

Pay Policy Statement 2024 – 2025



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1. BACKGROUND

Section 38 (1) of the Localism Act 2011 continues to require all local authorities in England and Wales to produce and publish a Pay Policy Statement for each financial year before 1 April each year.

The Department for Communities and Local Government (DCLG) Transparency Code 2015 replaced all previous Codes, adding to, but not replacing the requirements of the Localism Act.

The requirements of the Act and the Code do not extend to schools and the scope of the Council's Pay Policy Statement does not therefore extend to school-based employees.

This updated Pay Policy Statement will be published on the Council's website as soon as possible following consideration by Full Council. This Statement will be reviewed annually and amended as necessary to reflect the prevailing legislation at the time; with Full Council approval as required.

The information and data in this Statement is current as of 1st February 2025.

2. PURPOSE AND SCOPE

The purpose of a Pay Policy Statement is to provide accountability in relation to payments made to senior employees in the public sector, in particular those in local authorities, by enabling public scrutiny.

The requirements of the Localism Act in respect of transparency about senior pay, build on the Accounts and Audit (England) Regulations 2011 with which the County Council is also compliant.

The Localism Act requires that a Pay Policy Statement (PPS) must articulate the Council's own policies towards a range of issues relating to the pay of its workforce, in particular its Chief Officers, as defined by the Local Government and Housing Act 1989 and to its lowest paid employees.

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 senior salaries, remuneration and pay multiples, specifically:

- The 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.

 The Pay Multiple relationship between the highest and lowest earnings and between the highest earnings and the median earnings figure for the whole authority workforce.

These can all be found in Section 5.

The Act defines Chief Officer remuneration as 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 Transparency Code carries specific legal requirements to publish some organisation and salary information which include the following:

- The Pay Multiple to reflect a particular date in the year (in this case the Council's annual Pay Policy Statement update is on 1st February each year), and include all elements of remuneration including earnings, that is, base salary, variable pay allowances and any bonuses or payments in kind, excluding pension.
- Clarification that median remuneration should be used in Pay Multiple information (Section 5).
- A list of the number of employees with remuneration above £50,000 grouped within brackets of £5,000, with job title and the functions and services for which they are responsible. (Appendix 1a)
- Any employees earning in excess of £150,000 must be named. In this Council this applies to the post of Chief Executive and the 3 Executive Directors (Appendix 1a)
- An up-to-date mandated structure chart for the top 3 organisational tiers which is published on the Council's Public website. (<u>Senior Management</u> structure chart)

Nottinghamshire County Council's current Pay Policy Statement meets the mandatory requirements of both the Act and the Code.

This Pay Policy Statement includes all direct employees covered by the National Joint Council (NJC) for Local Government Services national agreement on pay and conditions of service and those covered by the Joint Negotiating Committee (JNC) conditions of service for Chief Executives and Chief Officers.

Nottinghamshire County Council's Pay Policy Statement reflects the wide definition of remuneration" within the relevant legislation. This includes not just pay but also pay awards, increments, additional contractual payments and allowances and enhancements but excludes pensions. The Council does not pay bonuses to any of its employees.

3. ABOUT THE COUNCIL

Nottinghamshire is the 10th largest local authority in England, with an estimated population of around 824,822 (source: ONS 2021 census).

The Council remains amongst the largest employers in the county and directly responsible for a budget of £1.2 billion and with a headcount of 7414 directly employed permanent and temporary staff, as of 1st February 2025 (excluding those in schools), a significant proportion of whom directly provide more than 400 statutory and discretionary services to the people of Nottinghamshire.

As a major employer in Nottinghamshire, the County Council's ambition is to contribute to building a more prosperous local community by modelling good employment practice, including ensuring fairness in the way that it pays and rewards its existing and future employees.

The Council also wishes to be an attractive source of potential employment to job seekers across its community and is committed to using its resources to create meaningful and fairly remunerated employment opportunities for local people.

The current labour market continues to be extremely challenging in some sectors, although it has started to recover since this time last year. With the continued rise in cost of living pay continues to be a key factor for employees when deciding to take up employment with, or remain working for, the County Council. In some competitive markets this continues to affect our ability to recruit and retain staff who provide vital services as they move to other Councils that are paying higher salaries, move away from the public sector or take on roles with agencies as they are paying a highly inflated hourly rate. Coupled with the ability to work remotely, retention is more difficult now that jobs all over the country are accessible through hybrid working.

Given the current context set out above, a resourcing and retention strategy and delivery plan has been developed has been in place for 18 months. The activity that has been rolled out has delivered improvements in our recruitment and retention since last year and goes some way to mitigate where we are not competitive for pay in the market. It has resulted in reduced turnover and an improvement in our recruitment activity. Pay continues to be an aspect of the work that we are continually reviewing, given the impact that staffing levels have on all areas of our service delivery.

4. PAY ARRANGEMENTS

Conditions of Service

The Council's Chief Executive and three posts of Executive Director work within the national conditions of service covered by the JNC for Chief Officers.

