current or former employees.

#### 8.11 *Tax Avoidance*

The Council takes its obligations to ensuring compliance with relevant taxation legislation very seriously and does not actively engage in or endorse any form of tax avoidance. Therefore, the Council has policies and procedures in place to ensure that the correct amount of taxes are accounted for and paid at the correct time.

All individuals employed or engaged by the Council are treated equally and the level of seniority does not allow for differential treatment in the engagement process, or in the method of remuneration.

The Council recognises that by paying employees through private companies it allows the individual to manage their own tax arrangements, and potentially reduce the amount of tax and national insurance they are obliged to pay, thus implicating the Council in tax avoidance schemes. Therefore, the Council does not and will not remunerate any employee at any level through a private company; all payments will be made through the Council payroll system and PAYE applied accordingly.

In addition the Council has processes and policies in place in order to check the employment status of individuals who are engaged by the Council, ensuring that it's the terms and conditions of the engagement which determine the employment status of the individual. This reduces the risk of employees being engaged in a self employed capacity and making their own tax arrangements, thereby reducing the risk of potential tax avoidance. Only contracts that fully satisfy the self employed criteria will be paid as self employed; all deemed contracts of employments will be remunerated through the payroll system and PAYE applied accordingly

#### 8.12 *Shared Senior Management*

Currently, the Council has shared management arrangements with other organisations relating to two senior officers. The Director of Public Health is employed and paid by Nottinghamshire County Council but also works for Nottingham City Council.



### 8.13 Pay and Conditions of Lowest Paid Employees

The pay and conditions of lowest paid employees are set out in the Council's Pay Policy (Appendix 5). In addition the Council pays, as a separate element, to all colleagues on Grade A and majority of Grade B (£12,435 - £14,013) a Living Wage supplement which increases their hourly rate to £7.65. This applies to all employees, schools employees and casual workers. The Council is considering increasing the supplement in line with the Living Wage Foundation's annual announcement, which, if implemented, would have the effect of increasing the hourly rate for affected employees to £7.85.

### 8.14 Local Government National Pay Award

A National Pay award has been agreed which increases the value of the spinal column points from 1 January 2015 to 31 March 2016. The majority of LGS employees received an increase of 2.2% and a non-consolidated payment for those occupying spinal column points 5 to 49 applies for those in post on 1 December 2014. The revised payscale is attached at Appendix 3.

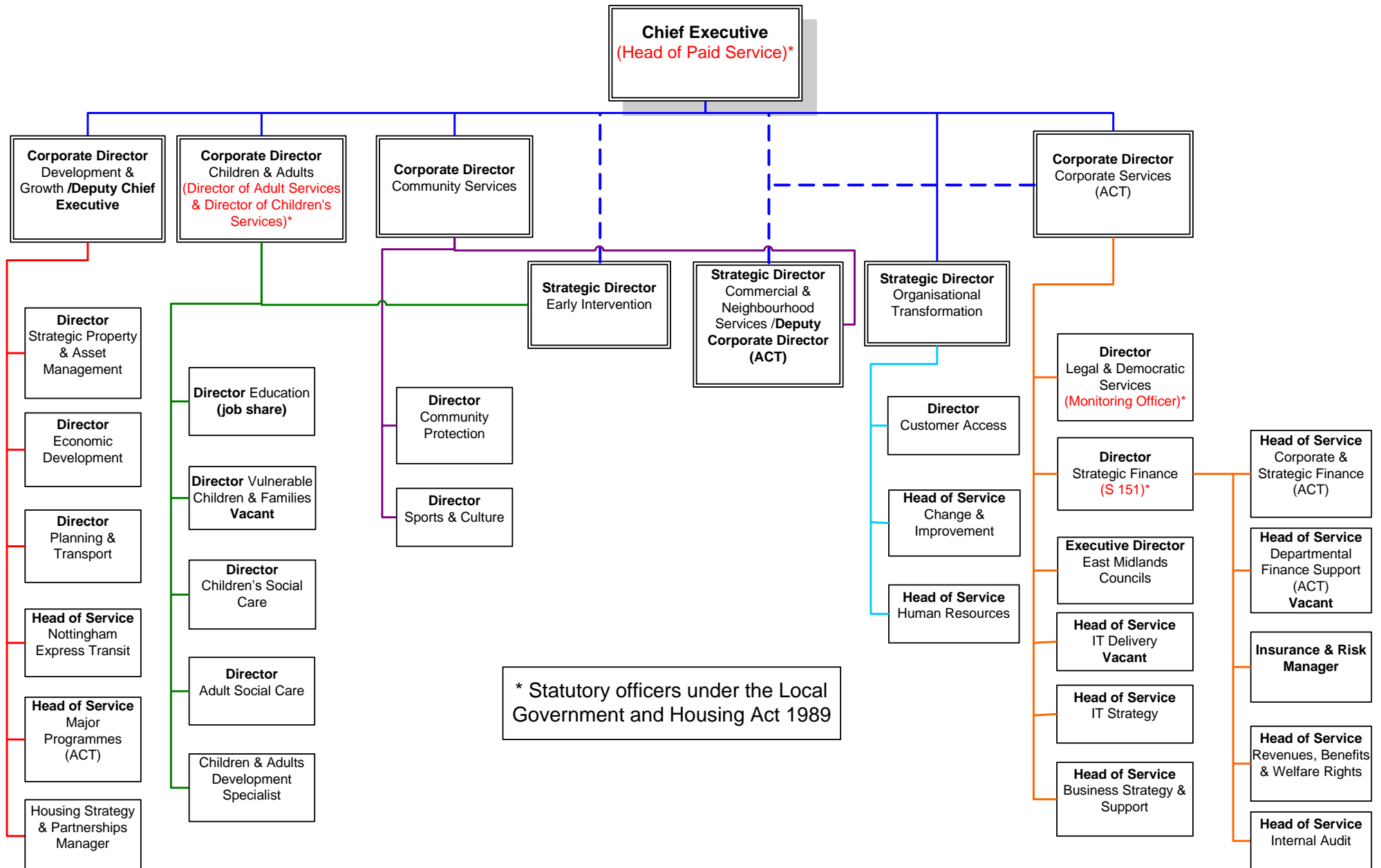
## **9 PUBLISHED DOCUMENTS AND PAPERS REFERRED TO IN THE PAY POLICY STATEMENT**

- 9.1 Hutton, W., 2011. *Hutton Review of Fair Pay*. London
- 9.2 Communities and Local Government, 2012. *Openness and accountability in local pay: Guidance under section 40 of the Localism Act*. London
- 9.3 Department for Communities and Local Government, 2013. *Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011. Supplementary Guidance*. London
- 9.4 Local Government Association and Association of Local Authority Chief Executives (ALACE), *Localism Act: Pay Policy Statement Guidance for Local Authority Chief Executives*
- 9.5 One Society, 2012. *Leading the Way on Fair Pay: An Assessment of Principal Local Authorities in England & Wales*. London

## 10 LIST OF APPENDICES

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# Appendix 1: Structure of Nottingham City Council's Chief Officers



**Appointment and Conditions of Service Committee**  
**(Extract from Nottingham City Council's Constitution Part 2: Responsibility for Functions and Terms of Reference)**

- (a) To undertake the appointment process (long listing, short listing and formal interviews) (or to appoint a politically balanced panel to undertake long listing and, short listing) in respect of the Chief Executive, Deputy Chief Executive and Corporate Directors, subject to having ascertained the views of the Executive Board in accordance with Standing Orders, to make recommendations to Council;
- (b) to determine the terms and conditions of City Council employees and procedures for disciplinary action and dismissal;
- (c) to designate proper officers;
- (d) to designate officers as Head of Paid Service, Section 151 Officer and as Monitoring Officer and to ensure the provision of sufficient staff and other resources;
- (e) to exercise any other personnel functions which cannot be the responsibility of the Executive;
- (f) to receive reports on action taken in respect of terms agreed for the Chief Executive, Deputy Chief Executive, Corporate Directors and the Senior Leadership Management Group (SLMG) leaving the employment of the Council where those terms included compensation;
- (g) determines redundancies, ill health retirements, flexible retirements and terminations of employment by mutual agreement on grounds of business efficiency, under the 85 year rule, in the interests of the efficient exercise of the Council's functions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 ('the DCR') and any exercise of discretions to increase total LGPS pension and award additional LGPS pension for the Chief Executive, Deputy Chief Executive, Corporate Directors and Directors subject in the event of a proposed dismissal to relevant notification to the proper officer, and the Executive and relevant consultation with nominated elected members and relevant approval as specified in the Officer Employment Procedure Rules (Part 4);
- (h) determines flexible retirements and terminations of employment by mutual agreement on the grounds of business efficiency, terminations of employment under the 85 year rule, in the interests of the efficient exercise of the Council's functions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 ('the DCR') and any exercise of discretions to increase total LGPS membership and award additional LGPS membership for any employee who is part of the Senior Leadership Management Group below the level of Director. The Committee also determines terminations of employment by mutual agreement, and following consultation with the appropriate Portfolio Holder(s), on the grounds of business efficiency under the DCR for employees where any proposed compensation payment is in excess of £30,000;

- (i) to appoint an independent person to investigate matters of misconduct and capability involving the Head of Paid Service, Section 151 Officer and Monitoring Officer;
- (j) to approve any proposals for significant restructuring of the Council's management structure;
- (k) to approve any proposals from the Chief Executive for changes to salary levels (including ranges of salaries) for Corporate Directors and the Deputy Chief Executive.

