

REPORT OF SERVICE DIRECTOR HR AND CUSTOMER SERVICE

NOTTINGHAMSHIRE COUNTY COUNCIL'S PAY POLICY STATEMENT 2012-2013

Purpose of the Report

1. To seek the approval of Members to the County Council's Pay Policy Statement for the financial year 2012-13 as required under the Localism Act 2011.

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 the 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 already publishes on its website information about its most senior officer's pay. This has included information relating to the Chief Executive, former Assistant Chief Executive and Corporate Directors.
4. Section 38 of the Localism Act 2011 Act sets out the requirement for all Local Authorities in England and Wales to publish annual Pay Policy Statements for the financial year 2012-13 and for each subsequent year.
5. This requirement does not extend to school based staff.
6. The 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 1st April each year, starting from 1st April 2012.
- 8 This Statement will be amended during the financial year, with Council approval as necessary, to reflect the prevailing legislation at the time or as emerging practice or clarification of guidance necessitate.

Pay Policy Statement

- 9 In drafting its initial Pay Policy Statement the Council has used the guidance currently issued by the national employers organisation and the Government to ensure statutory compliance with the requirements of the Localism Act 2011 as set out in section 6.
- 10 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
- 11 The key principles underpinning the Pay Policy Statement are that the Council:
- 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
 - Is committed to openness, transparency and public accountability
 - Needs to reflect local circumstances such as shortage of particular key skills
 - Is committed to equity and fairness of treatment across the whole workforce

- 12 A copy of Nottinghamshire County Council's Pay Policy Statement 2012-2013, which sets out the position as at 1st March 2012, is attached as **Appendix A**.

Other Options Considered

- 13 The focus of the initial 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.
- 14 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/s for Recommendation/s

- 15 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

- 16 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

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.

Constitutional Comments (GR 6.3.2012)

The proposals within this report are within the remit of full Council

Financial Comments (PB 7.3.2012)

There are no direct financial implications arising from this report as the Pay Policy Statement sets out the Council's policies relating to remuneration. It does not serve to set or agree specific rates or numerical amounts.

HR comments (CG 9.3.12)

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, which have previously been agreed by elected members, and publishes these for wider public scrutiny.

The trades unions have been consulted on the draft Pay Policy Statement and will be informed of any proposed changes and as part of the annual review of the Pay Policy Statement.

RECOMMENDATIONS

It is recommended that Full Council:

Approve the Pay Policy Statement, which sets out the Council's existing policies, procedures and terms and conditions of employment for all staff, as **appended** for publication on the Council's website by 1st April 2012.

Councillor Andy Stewart
Cabinet Member for People and Performance

For any enquiries about this report please contact: Claire Gollin Group Manager HR

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 17th February 2012
- Localism Act 2011- Chapter 8 “Pay Accountability” – 15TH 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

Pay Policy Statement Appendices

- Nottinghamshire County Council Top Level Structure Chart March 2012 (Appendix 1)
- Chief Officer Pay at Nottinghamshire County Council March 2012 (Appendix 2)
- Local Government Scheme - Salary scales 2009, 2010 and 2011 (Appendix 3)
- Nottinghamshire County Council's Grading Policy (Appendix 4)
- Nottinghamshire County Council's Process for Assessment and Approval of Market Factor Supplements (MFS) (Appendix 5)
- Nottinghamshire County Council's Policy on Acting up and Honoraria Payments (Appendix 6)
- Nottinghamshire County Council's Policy on Redundancy and Early Retirement (Appendix 7)
- Nottinghamshire County Council's Redundancy Payment Calculator (Appendix 8)
- Nottinghamshire County Council's Policy on Flexible Retirement (Appendix 9)
- Nottinghamshire County Council's Policy on the Re-employment or Re-engagement of Former Employees (Appendix 10)
- Nottinghamshire County Council's Policy on the Payment of Travelling Allowances (Appendix 11)
- Nottinghamshire County Council's Policy on the Payment of Subsistence Allowances (Appendix 12)
- Nottinghamshire County Council's Pay Protection Policy (Appendix 13)
- Nottinghamshire County Council's Car Leasing Scheme (Appendix 14)
- Extract from Nottinghamshire County Council's Constitution Part 4, Employment Procedure Rules and Staffing Standing Orders (Appendix 15)

Electoral Division(s) and Member(s) Affected

All