

APPOINTMENT AND CONDITIONS OF SERVICE COMMITTEE - 8 FEBRUARY 2022

Title of paper:	Pay Policy Statement 2022/23	
Director(s)/ Corporate Director(s):	Richard Henderson, Director of HR and EDI	Wards affected: ALL
Report author(s) and contact details:	Elaine Harrison, HR Consultant elaine.harrison@nottinghamcity.gov.uk, 0115 87 62766	
Other colleagues who have provided input:	Mel Barratt – Chief Executive Deepa Venkatesan – HR Advisor Management Information Jo Worster – Team Leader, Strategic Finance Andy Cross – Pensions Consultant Sarah Wilson – Electoral Services Manager Gary Robbins – Senior Accountant – Tax Beth Brown – Head of Legal and Governance Daljit Singh Nijran – Organisational HR Manager	
Date of consultation with Portfolio Holder(s) (if relevant)	24 January 2022	
Does this report contain any information that is exempt from publication? No		
Relevant Council Plan Key Outcome:		
Clean and Connected Communities	<input type="checkbox"/>	
Keeping Nottingham Working	<input type="checkbox"/>	
Carbon Neutral by 2028	<input type="checkbox"/>	
Safer Nottingham	<input type="checkbox"/>	
Child-Friendly Nottingham	<input type="checkbox"/>	
Healthy and Inclusive	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<input type="checkbox"/>	
Financial Stability	<input type="checkbox"/>	
Serving People Well	<input checked="" type="checkbox"/>	
Summary of issues (including benefits to citizens/service users):		
This report introduces the Council's Pay Policy Statement for 2022/23 as required by the Localism Act. The Statement sets out information on pay and conditions for chief officers in comparison to the bulk of the workforce employed on 'Local Government Services' (LGS) terms and conditions.		
Recommendation(s):		
1	To note the Council's Pay Policy Statement for 2022/23, which is being presented to Full Council on 7 March 2022.	

1. Reasons for recommendations

- 1.1 The council is required to approve a pay policy statement each year and this report provides a draft pay policy statement to ACOS for consideration and endorsement prior to putting the matter before Full Council.

2. Other options considered in making recommendations

No other options have been considered in the writing of this report, as the production of a Pay Policy statement is a statutory requirement under the Localism Act.

3. **Consideration of Risk**

3.1 None

4. **Background (including outcomes of consultation)**

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

4.2 The Act requires that the statement must be approved formally by Full Council itself (it cannot be delegated to a sub-committee). The statement must be approved by the end of March each year and must be approved and published by 31 March each year.

4.3 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 reason 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.

4.4 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.

4.5 The data for this Pay Policy Statement is taken as at 31 October 2021.

4.6 Sections 2, 4 and 7 and Appendix 6 are based on retrospective pay information. The same reporting period has been used as last year.

4.7 The relationship between the Chief Executive's pay (£179,813) to that of the Council's non-Chief Officer average earner, excluding allowances (£26,797), is a pay multiple of 6.71:1 which is a slight narrowing of the gap from last year (6.78:1).

4.8 The pay multiple of the average Chief Officer's pay (£90,431) to that of the non-Chief Officer average earner (£27,262), including guaranteed payments, has increased this year to at 3.32:1 (previously 3.16:1).

4.9 The ratio between the average Chief Officer's pay and the average non-Chief Officer (including guaranteed payments), is ratio of 3.32:1 which is slight increase in the gap on the previous reporting period (3.31).

4.10 A comparison of the City Council's median pay multiple (7.64:1), slightly up from last year (7.63:1), with those published by the Core Cities in their 2021/22 statements, shows that figures ranged from the widest gap at 8.04:1 and narrowest gap at 5.73:1. Nottingham City Council ranks third widest behind Liverpool and Manchester. (Liverpool – 8.04:1, Manchester – 7.7:1, Nottingham 7.64:1, Leeds – 7.59:1, Birmingham – 7.59:1, Sheffield – 7.44:1, Bristol – 5.73:1 and Newcastle – figure not published).

4.11 It is not currently Council policy to pay bonus payments, increments, performance related pay and other pay enhancements for overtime, weekend, evening, night working, etc to Chief Officers.

4.12 The National Pay negotiations for 2021/22, that cover local government staff, are still ongoing and not yet concluded. Therefore, this pay statement is based on pre-pay award salaries.

5. Finance colleague comments (including implications and value for money)

5.1 The average and median pay figures included in the report are based on data for 2021/22 up to October 2021 adjusted to an annual figure.

Jo Worster, Team Leader - Strategic Finance, 13 January 2022

6. Legal colleague comments

6.1 Under section 38 of the Localism Act 2011, for each financial year, the Council is required to prepare a pay policy statement relating to the following:

- the remuneration of its chief officers;
- the remuneration of its lowest-paid employees;
- the relationship between:
 - the remuneration of its chief officers, and
 - the remuneration of its employees who are not chief officers.

6.2 The statement must also set out:

- the definition of “lowest-paid employees” adopted by the Council for the purposes of the statement;
- the authority’s reasons for adopting that definition.

6.3 The statement must also include the Council’s policies relating to:

- the level and elements of remuneration for each chief officer;
- remuneration of chief officers on recruitment;
- increases and additions to remuneration for each chief officer;
- the use of performance-related pay for chief officers;
- the use of bonuses for chief officers;

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

6.5 Under section 39 of the Localism Act 2011, the pay policy statement must be approved by Full Council before it comes into effect. The statement must be approved by 31 March 2022 for the forthcoming financial year.

Beth Brown, Head of Legal and Governance, 20 January 2022

7. Other relevant comments

7.1 **Procurement**
Not applicable

7.2 **Strategic Assets and Property**
Not applicable

7.3 **IT**
Not applicable

8. **Crime and Disorder Implications (If Applicable)**

8.1 Not applicable

9. **Social value considerations (If Applicable)**

9.1 Not applicable

10. **Regard to the NHS Constitution (If Applicable)**

10.1 Not applicable

11. **Equality Impact Assessment (EIA)**

11.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

The report does not contain proposals or financial decisions.

12. **Data Protection Impact Assessment (DPIA)**

12.1 Has the data protection impact of the proposals in this report been assessed?

No



A DPIA is not required because:

The report is produced in accordance with the Localism Act 2011.

13. **Carbon Impact Assessment (CIA)**

13.1 Has the carbon impact of the proposals in this report been assessed?

No



A CIA is not required because:

The report does not contain proposals or financial decisions

14. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 None

15. **Published documents referred to in this report**

- 15.1 Communities and Local Government, Openness and accountability in local pay: Draft guidance under section 40 of the Localism Act.
- 15.2 Local Government Association and Association of Local Authority Chief Executives (ALACE), Localism Act: Pay Policy Statement Guidance for Local Authority Chief Executives.
- 15.3 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.