**NB - "Significant restructuring"**

- (i) the transfer of a significant function between Council departments, or to an external body, or
- (ii) the addition or deletion of a Corporate Director or Director post to or from a department. The Committee is accountable to Council, has 11 members (politically balanced (one place is reserved for the relevant Portfolio Holder (or their substitute) in relation to matters in respect of the appointment process for the Chief Executive and Corporate Director and the dismissal process for the Chief Executive)).

## Appendix 3: Pay Scales

**\* From 1 April 2014, a Living Wage Supplement will be applied to SCP 5-10 which increases the hourly rate to £7.65**

Local Government Scheme				
Tier	Grade	Spinal Point	Salary (from 1 April 13)	Salary (from 1 Jan 15)
6	GLPC-A	*05	£12,435	£13,500
		*06	£12,614	£13,614
		*07	£12,915	£13,715
		*08	£13,321	£13,871
	GLPC-B	*09	£13,725	£14,075
		*10	£14,013	£14,338
		11	£14,880	£15,207
	GLPC-C	12	£15,189	£15,523
		13	£15,598	£15,941
		14	£15,882	£16,231
		15	£16,215	£16,572
	GLPC-D	16	£16,604	£16,969
		17	£16,998	£17,372
		18	£17,333	£17,714
		19	£17,980	£18,376
		20	£18,638	£19,048
		21	£19,317	£19,742
	GLPC-E	22	£19,817	£20,253
		23	£20,400	£20,849
		24	£21,067	£21,530
		25	£21,734	£22,212
	GLPC-F	26	£22,443	£22,937
		27	£23,188	£23,698
		28	£23,945	£24,472
		29	£24,892	£25,440
		30	£25,727	£26,293
	GLPC-G	31	£26,539	£27,123
		32	£27,323	£27,924
		33	£28,127	£28,746
		34	£28,922	£29,558
35		£29,528	£30,178	
GLPC-H	36	£30,311	£30,978	
	37	£31,160	£31,846	
	38	£32,072	£32,778	
	39	£33,128	£33,857	
GLPC-I	40	£33,998	£34,746	
	41	£34,894	£35,662	
	42	£35,784	£36,571	
	43	£36,676	£37,483	
	44	£37,578	£38,405	
	45	£38,422	£39,267	
GLPC-J	46	£39,351	£40,217	
	47	£40,254	£41,140	
	48	£41,148	£42,053	
	49	£42,032	£42,957	
	50	£42,930	£43,874	
	51	£43,830	£44,794	
GLPC-K	52	£44,717	£45,701	
	53	£45,620	£46,624	
	54	£46,553	£47,577	
	55	£47,487	£48,532	

SLMG			
Tier	Grade	Minimum Salary	Maximum Salary
3	SLMG6	£43,396	£47,017
	SLMG5	£48,000	£50,800
	SLMG4	£50,803	£57,284
2	SLMG3	£57,288	£66,762
	SLMG2	£66,765	£77,892
	SLMG1	£77,895	£89,017
Strategic Director			
Tier	Grade	Minimum Salary	Maximum Salary
1	SDIR	£93,000	£106,000
Corporate Director			
Tier	Grade	Minimum Salary	Maximum Salary
1	CDIR	£120,000	£144,653
Chief Executive			
Tier	Grade	Minimum Salary	Maximum Salary
1	CX	£165,000	£185,000

## **PAY POLICY**

***Paragraphs (3) (6) and (9) of this Pay Policy are, where applicable, incorporated into individual employees' contracts of employment.***

### **1. Scope of the Policy**

This Policy applies to all employees whose terms and conditions are governed by the National Joint Council for Local Government Services (the 'Green Book') as supplemented and/or amended by the policies and provisions of the Council's People Management Handbook.

Paragraphs (2), (4.2), (5.2 – 5.3), (7 -11) of this Policy will also apply to employees covered by the following National Agreements:

- the Joint Negotiating Committee for Youth and Community Workers (JNC);
- the Soulbury Committee - Inspectors, Organisers and Advisory Officers of Local Education Authorities.

Paragraphs (2), (4.2), (5.2 – 5.3), (7 – 11) of this Policy will also apply to employees within the Strategic Leadership Management Group (SLMG).

Paragraphs (2), (4.2), (5.2 – 5.3), (7, 8, 10 and 11) of this Policy will also apply to employees covered by the following National Agreements:

- the National Agreement for Local Authority Craft and Associated Employees;
- the Theatrical Management Association / the Broadcasting Entertainment Cinematograph and Theatre Union (TMA/BECTU);

### **2. Principles**

- 2.1 The purpose of this Policy is to ensure a fair, transparent and equitable pay system that is free from unlawful discrimination. All decisions made in respect of the Policy will be based on these principles.
- 2.2 The Policy will be applied in accordance with the roles and responsibilities of officers as set out in the Council's Constitution.

### **3. Pay System**

- 3.1 The Council has adopted the Greater London Provincial Council (GLPC) system as its method to value all posts covered by the Green Book. The GLPC system measures all jobs on a systematic basis against a set number of factors. All relevant posts are evaluated under this system, and the job evaluation score then determines which pay grade and band a job is assigned to. The pay and grade structure is set out in the table below:

Band	Grade	SCP Min	SCP Max
6	A	4	7
6	B	8	11
6	C	12	16
6	D	17	21
6	E	22	26
6	F	27	30
5	G	31	35
5	H	36	40
5	I	41	45
4	J	46	50
4	K	51	55

3.2 All grades A – K are assigned to one of three bands (4, 5 or 6). Bands 1, 2 and 3 are reserved for SLMG posts.

3.3 Each grade contains a range of spinal column points (scp) which defines the minimum and maximum pay range for each grade. The current values of each scp are available on the intranet and in Appendix 1 of the Pay Policy.

#### 4. Grading of posts

4.1 All jobs are assigned to a grade following a job evaluation.

4.2 Where there is a business need to establish a new role or to fill a vacancy that has been empty for a significant period, the line manager will draft the job description, business case and the organisational chart in conjunction with the Job Evaluation Team who will advise whether there is an appropriate generic job description for the role available.

4.3 If a new evaluation is required then the job description will be sent to the Job Evaluation team for grading.

4.4 Where a regrade of an existing post is considered necessary, the revised job description, together with a summary of what changes have occurred to the job, should be sent to the Job Evaluation team.

#### 5. Appointments to new grade

5.1 Subject to paragraph 5.2, employees will normally start in a new grade on the minimum scp for the grade. No employee will be allowed to move above the maximum for their grade. New starters in grade who start between the 1<sup>st</sup> April and 30<sup>th</sup> September will receive an increment on 1 April the following year; new starters in grade between 1 October and 31 March will receive an increment after six months' employment in that



grade. Thereafter, they will receive increments on 1 April each year until the maximum of the grade is reached.

- 5.2 In seeking to recruit from outside the organisation it is possible that there may be the need to offer more than the minimum of the grade. Where such pressures are acute, managers will have to make a judgement based on the relevant experience of the candidate, their potential value to the organisation against the impact on current staff, job description and the pay range for the role. Where a manager needs to offer more to attract the preferred candidate this will need to be detailed and approved in the business case. Factors such as the current salaries of other employees performing that role must also be detailed and considered as part of the business case. A record of all such decisions will be kept and discussed at Central Panel.
- 5.3 The Council will act in accordance with the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002. Managers should ensure there is no difference in treatment to permanent employees regarding pay.

## **6. Allowances**

- 6.1 The following allowances (a – o) are the agreed adopted interpretation of those outlined in Part 3 paragraph 2 of the National Joint Council for Local Government Services, National Agreement on Pay and Conditions of Service (Green Book). These allowances apply to all employees covered by this part of the policy and cannot be varied on a local basis.

### **a) Overtime**

- i Employees at or below scp 30 will receive the following enhancements for work undertaken beyond the normal working week:

Monday – Saturday – Time and a half at basic rate

Sunday and Bank Holidays – Double time at basic rate

(Part-time employees must work 37 hours before they are entitled to overtime payments).

