

Appointment and Conditions of Service Committee – 6 February 2024

Title of paper:	Pay Policy Statement 2024/25	
Director(s)/ Corporate Director(s):	Lee Mann, Strategic Director of HR and EDI Ross Brown, Corporate Director of Finance and Resources	Wards affected: All
Report author(s) and contact details:	Sheena Yadav-Staples, HR Consultant sheena.yadav-staples@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Deepa Venkatesan, HR Consultant, Management Information Daljit Nijran, Organisational HR Manager Alexa McFadyen, Solicitor Alfred Ansong – Strategic Finance Business Partner	
Date of consultation with Portfolio Holder(s)	23 January 2024	
Does this report contain any information that is exempt from publication? No		
Relevant Council Plan Outcome:		
Green, 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"/>	
Living Well in our Communities	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<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 2024/25 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 2024/25, which will be presented to Full Council on 26 February 2024.	

1. Reasons for recommendations

- 1.1 The Council is required to approve a Pay Policy Statement each year and this report presents the 2024/2 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 2023. At that time, the national pay award for 2023/24 for the Chief Executive and LGS colleagues had not yet been agreed or implemented.

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 (£184,435) to that of the Council's non-Chief Officer average (mean) earner, excluding allowances (£30,441.96), is a pay multiple of 6.06:1, which is lower compared to last years (2023/24) pay statement and has narrowed the gap from 6.59:1.

4.8 The pay multiple of the average (mean) Chief Officer's pay (£92,885.74) to that of the non-Chief Officer average (mean) earner (£31,010.66), including guaranteed payments, has reduced this year to 3.00:1 (last year 3.12:1).

4.9 Comparing the City Council's median pay multiple (7.62:1) from last years (2023/24) pay policy statement, with those published by the Core Cities in England in their 2023/24 statement, figures range from the widest gap at 8.79:1 to the narrowest gap at 5.46:1.

Nottingham City Council ranked sixth from the narrowest to the widest behind Bristol, Sheffield, Leeds, Manchester, and Liverpool. (Bristol 5.46:1, Sheffield 7.01:1, Leeds 7.07:1, Manchester 7.08:1, Liverpool 7.44:1, Nottingham 7.62:1, Birmingham 8.79:1, Newcastle – not published).

- 4.10 It is not currently Council policy to pay bonus payments, performance related pay and other pay entitlement for overtime, weekend, evening, night working, etc. to Chief Officers. However, as part of changes implemented to SLMG pay in October 2023, incremental pay progression became subject to satisfactory performance review.
- 4.11 The national pay negotiations for 2023/24, that covers Local Government staff under the NJC Local Government Services Green Book Pay and Conditions of Service, was agreed on 1 November 2023, however this pay statement is based on pre-pay award salaries as at 31 October 2023.
- 4.12 The Council committed as part of its single status journey, to undertake a review of the grading structure for the Chief Executive, Corporate Director and Strategic Director roles to ensure it 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 the Appointment and Conditions of Service committee at its meeting on 21 November 2022. These recommendations remain under review.

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

- 5.1 This report summarises Nottingham City Council pay policy for 2024/25. The pay figures in the report are based on 2023-24 salary figures before the pay award was agreed. There have been recommendations for the departure from 'fixed spot' salaries to a performance assessment led incremental based structure. Finance would need to be closely involved in discussions on how this would be implemented when agreed. This is required to correctly assess how salary costs would be estimated when building the Medium-Term Financial Plan (MTFP). The 2023-24 salary figures within this report including subsequent pay awards have been funded within the current MTFP and similar provision will be made in 2024/25 MTFP. There is no additional financial implication as a direct or indirect result of this report.

Alfred Ansong
Interim Strategic Finance Business Partner.
17 January 2024

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;
 - the use of bonuses for chief officers; and
 - the approach to the payment of chief officers on their ceasing to hold office under or be employed by the authority; and
 - the publication of and access to information relating to remuneration of 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 a resolution of the authority before it comes into effect.
 - The statement must be approved by 31 March 2024 for the forthcoming financial year.
 - A relevant authority may by resolution amend its pay policy statement (including after the beginning of the financial year to which it relates).
 - As soon as is reasonably practicable after approving or amending a pay policy statement, the authority must publish the statement or the amended statement in such manner as it thinks fit (which must include publication on the authority's website).
- 6.6 Under section 40(2) of the Localism Act 2011, the relevant authority must comply with its pay policy statement for the financial year in making the determination.

Alexa McFadyen
Senior Solicitor (Employment)
15 January 2024

7. **Other relevant comments**

7.1 **HR**

The Pay Policy Statement is a factual document that sets of key remuneration related data, as at 31 October 2023, 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.

Sheena Yadav-Staples
HR Consultant
19 December 2023

8. **Crime and Disorder Implications**

8.1 Not applicable

9. **Social value considerations**

9.1 Not applicable

10. Regard to the NHS Constitution

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.

Yes

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.

Yes

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.

Yes

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.