

City Council - 7 March 2022

Report of the Chair of the Appointments and Conditions of Service Committee

Corporate Director:

Clive Heaphy, Interim Corporate Director for Finance and Resources

Report Author and Contact Details:

Elaine Harrison, Employee Relations Consultant, elaine.harrison@nottinghamcity.gov.uk
0115 876 2766

Title: Pay Policy Statement 2022 - 2023

Does the report form part of the Budget or Policy Framework?

Yes No

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"/>

1. Summary

- 1.1 This report sets out the Council's pay policy statement for 2022-23 as required by the Localism Act 2011. The Statement 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. The statement must be annually approved by the Full Council before 31 March 2022.

2. Recommendations

- 2.1 To consider and approve the Council's pay policy statement for 2022-23 as attached at Appendix A.
- 2.2 To note that the statement may need to be amended in-year for any necessary changes the Council may wish to adopt. Any such changes will be presented to Full Council for approval.

3. Reasons for recommendations

- 3.1 The Pay Policy Statement is a statutory requirement under the Localism Act and is being presented to Full Council 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.

4. Other options considered in making recommendations

4.1 As the production of a Pay Policy Statement is a requirement under the Localism Act, no other options were considered.

5. Consideration of Risk

5.1 None

6. Background (including outcomes of consultation)

6.1 The Localism Act requires local authorities to prepare and publish an annual Pay Policy Statement.

6.2 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. "Chief Officer" is widely defined in the Local Government and Housing Act 1989.

6.3 Matters which 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.

6.4 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.

6.5 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 is 3.32:1. 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.

6.6 The total sum of additional payments claimed by the Council's Chief Officers from 1 April 2021 to 31 October 2021 was £32,933. These related to claims for travel, additional responsibilities, standby session, Market Supplements, mileage and Pay Protection.

6.7 As at 31 October 2021, it was not Council policy to make bonus payments, performance related pay and other pay enhancements such as overtime, weekend, evening, night working, etc to Chief Officers.

6.8 Annual pay awards are negotiated nationally with the trade unions. Pay negotiations for 2021/22 are still ongoing and trade unions are currently balloting members for industrial action. This pay statement therefore is based on pre-pay award salaries.

6.9 In light of this, the current pay differential is 6.71:1.

6.10 The Council introduced a new pay model and terms and conditions for SLMG with effect from 1 October 2018, which is referred to within the Pay Policy Statement.

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

7.1 The average and median pay figures included in the report are based on data for 2021/22 up to 31 October 2021 increased to an annual figure.

Jo Worster, Team Leader Strategic Finance, 20 January 2022

8. Legal colleague comments

8.1 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, and
- the relationship between—
 - the remuneration of its chief officers, and
 - the remuneration of its employees who are not chief officers.

8.2 The statement must also state:

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

8.3 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,
- the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- the publication of and access to information relating to remuneration of chief officers.

8.4 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.

8.5 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, 21 January 2022

9. **Other relevant comments**

9.1 **HR**

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

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.

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

10.1 Not applicable

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

11.1 Not applicable

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

12.1 Not applicable

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

13.1 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.

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

14.1 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.

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

15.1 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.

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

16.1 Local Government Association and Association of Local Authority Chief Executives (ALACE), Localism Act: Pay Policy Statement Guidance for Local Authority Chief Executives.

17. Published documents referred to in this report

17.1 Communities and Local Government, Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act.

17.2 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

Councillor Dave Liversidge

Chair of the Appointments and Conditions of Service Committee