- ii In exceptional circumstances, there is discretion to pay overtime to employees above scp 30, but only where the overtime is planned. The rate to be paid for this overtime will be the normal hourly rate for the duties performed. Where managers are required to exercise this discretion the prior approval of the appropriate Head of Service and the HR Business Partner will be required in advance of the overtime being undertaken.

**b) Saturday and Sunday Working**

- i Employees above scp 11 but at or below scp 30 who are required to work on Saturday and/or Sunday as part of their normal working week are entitled to be paid at time and a half of basic pay for such hours worked.
- ii Employees at or below scp 11 who are required to work on Saturday and/or Sunday as part of their normal working week are entitled to the following enhancements:

Saturday – Time and a half at basic  
Sunday – Double time at basic

**c) Night working**

- i Employees at or below scp 30 who work at night as part of their normal working week are entitled to receive an enhancement of time and one third for all hours worked between 11.00pm and 6.00am.

**d) Public Holidays**

- i Employees at or below scp 30 who are required to work on a public holiday as part of their normal working week shall, in addition to the normal pay for that day, be paid additional plain time rate for all hours worked within their normal working hours for that day. In addition, at a later date time off with pay shall be allowed as follows:

Time worked less than half the normal working hours on that day – half a day

Time worked more than half the normal working hours on that day – full day

- ii Overtime worked on a public holiday shall be paid at normal overtime rates.
- iii. For employees above scp 30, time off in lieu only will be applicable.

**e) Sleep-in Duty**

Employees who are required to sleep-in on the premises shall receive the nationally agreed rate set by the National Joint Council from time to time. This allowance covers the requirement to sleep-in and up to 30 minutes call out per night, after which the additional hours provisions will apply.

**f) Shift working**

No enhancement for shift working will be paid. Shifts that fall into unsocial hours (i.e. after 8.00pm and before 6.00am) or over a weekend will attract the appropriate enhancements as above for employees at or below scp 30.

**g) Free and rest day working**

Overtime rates will apply for employees at or below scp 30 who are required to work on a free or a rest day.

**h) Evening working**

Employees at or below scp 30 who are required to work after 8.00pm and before 11.00pm as part of their normal working week will be paid at basic rate plus five percent for all hours worked between those times.

**i) Recall to work**

- i Employees at or below scp 30 will receive a minimum of two hours pay at basic rate for the first call-out session. Any hours worked over the first two hours (including travel time) and subsequent call outs in the same session will receive the appropriate overtime.
- ii Employees above scp 30 will receive time off in lieu for the actual time spent at work in addition to travel time of up to 60 minutes accumulated and calculated to the nearest quarter of an hour.
- iii Where the time spent at work (i.e. any recorded working time) is in excess of the statutory unpaid rest periods set out in the Working Time Regulations 1998, compensatory unpaid time off will be provided.

**j) Standby Duty**

**To return to work**

- i The nationally agreed stand-by rate per session will be paid to employees who are on a standby-by duty rota to provide services out of hours. A session equates to any period of 24 hours or less. Employees on standby to return to work must:
  - be directly contactable;
  - remain fit and capable to return to work to undertake duties required;
  - be immediately available to return to work; and
  - be able to arrive at work within 45 minutes of being notified.

**On call to provide telephone support**

- ii The nationally agreed standby rate per session will be paid to employees on a standby duty rota to provide telephone support out of hours. A session equates to any period of 24 hours or less. Employees on call to provide telephone support must:
  - be directly contactable; and
  - remain fit and capable to undertake the duties required.
- iii The session payment covers the period on call and any calls amounting to less than one hour. Any calls in excess of one hour should be recorded as working time and claimed in accordance with normal additional hours or overtime payments as appropriate for employees at or below scp 30. Time off in lieu will be given for those above scp 30.
- iv Where the time spent at work (i.e. any recorded working time) is in excess of the statutory unpaid rest period entitlements defined in the Working Time Regulations 1998, compensatory unpaid time off will be provided.

**k) Unavoidable split shift or split duty working**

No enhancement for split shift or split duty working will be paid.

**l) Irregular Hours working**

No irregular hours payments will be paid.

**m) Lettings**

Payments will be made to those responsible for opening and closing school premises let out after normal hours in accordance with the arrangements set out in the East Midlands Provincial Council agreement.

**n) Client Holidays**

An allowance of £50 per day will be paid to employees accompanying clients on holiday.

**o) Unpaid Lunchtimes/Provision of Meals**

- i All lunchtimes will be unpaid unless a business case exists for employees to eat with clients sufficient to provide a Genuine Material Factor defence for the payment and such activities have received prior approval from the employee's manager.
- ii Meals will not be provided to any member of staff unless a clear business case exists for the employee to eat a meal with the client sufficient to provide a Genuine Material Factor defence for the provision of the meal and such activities have received prior approval from the employee's manager.

6.2 In the event that more than one allowance could be applied, then it is only the highest allowance that applies.

6.3 Allowances for unsocial hours will not be payable for periods of sickness absence or for contractual annual holidays (over and above the statutory minimum under the Working Time Regulations) so as to avoid creating equal pay liabilities.

6.4 No other allowances will be paid to employees covered by the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (Green book).

**7. Allowances for temporary additional duties or responsibilities / acting up allowances**

7.1 This section sets out the principles under which additional payments should be made to employees who temporarily undertake additional duties and responsibilities or act up in a higher graded post. The opportunity to act-up can provide employees with a valuable opportunity to develop skills and gain experience in preparation for possible future promotion. For this reason the process for acting up arrangements needs to be transparent, fair and in keeping with the Council's responsibilities for equality, and in line with the principles of People Plus. Employees are entitled to be fairly rewarded on the

basis outlined below for being asked to undertake additional responsibilities which are above and beyond the scope of the grade of their post.

- 7.2 In many cases, the absence of a senior officer means that additional duties are shared by a number of employees. Payment of an allowance is only appropriate where additional responsibilities of a higher grade have been undertaken, not simply an increase in the volume of work. The process set out below must be followed.
- 7.3 Employees who undertake agreed additional duties and responsibilities for longer than one month will be entitled to a temporary allowance as follows:
- If undertaking 100% of a higher graded post then an allowance equivalent to the minimum point of the higher graded post.
  - If undertaking less than 100% of the responsibilities of the higher graded post then a job evaluation exercise will be required to determine whether the additional responsibilities justify a temporary allowance equivalent to a higher grade.
  - If the additional responsibilities of a higher graded post are shared between a number of employees then a job evaluation exercise for each affected employee will need to be undertaken by the Job Evaluation Team to determine whether the additional responsibilities justify a temporary allowance equivalent to a higher grade.
- 7.4 Acting up allowances are payable only where an employee takes on the full duties and responsibilities of a higher graded post for a continuous period of at least one month. This may occur as a result of:
- temporarily filling a post until a substantive appointment can be made;
  - filling a key post while another employee is on maternity leave;
  - filling a key post to cover long term sickness absence;
  - filling posts due to other temporary extended leave arrangements e.g. secondments.

#### Authorisation and payment

- 7.5 Where a manager believes that payment of a temporary allowance for additional duties and responsibilities or an acting-up payment is appropriate, they should seek the authorisation of their Director and HR Business Partner to check that the conditions outlined above have been met. In addition, the manager must confirm this in writing with the employee and the employee must be asked to sign the letter to indicate their acceptance of the temporary change to their contract of employment. The letter should indicate an end date for the payment of the allowance if known, or the circumstances on which the allowance is likely to end, e.g. when a certain employee returns to work.
- 7.6 Subject to 7.7, payment will be based on the difference between the employee's substantive pay and the bottom point of the grade of the new duties being undertaken and, if less than 100%, the percentage time spent on these new duties. Where an employee is undertaking 100% of the duties of a higher graded post (i.e. acting up arrangements) payment should be based on the salary which would apply were the employee to be promoted to the higher level post, which would normally be the bottom point of the higher graded post.
- 7.7 Employees who are on protected salaries who undertake duties of a higher grade than their evaluated grade, but not higher than their protected salary are not entitled to receive

any additional pay. They should still be encouraged to undertake the opportunity of acting up/additional duties and responsibilities as part of their development to assist them in improving their promotion prospects.

