

**REPORT OF THE LEADER OF THE COUNTY COUNCIL****NOTTINGHAMSHIRE COUNTY COUNCIL'S PAY POLICY STATEMENT  
2014-2015****Purpose of the Report**

1. To seek approval of the County Council's Pay Policy Statement for the financial year 2014-2015. A copy of which is attached as **Appendix A**.

**Information and Advice****Background**

2. Nottinghamshire County Council is committed to good governance and openness to public scrutiny and accountability. As part of this commitment this Council wishes to demonstrate that decisions on the pay and reward packages for its Chief Executive and senior officers have been made in an open, transparent and accountable manner.
3. Under the terms of the Accounts and Audit (England) Regulations 2011 the Council publishes on its website, and regularly updates, information about its most senior officer's pay, including information relating to the Chief Executive and Corporate Directors.
4. Section 38 of the Localism Act 2011 Act set out the requirement for all Local Authorities in England and Wales to publish annual Pay Policy Statements with effect from the financial year 2012-13 onward.
5. This requirement does not extend to school based staff.
6. Legislation and supporting Government guidance, identifies the statutory contents of a Pay Policy Statement and how it should be presented. The core requirements of the provisions of the Localism Act are that a Pay Policy Statement must set out the Authority's policies relating to:
  - Chief Officer remuneration:  
  
The level and elements of remuneration for each Chief Officer (including salary, any bonuses/performance related pay, charges/fees/allowances, benefits in kind, enhancement to pension at termination).

The definition of a Chief Officer adopted by the Act is, as defined by the Local Government and Housing Act 1989, any post that reports directly to the statutory Chief Officer, the Chief Executive, in the case of this Authority this currently applies to Corporate Directors, and those who report to them (Service Directors).

- Remuneration of its lowest paid employees
  - The definition used for this group and the reason for adopting this definition.
  - The relationship between Chief Officer Remuneration and that of other staff.
7. The Pay Policy Statement must by law be approved by Full Council in advance of the financial year to which it relates and must be published in the public domain on the Council's website by 1<sup>st</sup> April each year. Legislation provides for Pay Policy Statements to be amended as necessary during the financial year concerned, with Full Council approval, to reflect any necessary changes.

### **Pay Policy Statement**

8. In drafting this Pay Policy Statement the Council has used the guidance available from the national employer's organisation and the Government as set out in paragraph 6 of this report.
9. The focus of the legislation relates to the overall pay policy and not individual post holders. The guidance does however allow Local Authorities discretion over some additional areas of supporting content. As part of the County Council's commitment to transparency and public accountability, the Council's Pay Policy Statement extends beyond the basic statutory requirements and pulls together a wide and comprehensive range of information on pay and remuneration in one place and presents it in a simple, consistent format in order that the public can understand:
- How the Council determines pay and terms and conditions for all staff
  - What the Council pays its employees
  - The context and rationale behind decisions
  - How senior officer remuneration relates to that of other employees.
10. The key principles underpinning the Pay Policy Statement are that the Council:
- Is committed to equity and fairness of treatment across the whole workforce
  - Is committed to openness, transparency and public accountability
  - Has the right to determine senior officer pay locally
  - Has ensured that senior officer pay and terms and conditions are in line with those applicable to other employees
  - Needs sufficient flexibility to cope with a variety of changing circumstances such as market factor supplements
  - Needs to reflect local circumstances such as shortage of particular key skills.

## **Other Options Considered**

11. The focus of the Pay Policy Statement is on ensuring that the Council complies with the requirement under the Localism Act to have a Pay Policy Statement and to publish this annually. In addition, the Council has sought to pull together all of the information on the policies relating to pay and remuneration and publish this for public scrutiny in a way which enables the public to understand the operational context and decisions made and rationale for these.
12. This Statement can be amended during the financial year as necessary to reflect the prevailing legislation at the time or as emerging practice or clarification of guidance necessitate.

## **Reason for Recommendation**

13. To ensure that Nottinghamshire County Council is legally compliant in terms of the publication of a Pay Policy Statement and accountable to the public of Nottinghamshire.

## **Statutory and Policy Implications**

14. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Equality Implications**

15. The Council's pay and grading structure is based on a "points to pay" relationship determined through Job Evaluation as a mechanism to ensure the consistent evaluation of the relative value of job roles across the council. This in turn ensures a fair, open and transparent pay and reward structure that is affordable and supports the equal treatment of all employees in respect of their pay, terms and conditions; is compliant with Equal Pay legislation and Single Status requirements. The Council's policies on pay and terms and conditions apply equally to employees at all levels of seniority across the authority.

## **Human Resources Implications**

16. The HR implications are contained within the body of the report. The Pay Policy Statement pulls together existing policies in relation to pay and terms and conditions and publishes these for wider public scrutiny. These have previously been the subject of consultation with the recognised trades unions and agreed by elected members.
17. Trades union colleagues provided comments in response to the Pay Policy Statement which were discussed at the Central Joint Consultative and Negotiating Panel in detail. A copy of the trades union comments is available as a background paper.

## RECOMMENDATION

1. It is recommended that Full Council:

Approve the Pay Policy Statement, **as appended**, which sets out the Council's existing policies, procedures and terms and conditions of employment for all staff for publication on the Council's website by 1<sup>st</sup> April 2014.

**Cllr Alan Rhodes**  
**Leader of the County Council**

### **For any enquiries about this report please contact:**

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### **Constitutional Comments (SLB 11/03/14)**

18. Full Council is responsible under the constitution for approving the annual Senior Office Pay Policy Statement. The proposal in this report is therefore within the remit of Full Council.

### **Financial Comments (SEM 12/03/14)**

19. There are no specific financial implications arising directly from this report.

### **Background Papers**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972:

- Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act – DCLG 17<sup>th</sup> February 2012
- Localism Act 2011- Chapter 8 “Pay Accountability” – 15<sup>TH</sup> November 2011
- Code of Recommended Practice for Local Authorities on Data Transparency (DCLG) – September 2011
- The Hutton Report on Fair Pay in the Public Sector – 2011
- Equality Impact Assessment
- Trades union comments in response to the Pay Policy statement

### **Electoral Division(s) and Member(s) Affected**

All