

REPORT OF THE SERVICE DIRECTOR HR AND CUSTOMER SERVICE**NOTTINGHAMSHIRE COUNTY COUNCIL'S PAY POLICY STATEMENT
2013-2014****Purpose of the Report**

1. To inform elected members of the proposed content of the County Council's updated Pay Policy Statement for the financial year 2013-14, as required under the Localism Act 2011, prior to approval by Full Council.

Information and Advice**2. Background**

- 2.1 Nottinghamshire County Council continues to be committed to good governance and responsiveness to public scrutiny. As part of this the Council would wish to demonstrate that decisions on the pay and reward packages for its Chief Executive and senior officers have been made in an open and accountable way.
- 2.2 Under the terms of the Accounts and Audit (England) Regulations 2011 the Council publishes and updates information on its public website about its most senior officer's pay.
- 2.3 Section 38 of the Localism Act 2011, which does not extend to schools staff, refers to "pay accountability". This Act sets out the requirement for all local Authorities in England and Wales to publish annual Pay Policy Statements from the financial year 2012-13 onward.
- 2.4 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 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.
- 2.5 A Pay Policy Statement must 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.

3. **Pay Policy Statement**

- 3.1 The Council's initial Pay Policy Statement was agreed by Full Council on 29th March 2012 and was published on the Council's public website on 30th March 2012.
- 3.2 In drafting its own Pay Policy Statement the Council used the guidance issued by the national employers and the Government, which has not been amended or updated since the requirement was introduced, to ensure statutory compliance with the requirements of the Localism Act 2011.
- 3.3 An initial draft of Nottinghamshire County Council's Pay updated Policy Statement 2013-2014, which sets out the known position as at 1st January 2013 is appended for the consideration of Personnel Committee.
- 3.4 This current Pay Policy Statement continues to address the public scrutiny of senior pay and reward in an open and transparent way. Due regard has again been given to the principles of clarity, local circumstances and equality and fairness in pay and reward across the whole of the Council's workforce, as underpinned by its Single Status Agreement.
- 3.5 As required under the Localism Act, a further version of Nottinghamshire County Council's Pay Policy Statement reflecting any necessary updates to consolidate the position as at 1st February 2013 will be presented to Full Council at its next meeting on 28th February 2013 for formal approval by members.
- 3.6 Subject to this, the approved statement will then be published on the public website by 1st April 2013.
- 3.7 This Statement will 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. The trade unions would be informed of any proposed changes.

Other Options Considered

- 14 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.

- 15 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

- 16 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

- 17 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.

An Equality Impact Assessment was undertaken in respect of the initial Pay Policy Statement and has been reviewed.

HR Implications (CG 05/12/12)

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 content of the draft Pay Policy Statement and will be informed of any proposed changes as part of the annual review of the Pay Policy Statement. Trades union colleagues have commented specifically on the living wage, which is referred to in sections 3.6.3 to 3.6.6 of the Pay Policy Statement, and requested that this be adopted by the authority.

RECOMMENDATION

It is recommended that the draft Pay Policy Statement as appended be submitted to Full Council for approval.

Marjorie Toward
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Constitutional Comments (KK 18/12/12)

The proposal in this report is within the remit of the Personnel Committee.

Financial Comments (MB 20/12/12)

There are no specific financial implications arising from the report.

Background Papers

Trade union side comments.

Electoral Division(s) and member(s) Affected

All