- 7.8 Temporary allowances should be implemented without unreasonable delay once the qualifying conditions are met, and will be backdated to the agreed start date of the additional duties and responsibilities/acting up arrangement. However, where possible the authorisation process should take place in advance of the arrangement commencing.
- 7.9 Payments should be funded from cost centres' employee budgets and therefore managers are reminded to be aware of the financial implications of any decisions in relation to how they cover for employee absences. In particular they should consult HR and Finance before making any decisions

#### Timescales and ending the arrangement

- 7.10 Wherever possible, the likely duration of the additional duties and responsibilities / acting up arrangement should be indicated before it commences. If this is not possible, the arrangements should be regularly reviewed. It must be remembered that this is a temporary arrangement and should not normally be allowed to exceed 12 months.
- 7.11 Performance of the additional duties and responsibilities or in the acting up position should be regularly reviewed in conjunction with the employee who may need additional training and support, and in line with good management practice. If concerns regarding performance do arise then these should be discussed before the decision is taken to end the arrangement.
- 7.12 At least one week's notice of the end of the arrangement should be given and a further letter confirming the change of circumstance needs to be issued by the manager. In addition, the manager needs to confirm the end of the arrangement with the Employee Service Centre (ESC) to ensure that the temporary allowance for undertaking additional duties and responsibilities/acting up is ended. Settling back in to their original role can be difficult for an employee and managers need to be sensitive to potential problems in this respect. There is no automatic right to the substantive post for employees who have acted up. However, employees who have acted up in a post who are not subsequently appointed following competitive interviews must receive constructive feedback as to why they were not successful.

#### Subsequent promotion to the higher grade following acting-up arrangement

- 7.13 If an employee is subsequently promoted to the higher graded post they have been acting up into, periods of acting up will be taken into account when deciding the point on the salary scale on which they are appointed.

#### Covering the workload of the person acting up

- 7.14 Options for this include redistributing duties, appointing a temporary employee, looking for another employee to act up or second into their post. These options should be discussed with Human Resources before they are implemented.

### **8. Market Supplementation**

- 8.1 This section derives from the need to consider market forces in relation to the pay and grading arrangements. Market supplementation is a means of making additional payments or providing enhanced benefits to employees without breaching equal pay legislation or deviating from the principles of job evaluation.
- 8.2 This policy explains the circumstances in which market payments or other recruitment and retention based benefits may be applied and the process for discharging them.

### **Compiling a case**

- 8.3 Market supplementation will only be applied where there is strong evidence that pay for a specific role(s) is impacted by an inability to recruit or in some cases is a cause of high turnover.
- 8.4 Cases must be put forward to the Strategic Director of Organisational Transformation by the appropriate Director or Head of Service (2<sup>nd</sup> or 3<sup>rd</sup> tier) and must have been endorsed by their Corporate Director (or Chief Executive for Corporate Directors).
- 8.5 The case presented should address as a minimum the following criteria and should also present details of the level of payment and/or benefit proposed:
- a) Evidence of difficulty in recruiting, which may include:
    - Number of times a post has been advertised unsuccessfully
    - Media used
    - Cost incurred
    - Number of responses
    - Summary of gap between the person specification requirements and the quality of applicants
    - A particular skills shortage in the Nottingham area for that type of job.
  - b) Evidence for high turnover, which may include:
    - Exit interviews indicating pay as a significant reason for leaving
    - Turnover as actual figures as a percentage in comparison with turnover rates with other comparable organisations.
    - Average length of service of leavers compared with average length of service for organisation.
    - Evidence of high internal staff turnover.
- 8.6 The manager will, in all cases, need to present evidence from current pay surveys to demonstrate that the level of pay for comparable posts in other locally comparable organisations is significantly higher than in Nottingham City Council. For example, the manager should be able to provide examples of comparable jobs with similar duties, competence requirements, management span, location in structure and budgetary responsibilities. It is not enough for the title alone to be compared. Comparisons must be based on the whole package (i.e. including leave entitlement, pension, bonus and other benefits) not just salary. Where exact comparisons are not possible, the case should state that data does not exist and provide the best data available as part of a robust business case. Geographical evidence on a comparable regional basis would normally only be appropriate to Band 4's and higher.

- 8.7 Evidence that other measures have been considered to support retention, for example, development opportunities will be useful and should be included to support the business case. Further advice on compiling a case is available from HR Business Partners.
- 8.8 Submitted cases must include details of the numbers of posts affected, the types and mix of supplementation proposed, the proposed level of supplementation, the methodology for discharging the supplementation, the basis for withdrawal and the total cost implication (to include equivalent cash value for non-pay benefits).
- 8.9 Submitted cases must state how it is proposed to fund the cost of supplementation. There is no central budget for market supplementation. Costs must be accommodated within existing departmental budgets.

### **Financial Considerations**

- 8.10 The salary for the post, together with any market payments and/or benefits that are of a recurring nature, must not exceed 15% above grade maximum when equated to an annual sum in any one year. Examples of recurring market supplementation include regular payments added to substantive pay and increased annual leave. It will therefore be necessary to calculate the equivalent cash value for non-pay benefits to ensure that the 15% maximum is not exceeded.
- 8.11 Market supplementation that is of a 'one-off' nature such as 'Golden Hellos' must not exceed 15% above grade maximum when equated to an annual sum in any one year.
- 8.12 Managers should be aware that it is unlikely that market payments of a recurring nature that amount to a cash value in excess of £5000 pa will be approved.
- 8.13 Market supplements will be paid as a percentage amount on top of the appropriate scp. The percentage applies to the whole of the scp range for the post and the position of the employee within that should be in line with the normal rules for appointment i.e. normally to the minimum of the scp range. The percentage amount will be calculated as a premium and applied equally to all posts covered by the market supplement (subject to the requirements in para. 8.22) whichever scp within the pay grade individuals happen to be on at the time the market supplement is approved.
- 8.14 Under no circumstances must spinal column points be used as a means of paying a market supplement.
- 8.15 Market supplement payments of a recurring nature will usually be paid in equal instalments in addition to basic pay. Arrangements for discharging other payments and/or benefits will be as incorporated and approved in the original case put forward by the Head of Service.
- 8.16 Pay awards will not apply to the market supplement. The value of market supplementation can only alter following review and approval. All market supplements must be reviewed on an annual basis to ensure that the Genuine Material Factor defence still exists for the payment.

### **Contractual considerations and review**

- 8.17 Market supplements are non-contractual discretionary payments and are subject to review. Employees should be made aware of the fact that they have no contractual



entitlement to the market supplement and that receipt of the market supplement in one year does not entitle them to receive a market supplement in a subsequent year.

- 8.18 The market supplement will be subject to a review between 12-24 months after commencing, alongside any new cases. This is to ensure that any changes that occur in the job market are reflected. The review may result in no change, an increase, decrease or cessation. The contractual position must make this clear and specify the review period. Due to the nature of one-off payments, such as 'Golden Hellos', review may not be appropriate unless they are linked to other requirements such as; remaining in post for a minimum length of time. Any such linked requirements should be stated clearly in the submitted case and in the contractual documentation.
- 8.19 The full case, together with up to date salary and any other change data, must be submitted for the review. It is the Head of Service's responsibility to re-submit the case – reminders will not be sent. The supplementation will cease automatically if the case is not re-submitted.

### **Withdrawing the market supplement**

- 8.20 If following review it is decided that recurring market-based supplementation, including any pay and benefits should cease, this should be withdrawn on an immediate basis.

### **General**

- 8.21 The appropriate trade unions should be consulted when agreeing and terminating a market supplement.
- 8.22 Market supplementation will apply to all identical posts across the organisation, unless specific locations are identified in the case put forward. Supplementation will not just apply to vacant posts. However, the fact that a post has been awarded market supplementation will not be justification for related posts to receive additional pay. Individual cases for individual posts must be made.
- 8.23 When advertising a post that is in receipt of market supplementation, the advert must indicate the actual grade salary of the role plus the additional market supplementation element(s) on top of this. Advice should be sought from HR if any clarification is required.
- 8.24 Individual recipients of market supplementation may raise concerns over the process as described in this policy, using the grievance procedure.

### **Roles and responsibilities**

- 8.25 Heads of Service and above (Bands 1, 2 and 3) are responsible for compiling and submitting cases, resubmitting them on an annual basis if required and consulting with the trade unions. In completing their cases the Head of Service can call on their HR Business Partners to provide advice and guidance.
- 8.26 The decision for considering and approving cases rests with the Strategic Director of Organisational Transformation and is final.
- 8.27 The ESC are responsible for implementation of the market supplement. Market supplementation requests should be submitted to the ESC together with a copy of the

relevant business case, signed off by the Strategic Director of Organisational Transformation.

## **Monitoring and evaluation**

8.28 Evaluation, decision making and monitoring will be the responsibility of the HR Function and will be shared at Central Panel.

