

City Council - 3 March 2025

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

Corporate Director/ Director Stuart Fair, Corporate Director of Finance and Resources / Lee Mann, Strategic Director for HR and EDI

Report Author and Contact Details Elaine Harrison – HR Consultant, 0115 8762766

Title Pay Policy Statement 2025-26

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

Yes No

Commissioner Consideration

Has this report been shared with the Commissioners' Office? Yes No

Any comments the Commissioners wish to provide are listed below.

Does this report contain any information that is exempt from publication?

No

Relevant Council Plan Key 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"/>

1. Summary

1.1 This report introduces the Council's Pay Policy Statement for 2025-26, as required by the Localism Act 2011. The Statement presents 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. The Statement must be approved by Full Council before 31 March each year.

2. Recommendations

2.1 To approve the Council's Pay Policy Statement for 2025-26.

3. Reasons for recommendations

3.1 The compiling of a Pay Policy Statement is a statutory requirement under the Localism Act 2011 and is being presented to Full Council in order to demonstrate that decisions on pay and reward packages for the Chief Executive 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 statutory requirement under the Localism Act 2011, no other options have been considered.

5. Consideration of Risk

5.1 None.

6. Best Value Considerations

This report does not contain proposals or financial decisions but is a statement of fact. The compilation of the Pay Policy Statement is a statutory requirement of the Localism Act 2011 to help demonstrate to the public that decisions on pay and reward packages are made in an open and accountable way and that money is being used appropriately in the pay and reward of senior staff within Local Government.

7. Background (including outcomes of consultation)

7.1 The Localism Act 2011 requires Local Authorities to prepare and publish an annual Pay Policy Statement.

7.2 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 the end of March each year and produced using the definitions as prescribed by the Act and the Local Government and Housing Act 1989.

7.3 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 Officer 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.

7.4 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.

7.5 The data for this Pay Policy Statement is taken as of 31 October 2024. At that time, the national pay award for 203/24 for the Chief Executive and LGS colleagues had been agreed but had not yet been implemented.

7.6 As in previous years, to ensure consistency and comparability, sections 1, 2, 5 and Appendix 3 of the Pay Policy Statement uses retrospective pay information from the period 1 April to 31 October 2024.

- 7.7 The relationship between the Chief Executive's pay (£191,000) to that of the Council's non-Chief Officer average (mean) earner, excluding allowances (£36,406), is a pay multiple of 5.2:1, which is lower compared to last year's (2024/25) pay statement and has narrowed the gap from 6.06:1.
- 7.8 The pay multiple of the average (mean) Chief Officer's pay (£130,473) to that of the non-Chief Officer average (mean) earner (£36,726), including guaranteed payments, is 3.6:1, which is a wider gap (3.12:1) than was reported in last year's (2024/25) pay statement.
- 7.9 The total sum of additional payments claimed by the Council's Chief Officers between 1 April 2024 to 31 October 2024 was £26,304. These related to claims for additional responsibilities, market supplements, and standby payments.
- 7.10 It is not Council policy or practice to pay bonus payments, performance related pay and pay enhancements such as overtime, weekend, evening, night working, etc. to Chief Officers. As part of changes implemented to SLMG pay in October 2023, however, incremental pay progression became subject to a satisfactory review of performance.
- 7.11 The national pay negotiations for 2024/25, covering Local Government staff under the National Joint Council (NJC) Local Government Services Green Book Pay and Conditions of Service, had been agreed on 1 November 2023 but was not yet implemented. This pay statement is therefore based on pre-pay award salaries as on 31 October 2024.
- 7.12 The Council committed to review the grading structure for the Chief Executive, Corporate Director, and Strategic Director roles as part of its single status journey to ensure they remain fit for purpose, were consistent with the rest of the Council and support the most effective delivery of its aims and objectives. This would include a shift away from 'fixed spot' salaries towards performance assessment led incremental pay progression. These recommendations remain under review.

8. Commissioner comments

- 8.1 The commissioners are content with the report.

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

- 9.1 This report summarises Nottingham City Council pay policy for 2025/26. The pay figures in the report are based on 2024-25 salary figures after the pay award was agreed, but prior to them being implemented. Recommendations to move away from 'fixed spot' salaries to a performance assessment led incremental based structure was agreed and implemented for officers in the SLMG pay profile and built into the Medium-Term Financial Plan (MTFP). The 2024-25 salary figures within this report including subsequent pay awards have been funded within the current MTFP and similar provision will be made in 2025/26 MTFP. There is no additional financial implication as a direct or indirect result of this report.

Sam Taylor
Interim Principal/Management Accountant
23 December 2024

10. Legal colleague comments

10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 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).

10.6 Under section 40(1) of the Localism Act 2011 a relevant authority in England must, in performing its functions under section 38 or 39, have regard to any guidance issued or approved by the Secretary of State.

10.7 Under section 41(2) of the Localism Act 2011, the relevant authority must comply with its pay policy statement for the financial year in making the determination.

10.8 Section 41(4) of the Localism Act 2011 provides as follows:

In section 112 of the Local Government Act 1972 (appointment of staff) after subsection (2) insert—

“(2A)A local authority's power to appoint officers on such reasonable terms and conditions as the authority thinks fit is subject to section 41 of the Localism Act 2011 (requirement for determinations relating to terms and conditions of chief officers to comply with pay policy statement).”

10.9 We will need to keep under review the passage of The Local Government (Pay Accountability) Bill which is currently at committee stage in the House of Commons - so not yet in force. If it is enacted as drafted, the bill, will require relevant authorities to gain approval by resolution before advertising a role or appointing a person as an employee to a role on terms and conditions that would allow for an annual salary of £100,000 or more, in respect of new appointments only.

Helen Varey
Solicitor (Employment and Civil Litigation)
7th January 2025

11. **Other relevant comments**

11.1 **Human Resources**

The Pay Policy Statement sets out key remuneration related data, on the 31 October 2024, for the Council, and fulfils the Council's statutory obligations under the Localism Act 2011. Individual colleagues' names or pay (excluding the Chief Executive's) are not disclosed.

Elaine Harrison
HR Consultant
03 December 2024

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

12.1 Not applicable.

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

13.1 Not applicable.

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

14.1 Not applicable.

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

15.1 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.

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

16.1 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.

17. Carbon Impact Assessment (CIA)

17.1 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.

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

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

19. Published documents referred to in this report

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

19.2 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 Helen Kalsi

Chair of Appointments and Conditions of Service Committee