

Appointment and Conditions of Service Committee - 7 February 2023

Title of paper:	Pay Policy Statement 2023/24	
Director:	Richard Henderson - HR and EDI	Wards affected: ALL
Corporate Director:	Ross Brown - Finance and Resources	
Report author and contact details:	Sheena Yadav-Staples, HR Consultant sheena.yadav-staples@nottinghamcity.gov.uk 0115 87 62951	
Other colleagues who have provided input:	Deepa Venkatesan – HR Consultant, Management Information Jo Worster – Team Leader, Strategic Finance Arnie Gardner – Pensions Team Leader Alexa McFadyen – Solicitor Daljit Singh Nijran – Organisational HR Manager	
Date of consultation with Portfolio Holder	24 January 2023	
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 2023/24 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:		
1	To note the Council’s Pay Policy Statement for 2023/24, which will be presented to Full Council on 6 March 2023.	

1. Reasons for recommendations

- 1.1 The Council is required to approve a Pay Policy Statement each year and this report presents the 2023/24 Pay Policy Statement to ACOS for endorsement prior to putting the matter before Full Council.

2. **Other options considered in making recommendations**

2.1 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 and published by 31 March each year; and produced using the definitions as prescribed by the Act, including posts classified as 'Chief Officer'.

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 2022.

4.6 Sections 1, 2, 5 and Appendix 3 uses retrospective pay information from the period 1 April to 31 October as in previous years to ensure consistency and comparability.

4.7 The relationship between the Chief Executive's pay (£182,510) to that of the Council's non-Chief Officer average (mean) earner, excluding allowances (£27,696.42), is a pay multiple of 6.59:1 which is lower compared to last years (2022/23) pay statement and has narrowed the gap from 6.71:1.

4.8 The pay multiple of the average (mean) Chief Officer's pay (£87,963.92) to that of the non-Chief Officer average (mean) earner (£28,202.34), including guaranteed payments, has reduced this year to 3.12:1 (last year 3.32:1).

4.9 Comparing the City Council's median pay multiple (7.64:1) from last years (2022/23) pay policy statement, with those published by the Core Cities in England in their 2022/23 statements, figures range from the widest gap at 9.12:1 to the narrowest gap at 5.63:1. Nottingham City Council ranked fourth from narrowest to widest behind Bristol, Leeds

and Sheffield. (Bristol 5.63:1, Leeds 7.59:1, Sheffield 7.62:1, Nottingham 7.64:1, Manchester 7.84:1, Liverpool 8.04:1, Birmingham 9.12:1, Newcastle – not published).

- 4.10 It is not currently Council policy to pay bonus payments, performance related pay and other pay enhancement for overtime, weekend, evening, night working, etc. to Chief Officers.
- 4.11 The National Pay negotiations for 2022/23, that covers Local Government staff under the NJC Local Government Services Green Book Pay and Conditions of Service, was agreed on 1 November 2022, however this pay statement is based on pre-pay award salaries as at 31 October 2022.
- 4.12 The Council committed in its 2022/23 Pay Policy Statement that it would, as part of its single status journey, undertake a review to ensure that the grading structure for Chief Executive, Corporate Director and Strategic Director roles was fit for purpose; this has been undertaken and recommendations to move away from 'fixed spot' salaries to a performance assessment led incremental based structure were approved by Executive Board at its meeting on 20 December 2022 and by the Appointment and Conditions of Service committee at its meeting on 21 November 2022.
- 4.13 The scope of this review was expanded to consider critical recruitment and retention difficulties being experienced amongst the wider workforce and further recommendations around expanding the incremental scope for the LGS and SLMG pay scales were also approved. These recommendations are currently progressing through the consultation and negotiation stage with the Council's recognised Trade Unions in anticipation of implementation during 2023/23, subject to final approval of the Council's budget.

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

- 5.1 The pay figures included in the report are based on data for 2022/23 up to 31 October 2022 adjusted to an annual figure and as referenced in the report do not reflect the pay award agreements made on the 1 November 2022.

Jo Worster, Team Leader, Strategic Finance - 11 January 2023

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; and
- 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; and
- 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; and
- 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.

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 2023 for the forthcoming financial year.

Alexa McFadyen, Senior Solicitor - 16 January 2023

7. **Other relevant comments**

7.1 **Procurement and Strategic Assets and Property**

Neither applicable

7.2 **HR**

The Pay Policy Statement, is a factual document that sets out key remuneration related data, as at 31 October 2022, for the Council, and fulfils our statutory obligations under the Localism Act 2011. Individual colleagues' names or pay (excluding the Chief Executive's) are not disclosed.

As consultation and negotiation with the Council's trade unions on the proposed changes to the Pay Policy are unlikely to be concluded by the deadline for ACOS committee submission in January 2023, consideration may have to be given to the possibility of producing a revised Pay Policy Statement, in year, to reflect the changes that will be made.

Sheena Yadav-Staples, HR Consultant - 03 January 2023

8. **IT, Crime and Disorder Implications, Social value considerations and Regard to the NHS Constitution (If Applicable)**

8.1 All not applicable

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

9.1 An EIA is not required because the report does not contain proposals or financial decisions.

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

10.1 A DPIA is not required because the report is produced in accordance with the Localism Act 2011.

11. Carbon Impact Assessment (CIA)

11.1 A CIA is not required because the report does not contain proposals or financial decisions.

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

12.1 None.

13. Published documents referred to in this report

13.1 Communities and Local Government, Openness and Accountability in Local Pay: Draft guidance under section 40 of the Localism Act.

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

13.3 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.