## **9. Pay Protection**

- 9.1 Employees who are redeployed into a lower graded post as a result of a formal restructuring or because they are at risk of redundancy may receive pay protection for a period of not more than one year (the 'protection period'). Pay protection will only apply where the employee is redeployed into a job not more than two grades below the employee's previous grade. (Where an employee is redeployed because they are unable to fulfil the duties of their existing job because they are disabled within the meaning of the Equality Act 2010 (and any reasonable adjustments have been considered), they will be treated no less favourably in terms of the pay protection than employees who are redeployed because they are at risk of redundancy.)
- 9.2 Employees will be moved to the maximum point of their new grade and will receive the difference in salary between the two roles as a protected element in addition to their new basic salary. Employees will receive pay awards on their new basic salary but not on the protected element.
- 9.3 Pay protection will be calculated on contracted hours and will only be payable while the employee performs the post to which the pay protection element applies.
- 9.4 Where an employee's normal working hours are decreased during the protection period, the pay protection element will be pro rated accordingly.
- 9.5 In certain circumstances, where an employee temporarily reduces their hours the pay protection element will be temporarily reduced. If the employee increases their hours again within the pay protection period, the pay protection element will increase in line with the employee's increase in hours with the proviso that the employee's overall pay (inclusive of the pay protection element) will not increase to a level that is higher than the initial pay protected salary. Such cases may include situations where a woman returning from maternity leave wishes to return on reduced hours temporarily gradually increasing her hours over a defined period.
- 9.6 Subject to 9.5 and 9.10, where an employee's normal working hours are increased during the protection period the pay protection element will not change. However, where the increase in hours allows the employee to maintain their former basic salary, the pay protection element will cease.
- 9.7 Where an employee is promoted to a higher grade during the protection period the employee shall be placed on the SCP in the grade which is equal to the protected salary and pay protection will cease. (Where no such SCP exists, the employee shall be placed on the lowest SCP in the grade which has a salary greater than the protected salary. Where neither of these is possible, the employee shall be placed on the highest available SCP in the grade and any pay protection element remaining shall be paid for the remainder of the protection period.)

- 9.8 Pay protection will cease automatically when the protection period ends. If pay protection is continued beyond the protection period in error, the Council reserves the right to recover any overpayment made in accordance with Section 10 of this policy.
- 9.9 Where an employee undertakes additional duties and responsibilities over and above their new grade the pay protection element must be taken into account in accordance with paragraph 7.7 of this policy before any additional payment is considered.
- 9.10 Only an employee's basic salary will be protected. An employee's previous terms and conditions, including any contractual allowances and market supplementation payments, will not be protected. Similarly, an employee's previous hours will not be protected. Where an employee is redeployed into a lower-graded post which carries more hours, protection will not apply where the increase in hours enables the employee to maintain their former basic salary.
- 9.11 Pay protection will not apply where an employee is downgraded due to misconduct or capability.
- 9.12 Nothing in this Policy shall entitle an employee to receive any pay protection which amounts to a sum greater than their actual financial loss.

## **10. Overpayments**

- 10.1 On occasion, overpayments of salary or expenses may occur as a result of administrative oversight, error or late notification of payroll changes. After an investigation of the facts, recovery of the overpayment will be the normal approach taken where an overpayment of salary or expenses is discovered.

### **Is the overpayment recoverable?**

- 10.2 Under the Employment Rights Act 1996, an employer is entitled to deduct from an employee's wages (even without the consent of the employee) an overpayment of wages made to the employee as long as recovery is lawful under general legal principles. In order to decide whether recovery is lawful there needs to be an investigation of the cause and surrounding circumstances of the overpayment including the wording of any contractual documentation.
- 10.3 Overpayments are normally recoverable. There may be circumstances where the Council considers writing off an overpayment, but these will be rare and, as a minimum, the following would need to apply:
- The employer has led the employee to believe that he or she is entitled to treat the money as his/her own, **and**
  - The employee has, in good faith, changed his or her position (i.e. spent the money believing it to be his or her own), **and**
  - The overpayment was not caused primarily by the fault of the employee.
- 10.4 An example might be where an employee has queried their pay with the ESC and been assured that the calculation is correct and the money due to the employee. Another example where the employee may have acted in 'good faith' is where an overpayment is made consistently over a substantial period, and the amount overpaid each month is a relatively small amount and not reasonably identifiable to the employee as an overpayment.

## Guidelines for recovery

- 10.5 Recovery of overpayments will be the normal approach in the majority of cases. There may be circumstances when partial repayment or writing off the overpayment is considered, for example, where the employee can demonstrate that they did not know, nor could reasonably have known, that an overpayment had occurred.
- 10.6 However an overpayment comes to light, the ESC must be notified in all instances. The ESC will write to the employee's manager with a written explanation of the overpayment which will detail, where relevant:
- How the overpayment occurred
  - Over what period overpayment occurred
  - The total amount overpaid
  - The net amount to be repaid once deductions for tax and NI are taken into account.

A letter, containing the same information, will be sent to the employee enclosing an Overpayment Recovery Option (ORO) Form.

- 10.7 The employee's manager, having sought advice from HR, should (where the need arises) meet with the employee to discuss the overpayment and how this is to be resolved. An employee may choose to be accompanied at this meeting by a trade union representative or a work colleague if they wish.
- 10.8 The method of recovery of the overpayment could be decided at this meeting having regard to the options which are:
- (a) A one-off payment for the full amount via salary deduction;
  - (b) A cheque payment for the full net value payable to Nottingham City Council; or,
  - (c) In regular instalments via salary deduction.

In discussing the options with the employee, managers should have regard to Financial Regulations which stipulate that the maximum recovery period for overpayments should not exceed 12 months unless the Chief Finance Officer has agreed an extended period in exceptional circumstances.

- 10.9 The employee should return the ORO Form to the ESC with their preferred recovery method. Although the employee's written consent to the recovery of the overpayment is not legally required, it is good practice to try and obtain written agreement for overpayments. Where the employee does not return their ORO Form or indicate their preferred recovery method within the timescales specified, recovery of the overpayment will proceed on a default basis. The default recovery method is option (c).
- 10.10 In implementing an overpayment recovery arrangement, Nottingham City Council will act reasonably and in all cases of recovery, the amount being repaid must not result in the employee's basic hourly rate falling below the national minimum wage.
- 10.11 It is important that overpayments are handled fairly and consistently to avoid any hint of favouritism or unlawful discrimination. It is not acceptable to pursue overpayments for some employees but agree to 'write them off' for others. Managers should not allow employees to work additional hours and receive paid overtime as a way of 'paying off' the

overpayment. If overtime is necessary and approved this is a separate matter and should not be used to offset the amount owed by the employee who has been overpaid.

- 10.12 If there are compelling reasons why the overpayment is not to be recovered the manager should discuss the reasons for non-recovery with the ESC and prepare a report outlining the rationale to be forwarded for consideration by the Chief Finance Officer. The ESC will need to be advised by the appropriate manager not to pursue the overpayment until the report has been considered and a decision communicated.

### **The process for school-employed staff**

- 10.13 While it is expected that the principles of this guidance are followed for school-employed staff, the method of recovery may differ depending on the nature of the buy-back arrangements for HR/Payroll Services with the school in question.

### **Disputes**

- 10.14 Where an employee disputes the overpayment or the proposed recovery arrangement, legal advice may be sought on the matter.

### **Overpayments where the employee is no longer employed or is on notice**

- 10.15 Where an employee leaves the employment of the Council within the period of an overpayment recovery arrangement, where appropriate any outstanding balance will be deducted from their final pay. Where final pay is not enough to cover the amount of the overpayment, then the outstanding amount will be due to be repaid to the Council within one month after termination of employment.
- 10.16 Where an employee has been overpaid and has subsequently left the employment of the City Council, any outstanding balance will be dealt with as a sundry debt.

### **Confidentiality**

- 10.17 The confidentiality of employees will be strictly preserved in any overpayment situation and the details of the overpayment and the recovery arrangement will be released on a strict need-to-know basis.

## **11. Responsibilities in applying the pay policy**

### **Directors**

- 11.1 The day to day operational management of pay rests with Directors who are accountable for their budgets. It is therefore the Director's responsibility to ensure that all pay decisions are equitable, reasonable, and affordable, within the existing budget and within Nottingham City Council's pay policy.

### **Managers**

- 11.2 Due to the risk that equal pay poses managers must apply the pay policy in all cases and must not make payments that do not accord with it. Any proposals to make payments outside of this policy must be agreed by the Strategic Director of Organisational Transformation and be signed off by CLT and Central Panel.

## **The Employee Service Centre**

- 11.3 The ESC will not make payments that are not in accordance with this policy without the permission of the Director of HR.

## Appendix 1 – LGS Pay Scales

Local Government Scheme					
Tier	Grade	Spinal Point	Salary (from 1 Jan 15)	Hourly Rate	
6	GLPC-A	*05	£13,500	£6.9974	
		*06	£13,614	£7.0565	
		*07	£13,715	£7.1089	
	GLPC-B	*08	£13,871	£7.1897	
		*09	£14,075	£7.2955	
		*10	£14,338	£7.4318	
	GLPC-C	11	£15,207	£7.8822	
		12	£15,523	£8.0460	
		13	£15,941	£8.2627	
		14	£16,231	£8.4130	
		15	£16,572	£8.5897	
	GLPC-D	16	£16,969	£8.7955	
		17	£17,372	£9.0044	
		18	£17,714	£9.1816	
		19	£18,376	£9.5248	
		20	£19,048	£9.8731	
	GLPC-E	21	£19,742	£10.2328	
		22	£20,253	£10.4977	
		23	£20,849	£10.8066	
		24	£21,530	£11.1596	
		25	£22,212	£11.5131	
	GLPC-F	26	£22,937	£11.8889	
		27	£23,698	£12.2833	
		28	£24,472	£12.6845	
		29	£25,440	£13.1862	
	5	GLPC-G	30	£26,293	£13.6284
			31	£27,123	£14.0586
			32	£27,924	£14.4738
			33	£28,746	£14.8998
			34	£29,558	£15.3207
GLPC-H		35	£30,178	£15.6421	
		36	£30,978	£16.0567	
		37	£31,846	£16.5066	
		38	£32,778	£16.9897	
		39	£33,857	£17.5490	
GLPC-I		40	£34,746	£18.0098	
		41	£35,662	£18.4846	
		42	£36,571	£18.9557	
		43	£37,483	£19.4285	
		44	£38,405	£19.9064	
4	GLPC-J	45	£39,267	£20.3532	
		46	£40,217	£20.8456	
		47	£41,140	£21.3240	
		48	£42,053	£21.7972	
		49	£42,957	£22.2658	
	GLPC-K	50	£43,874	£22.7411	
		51	£44,794	£23.2179	
		52	£45,701	£23.6881	
		53	£46,624	£24.1665	
		54	£47,577	£24.6604	
		55	£48,532	£25.1555	

\* From 1 April 2014, a non-contractual Living Wage Supplement will be applied to SCP 5-10 which increases the hourly rate to £7.65

## **Appendix 2 – Variations to the Policy**

In certain circumstances, the Council will agree a variation to the above policy for certain groups of staff. These variations will be agreed by Central Panel or such other body as agreed. They must comply with Equal Pay law and have no taint of discrimination for the basis of them or their application.

All requests for any variations to the policy must have a full business case provided and have been agreed with the relevant HRBP and the appropriate HR Corporate team.

The current agreed variations are:

### **Market Supplementation – Exemptions to Section 8 of the Pay Policy**

#### **Community Services**

##### **Aerobics Instructors**

A market supplement will apply to pay an overall rate of £16.07 per hour inclusive of any enhancements for evening and weekend working. This supplement is subject to review in accordance with Section 8 of this policy.

(Review 1 November 2015).

##### **Approved Mental Health Practitioners**

A market supplement of £1750 per annum (pro rata for part time workers) will be paid to Approved Mental Health professionals whose duties include participation in an AMPH rota to undertake mental health assessments and, where necessary, admit clients to hospital for compulsory psychiatric assessment. This market supplement is subject to review in accordance with Section 8 of this policy.

(Review 23 January 2015.)

#### **Children and Adults**

##### **MST (Multi Systemic Therapy) Supervisor**

A market supplement of £5000 per annum will be applied to this post. The supplement is subject to review in accordance with Section 8 of this policy after 12 months.

(Review 5 September 2015)

##### **Priority Families Co-ordinator**

A market supplement of £5,000 per annum, payable quarterly on the basis of performance targets having been met.

Approval for future payments of this market supplement in quarterly instalments will be granted subject to the provision of further evidence that targets continue to be met at the end of each quarter.

(Review 31 December 2014)

##### **Independent Reviewing Officers (IROs)**

A market supplement will be applied to the IRO post to increase the salary to £39,500. The amount of the market supplement will vary depending on the level of individual post holders' substantive salaries.

The Market Supplement has been agreed on the following basis:

- It is put in place for a maximum of 12 months
- Any changes made to the pay policy would potentially over-ride the decision taken to pay a market supplement



- As part of the broader workforce review for Children's Services consideration is given to create capacity through job redesign and focus to enable available resources being sufficient to meet current and future demand.

(Review 31 July 2015)

## **Night Working - Exemptions to Section 6 of the Pay Policy**

### **Children and Adults**

#### Emergency Duty Team

The discretion to pay enhanced rates for night time working will be applied to staff employed in the Emergency Duty Team in the form of a 20% plussage.

(Review 23 January 2015.)

## **Overtime - Exemptions to Section 6 of the Pay Policy**

### **Children and Adults**

#### Children's Residential Managers above scp 30

Those managers required to work overtime will receive overtime rates in line with the above policy at Section 6.1 (a)(ii) instead of time off in lieu (TOIL).

(Review 23 January 2015)

#### Emergency Duty Team

Employees below SLMG level and above scp 30 will be able to access overtime in accordance with Section 6.1 (a)(ii) of the Pay Policy for participating in the EDT On Call Rota where the additional hours cannot reasonably be contained within normal TOIL provisions.

(Review 23 January 2015)

#### Occupational Therapy

All Occupational Therapy Colleagues below SLMG level and above scp 30 to be able to receive overtime payments in accordance with Section 6.1(a)(ii) of the Pay Policy, for a fixed period in order to reduce citizen waiting lists for Occupational Therapy in line with the Adult Social Care Improvement Programme.

(Review 30 September 2014)

### **Community Services**

#### Social Work Practice Assessors

Social Workers above scp 30 engaged in social work practice assessment type work will be able to access payment of overtime in accordance with Section 6.1 (a)(ii) of the Pay Policy where this work is undertaken. This is subject to the following conditions:

- Payment is in respect of work actually undertaken that cannot reasonably be accommodated within the normal working week or within normal TOIL provisions;
- Overtime is capped at up to 3 hours per week.

(Review 30 June 2016).

#### Residential Care Assistants

Residential Care Assistants who temporarily act up into the Team Leader role will receive an allowance for undertaking additional duties without them having to have the one month

qualifying period as required by section 7.3 of the Pay Policy subject to the following conditions:

- Residential Care Assistants will receive this allowance where required to act up as Team Leader for the minimum of a full 'shift' as part of their 'normal' working week (i.e. contractual hours);
- Where such work is undertaken on an ad hoc basis and in addition to their normal working week this should be treated as casual work;
- That the service consider the approach to Team Leader act ups and whether this is the most appropriate arrangement taking into account the requirements of the service needs to be delivered;

The exception is reviewed after 6 months to ensure that the rationale still applies.  
(Review 1 October 2013)

#### Tool Allowance

A tool allowance of £29.81 per month for fitters who work in the Commercial Workshop. This will be based upon the following criteria:

1. Fitters must require tools to effect repairs on an everyday, regular occurrence.
2. Undertaking purely inspections, e.g. for MOT purposes, is not sufficient business grounds.
3. Undertaking occasional repair work, when employed in the capacity of Workshop Supervisor, is not sufficient.
4. Apprentices are not required to supply their own tools during their training period and therefore are excluded.

The amount of the allowance will be increased in line with the national craft worker agreement.  
(Review 23 January 2015)

#### Sports Coaches

Exemption to Sections 6 and 8 of the Pay Policy

A market supplement will apply to pay an uplift of 15% to the hourly rate for Sports Coaches, inclusive of any enhancements for evening and weekend working. This supplement is subject to review in accordance with Section 8 of this policy after 24 months.

(Review 1 October 2014)

## Appendix 5: Matrix of Terms and Conditions

Terms and Conditions (as at 31 October 2014)	Chief Executive	Other Chief Officers	LGS Employee
Basic Pay <sup>5</sup>	✓ Contractual Current pay £160,000  Range £165,000 - £185,000	✓ Contractual  Range £46,418 - £144,653 Competency pay from previous year may take pay up to £3000 over maximum salary band	✓ Contractual  Range £12,435 - £47,487
Performance Related Pay <sup>6</sup>	X	X	X
Incremental progression (frozen since 2011/12; however being paid to colleagues on grades A-D in 2014/15 and 2015/16)	X	X	✓
Annual cost of living increase (nationally negotiated – frozen for chief officers for past 5 years)	✓	✓	✓
Market Supplement Payment (Restricted - based on business case requiring evidence. Approval by Director of HR and Transformation. Reviewed every 12-24 months)	✓ but not in receipt of payment and historically never offered to the Chief Executive	✓ but no chief officers in receipt of payment	✓
Overtime, evening, weekend, night working payments	X	X	✓ Contractual
Out of hours, recall to work, standby payments, critical incidents, sleep in duty, shift working, client holidays payments	X	X	✓ Contractual
Acting up allowances, honoraria and ex gratia payments	X	✓ As at 30 Oct 14, nine Chief Officers were in receipt of payment totalling £29,531 between them.	✓
Monitoring Officer Payment (statutory duty) <sup>7</sup>	X	✓ payment of £11034 made to one chief officer	X
Returning/Counting Officer Payment (to run elections) <sup>8</sup> or Election Duty Payments	✓ payment made for European Elections – but not paid by NCC	✓ if acting as deputy, this payment is paid out of the Returning Officer's personal fee	✓ if working on elections
Bonus payments	X	X	X
Redundancy Payment (same multiplier criteria used for all groups)	✓	✓ As at 31 Oct 2014, payment of £12,760 made to one Officer	✓

<sup>5</sup> See Appendix 3 for pay bandings

<sup>6</sup> A competency based pay scheme was in operation for SLMG managers until 1 April 2011 where it was removed

<sup>7</sup> This payment is being made to fulfil a statutory obligation and paid to one Chief Officer

<sup>8</sup> This is a bulk payment made to a nominated chief officer to fulfil the duties of running Local, European or Parliamentary elections.

Terms and Conditions (as at 31 October 2014)	Chief Executive	Other Chief Officers	LGS Employee
Efficiency Payment (same criteria used for all groups) <sup>9</sup>	✓	✓	✓
Relocation Payments	✓	✓ As at 31 Oct 2014, payment of £5,112 made to one Officer	✓
Essential Car User Allowance (restricted and dependant on role)	X	X	X
Company Car	X	X	X
Car Parking Allowances (restricted and dependant on role; the majority of employees pay for their own parking)	X	X	✓
Travel expenses within County of Nottinghamshire	X	X	✓
Travel expenses outside of County of Nottinghamshire (Must use standard rail fare. mileage capped at 40p per mile for 10,000 miles and 25p per mile thereafter) <sup>10</sup>	✓	✓ As at 30 Oct 14, six Chief Officers were in receipt of payment totalling £1,075 between them	✓
Disturbance Allowance (paid up to one year for significant changes to work location)	X	X	✓
Payment for home telephone line for work purposes	X	X	✓ however only a small number of employees receive this payment
Reimbursement of reasonable expenditure (limits apply equally to all groups and receipts must be provided) <sup>11</sup>	✓	✓ As at 30 Oct 14, fourteen Chief Officers were in receipt of payment totalling £2, 201 between them	✓
Sickness Pay entitlement linked to length of service – applied equally to all groups	✓ Contractual	✓ Contractual	✓ Contractual
Notice Period	✓ Contractual 3 months	✓ Contractual 3 months	✓ Contractual 1-2 months
Payment of Membership Fees	X	X	X
Access to the Local Government Pension Scheme – employer and employee contribution (Employer rate contribution equal for all groups)	✓ Contractual Employee rate: 7.5%	✓ Contractual Employee rate: 7.2-7.5%	✓ Contractual Employee rate: 5.5-7.2%
Discretion to enhance pension entitlements <sup>12</sup>	✓	✓	✓
Salary Sacrifice Benefits allowing NI and Tax relief (purchase of	✓	✓	✓

<sup>9</sup> This is covered in the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (DCR) Policy. See Appendix 6

<sup>10</sup> See Appendix 8 for details of the Council's Business Travel Scheme

<sup>11</sup> See Appendix 9 for details of the Council's policy on Reimbursement of Expenditure

<sup>12</sup> See Appendix 7 for the Council's policy on in relation to the exercise of discretions under the Local Government Pension Scheme

Terms and Conditions (as at 31 October 2014)	Chief Executive	Other Chief Officers	LGS Employee
annual leave, bike, childcare, mobile phones etc)			
Other employee discounts through works perks (e.g. retail discounts etc) applies to all groups equally	✓	✓	✓

**. THE LOCAL GOVERNMENT (EARLY TERMINATION OF EMPLOYMENT)  
(DISCRETIONARY COMPENSATION) (ENGLAND AND WALES) REGULATIONS 2006 -  
POLICY STATEMENT**

In accordance with the requirements of Regulation 7(1) of the above Regulations, Nottingham City Council has agreed the following policy statement in respect of the discretions available under Regulations 5 and 6 of the same Regulations (the 'DCR' Regulations).

**1. Regulation 5**

- 1.1 For employees with two or more years' continuous service with the City Council (or with an organisation covered by the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999) (the 'RPMO'), who are dismissed by reason of redundancy, compensation will be paid equivalent to the statutory redundancy payment to which they are entitled under the Employment Rights Act 1996 (ERA).
- 1.2 In calculating the amount of redundancy compensation to which an employee is entitled under this Regulation, the statutory limit<sup>1</sup> on a week's pay as imposed by section 227 of the ERA will apply.
- 1.3 Continuous service with an organisation covered by the provisions of the RPMO will count towards the redundancy compensation calculation under this Regulation.

**2. Regulation 6**

- 2.1 For employees who are entitled to a statutory redundancy payment under Regulation 5, no discretionary compensation element will be paid under Regulation 5.
- 2.2 For an employee who is dismissed in the interests of the efficient exercise of the Council's functions, the Council shall have discretion to make a payment to the employee up to a maximum of 52 weeks' pay in circumstances where there is a demonstrable business benefit to the Council arising from the payment. Discretionary compensation payments paid in the interests of the efficient exercise of the Council's functions will not normally exceed £30,000 unless prior approval is obtained from the Appointments and Conditions of Service Committee. It is expected that discretionary payments made in the interests of the efficient exercise of the Council's functions will only be considered in exceptional circumstances.
- 2.3 Discretions under this policy shall be applied in the following manner:
  - a) Payments to officers at the level of Head of Service and above in the efficient exercise of the functions of the Council shall be made at the discretion of the Appointments and Conditions of Service Committee.
  - b) Payments to officers below the level of Head of Service in the efficient exercise of the functions of the Council shall be made at the discretion of the Chief Executive.

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<sup>1</sup> With effect from 6 April 2014, the statutory limit of a week's pay is £464 per week

<sup>2</sup> This includes Corporate Directors and officers within the Strategic Leadership Management Group (SLMG).

### **3. Additional Membership of the Local Government Pension Scheme**

- 3.1 Employees who are members of the Local Government Pension Scheme (LGPS) who receive a discretionary compensation payment under Regulation 6 of the DCR, will have the option to convert their discretionary compensation payment under Regulation 6 into additional membership of the LGPS up to a maximum of ten years.
- 3.2 The decision to convert any of the discretionary compensation element into pension must be taken before the employee leaves the employment of the Council.

### **4. Changes to this policy**

In accordance with Regulations 7 (2) and (3), any changes to this policy and its application will not be made until one month after a statement setting out the intended changes has been published. The policy will be periodically reviewed to ensure its continued effectiveness.

**POLICY IN RELATION TO THE EXERCISE OF DISCRETIONS UNDER THE LOCAL GOVERNMENT PENSION SCHEME**

The City Council has produced the following policy statement as required by the Local Government Pension Scheme (LGPS).

**1) Early release of Pension Benefits**

**Pre 1 April 2014 ex members**

Retirements below age 60 require permission from the City Council.

An ex employee who opts to retire at or after age 60 but before the normal retirement age of 65 will have their pension benefits reduced on an actuarial basis to take account of the fact that pensions will be drawn earlier and for longer. The City Council is unlikely to agree to ignore the actuarial reduction. (Note that there are protections available under the old '85 year rule' for employees who were members of the LGPS before 1 October 2006.)

Where permission to retire is required, the Chief Executive will consider requests for early retirement for employees below second tier level[1] once a business case has been made that shows what possible net savings would be made taking into account the potential costs on the pension fund, the needs of the service and whether there would be operational benefits to be made that would facilitate a re-organisation.

**Post 1 April 2014 members voluntarily drawing pension benefits**

**Power of employing authority to “switch on” the 85 year rule for post 1 April members**

Where a scheme member retires (leaves employment) and elects to draw their benefits at or after age 55 and before age 60 those benefits will be actuarially reduced unless the City Council agrees to meet the full or part cost of those reductions as a result of the member otherwise being protected under the 85 year rule as set out in previous regulations.

To avoid the member suffering the full reduction to their benefits the City Council can “switch on” the 85 year rule protections thereby allowing the member to receive fully or partially unreduced benefits but subject to the City Council paying the pensions strain (capital) cost to the Pensions Fund.

Decisions on whether to agree to this for employees below second tier would be delegated to the Chief Executive supported by a business case although it is unlikely that the City Council would ordinarily agree to “switch on” the rule of 85 in such instances.



## **Waiving of Actuarial reductions**

The City Council is unlikely to ignore actuarial reductions. Decisions on whether to waive the actuarial reduction agree would be delegated to the Chief Executive supported by a business case.

### **2) Power of employing Authority to award additional pension at whole cost to the employer.**

Decisions on whether to award additional pension below second tier level will be delegated to the Chief Executive supported by a business case. Decisions to award additional pension for first and second tier officer shall be made at the discretion of the Appointments and Conditions of Service committee supported by a business case.

### **3) Shared Cost Additional Pension Scheme (SCAPC)**

From 1 April 2014. Colleagues can voluntarily choose to make Additional Pension Contributions; there is the option for the employer to share this cost under the Shared Cost Additional Pensions Contributions (SCAPC)  
The City Council will consider awarding additional pension by way of a business case to Appointments and Conditions of Service Committee.

### **4) Flexible Retirement**

This discretion was first adopted under the 2008 Regulations and is subject to the relevant section contained within the People Management Hand Book

### **5) Contributions**

The City Council will decide any question about what contribution rate a member is liable to pay on

- a) first joining the scheme
- b) On 1 April each year with a review on 1 October each year to ensure the band is as expected.
- c) Upon each subsequent contractual change in pay.
- d) Upon a change of hours either reducing or increasing.

### **6) Injury Allowances**

a) Any discretionary payments made to colleagues and or ex colleagues where an industrial injury has occurred are dealt with through the Corporate Liability Insurance and group Personal Accident scheme in operation.

b) The City Council will not formally adopt a separate Injury Allowance Scheme.

### **7) Transfers in of Earlier Periods of Service - Late Applications**

A request for a transfer of previous pension rights from another scheme or previous service within the LGPS or arrangement into the LGPS must be made within 12 months of joining/re-joining the scheme.

The City Council's policy is to accept transfers in applied for outside the period of 12 months, provided that, at the time the transfer is being considered, there is no cost to the Council.

[1] Discretionary decisions in respect of first and second tier officers can only be taken by the Appointment and Conditions

## **BUSINESS TRAVEL SCHEME**

### **1. Introduction**

- 1.1 Travelling expenses will be paid to colleagues who travel on Nottingham City Council's (NCC) business.
- 1.2 The following expenses will be paid:
- public transport rate (including standard rail fare);
  - mileage allowance payments (where an employee is authorised to use their own vehicle for work purposes);
  - cycle rate (when use own cycle or pool bike/citycard cycle)
  - taxi fares where a suitable alternative (including public transport) is not available.
- 1.3 The purpose of the scheme is to compensate employees for costs they necessarily incur in the course of their duties which are in addition to any travel costs incurred by the employee for non business travel. For example, where an employee purchases a bus pass for home to work and other non business travel purposes and this pass can also be used during working hours for business journeys, no additional expenses have been incurred by the employee and therefore no reimbursement is applicable.

### **2. Authorised Business Travel**

- 2.1 National Conditions of Service state that 'employees required to use their motor vehicles for the efficient performance of their duties will receive allowances for the use of their motor vehicles on business only after being so authorised by the local authority'.
- 2.2 An employee will be authorised to use their own car for work purposes where it is required for the effective performance of their duties and where the use of public transport alternatives is not available or would add significantly to the cost of travel or travelling time.
- 2.3 Where employees use their own car for journeys outside the County boundary, a comparison will be made against the equivalent public transport cost and where this is lower, and it is reasonable for the employee to make the journey by public transport, it is the equivalent public transport cost only that will be reimbursed.
- 2.4 Public transport should be used wherever possible, where this represents better value for money.

### **3. Journeys to and from home**

- 3.1 Expenses will only be paid for journeys that form part of an employee's employment duties (e.g. journeys between clients' premises or attendance at meetings). Journeys to and from an employee's normal place of work and their home are not covered. Where an employee travels to an alternative work base direct from or to home (e.g. to attend a meeting or meet with a client), only the travel that is in excess of what would normally be incurred (i.e. between the employee's home and normal place of work) may be claimed.

3.2 The following exceptions will apply:

- An employee who is at home on standby to be recalled to work will be eligible to claim for their mileage if they are called out, e.g. an engineer called out at night to attend to a breakdown.
- Where an employee is required to attend to an emergency, an official meeting or other approved official business from home outside of their normal working hours, the maximum mileage that will be reimbursed will be 20 miles per return journey.

3.3 Where an employee's place of work changes the new place of work will be regarded as their normal place of work after four weeks have elapsed.

#### **4. Mileage Allowance Payments**

4.1 Where an employee is authorised to use their own vehicle for work purposes, mileage allowance payments (MAPs) may be claimed in accordance with the rules and rates determined by the HMRC from time to time. Current rates are shown in the table below.

##### **Tax – Rates per business mile**

<b>Type of vehicle</b>	<b>First 10,000 miles</b>	<b>Above 10,000</b>
Cars and vans	45p	25p
Motorcycles	24p	24p
Cycles	20p	20p

4.2 Mileage logs should be fully itemised showing exact mileage and a description of the business journey.

#### **5. Car Parking Fees**

5.1 Where NCC business requires the payment of car parking fees, actual expenses shall be reimbursed provided that they have been reasonably incurred.

5.2 Where NCC business is carried out within the City boundary, prior arrangements for free parking should be made where possible; where this is impossible, NCC car parks only should be used.

5.3 In all claims for reimbursement of car parking expenses, supporting evidence should be provided as to the destination of the employee and the address of the car park used.

#### **6. Receipts**

6.1 For tax and audit purposes original receipts are required for reimbursement of expenses. Employees will be informed of any additional documentation required from time to time.

6.2 Employees will need to submit a VAT receipt (or receipts) with their mileage claim form. It does not matter if the employee purchases fuel for both private and business use; what does matter is that the total on the VAT receipt/s covers the cost of fuel used for the

claim. A rough calculation would be to submit VAT receipt/s of at least £10 for every 100 miles of business travel claimed.

## **7. Approval**

All travel expenses claim forms, including mileage claim forms, must be checked and approved by the employee's manager before submitting the form for payment.

## **8. No Claims Bonus Scheme**

8.1 NCC operates a No Claims Bonus Scheme to provide a measure of compensation for loss of bonus or payment of excess or both where private motor vehicles are used by employees in the course of their employment duties. The scheme will not give cover for journeys to and from the work base.

8.2 NCC's Insurance Section will be able to supply details of the scheme in operation from time to time.

## **9. Former Essential Users**

9.1 Those employees who were in receipt of the Essential User Car allowance on 31 August 2014 will be able to apply for a loan to purchase a car in accordance with NCC's Assisted Car Purchase Scheme.

## **10. Disabled Employees**

Disabled colleagues who are unable to drive are allowed to use approved taxis for journeys which would otherwise qualify for a mileage allowance payment.

## **11. SLMG employees**

Travel expenses will be paid in accordance with this scheme for authorised travel outside of the County boundary only.

## REIMBURSEMENT OF EXPENDITURE

1. Colleagues necessarily incurring additional expense in the course of their work in respect of travel, meals or overnight accommodation will be reimbursed approved expenses, subject to receipts being produced. (In exceptional circumstances small sums may be reimbursed without receipts provided there is other evidence of the expenditure and the colleague can explain why it was not possible to obtain a receipt.)
2. Colleagues with access to Oracle Self Service will be required to claim online and this will be authorised online by the line manager. Colleagues without access to Oracle Self Service will be required to submit expenses using paper forms which must be completed and signed by the colleague and then approved by their manager. Claim forms are available from the Employee Service Centre (ESC).
3. The fraudulent submission of claims for reimbursement of expenditure will be treated as gross misconduct.
4. It is the settled policy of the Council that expenses payable to colleagues should not exceed those available to councillors (see below).
5. Guidance on the reimbursement of expenses linked to training (other than in respect of meals, travel and accommodation) is set out in the section of the People Management Handbook dealing with training and development.
6. The allowances set out below are the maximum amount which can be claimed in respect of any expenditure. Amounts claimed will still have to be justified and approved as set out above. A receipt must be obtained and the expenditure must be necessary and additional to the colleague's ordinary expenditure on a meal at the relevant time. ( A deduction of £1.00 for breakfast and lunch and £2.00 for an evening meal should be made from all claims in respect of a meal taken at that time and the national agreement only allows for the reimbursement for additional costs). Colleagues and managers must ensure these deductions are made prior to claiming online or on the paper form.
7. The amounts will be updated periodically in line with the provisions for councillors.

8.

Breakfast (before 11.Am)	Maximum £5.00 Vat Inc
Lunch (12noon - 2pm)	Maximum £5.00 Vat Inc
Evening Meal (After 5pm)	Maximum £10.00 Vat Inc

### Over night Accommodation

- 8 Where possible, the cost of overnight accommodation should be contained with the following limits:

Maximum for overnight accommodation outside Central London	£79.82 Vat Inc
Maximum in Central London	£91.04 Vat Inc

9. If accommodation is not available within these limits then the actual cost will be met provided it is reasonable. Where attendance at a conference or similar event necessitates an overnight

stay, accommodation at the conference hotel or a hotel of an equivalent standard will be arranged and paid for by the Council. For meals taken in connection with the event, the reasonable actual cost will be reimbursed, or paid in accordance with the subsistence rates set out above, subject to production of a receipt to the colleague's manager.