All other employees, other than a small number covered by national terms and conditions for School Teachers Pay & Conditions, Soulbury, JNC for Youth Community Workers (whose pay is also determined through national bargaining), and staff who have transferred in to NCC from other organisations and are protection under TUPE Regulations work within the national conditions of service covered by the NJC for Local Government Employees.

Nottinghamshire County Council subscribes to the national pay bargaining framework through the National Joint Council (NJC) on which the local government employers are represented by the Local Government Association (LGA).

The Council fully implemented "Single Status" in 2008. This term was designed by the National Employers and Trade Unions to describe the equal treatment of all employees in respect of their pay, terms and conditions. Arising from this the Council has an established pay and grading structure which is based on a "points to pay" relationship determined through a Job Evaluation process.

Job Evaluation

The consistent evaluation of the relative value of job roles across the Council ensures a fair, open, and transparent pay and reward structure that is affordable and compliant with Equal Pay legislation and Single Status requirements.

The County Council continues to use two job evaluation schemes to evaluate the work of its employees using trained in-house Job Analysts for all posts other than posts at Executive Director level and above which are subject to an independent analysis by an external provider. All posts are evaluated and graded using either the National Joint Council (NJC) Job Evaluation Scheme or the Hay Job Evaluation Scheme according to the criteria set out in Grading Policy.

The work of the internal analysts has been validated by the external provider, Korn Ferry who have confirmed that the Hay scheme is being correctly applied.

Read more about the Council's implementation of the job evaluation schemes Grading Policy.

Market Factor Supplements

In a limited number of specific circumstances, it is necessary to pay employees outside of the Grading Policy due to market factors linked to recruitment and retention issues. In these instances the Council's agreed Market Factor
Supplement Process is followed.

Pay awards and increases

Nottinghamshire County Council adheres to national pay bargaining in respect of the national pay spine and any annual cost of living increase negotiated on the pay spine.

As part of the implementation of Job Evaluation, NCC's current pay grades have been attached to the nationally determined pay scale since 1st April 2008. Employees progress through the pay bands within their evaluated grade by incremental annual progression. 2024-25 Pay Scales

The national pay award for the Chief Executive, Chief Officers and NJC employees has been agreed for the period 2024 - 2025. The pay award for the Chief Executive and Chief Officers was an increase of 2.5%. NJC employees received a flat increase of £1,290 across all pay points, or 2.5% whichever was the higher.

As part of its overall ambition to model good employment practice, Nottinghamshire County Council formally adopted the "Living Wage" rate determined by the Living Wage Foundation for the U.K (outside London) from 1st April 2014. The current nationally set Living Wage Foundation Living Wage rate is £12.60 per hour. This applies to all of the Council's direct employees on spinal column points 2 and 3 on its current pay scale. The Living Wage rate is paid as an allowance on top of existing pay rates, as the minimum basic rate of pay paid on the Council's pay spine, applied to all hours worked, including enhancements and overtime payments. The new rate applied from December 2024.

The Chancellor confirmed in her Autumn Statement on 30 October 2024 that the National Living Wage rate on 1 April 2025 will be £12.21, from its current £11.44.

In addition, as part of its commitment to fair pay and stimulating local economic growth from 1st April 2014, the Council ensures that all Apprentices are paid the evaluated rate for the job. For those in supernumerary placements within the authority, they are paid the current age related national Minimum Wage rate for their age.

<u>Incremental Salary Progression</u>

The Chief Executive and Executive Directors are on fixed salaries, which means that no incremental progression applies.

The LGA recommend that local authorities continue to pay contractual annual increments within their agreed pay bands. Nottinghamshire County Council has

complied with this, and all other employees continue to receive contractual annual increments up to the maximum spinal column point of the evaluated salary band for their post.

Pensions

The directly employed staff who are the subject of this Pay Policy Statement, including Chief Officers, are covered by the Local Government Pension Scheme. Employees who are members of the Local Government Pension Scheme (LGPS) pay contributions from their salary dependent on their actual earnings on a 9-band basis, that are periodically reviewed, as set out in the LGPS Regulations. Follow the link for further details about the Local Government Pension Scheme: Local Government Pension Scheme Nottinghamshire County Council

Some employees are eligible to join the Teacher's Pension and we also have a number of staff who are on the NHS pension scheme which forms part of their transfer arrangements. Both schemes can be found on the relevant scheme websites.

Professional fees

The professional fees of qualified Solicitors and Legal Executives employed by the Council are paid annually by the Council to enable them to continue to practice. Payment of fees to cover the cost of registration with their professional body (Social Work England, formerly Health Care Professionals Council) for Social Workers and Occupational Therapists are a matter of personal responsibility. No professional fees are paid for any other employee groups, including Chief Officers.

Acting-up Allowances and Honoraria

Nottinghamshire County Council's current policy on the payment of Acting-up Allowances and Honoraria sets out that payments are only made on an exceptional basis on the submission of a full business case, at the discretion of the appropriate Chief Officer.

Overtime and other additional payments

In line with the NJC national agreement on pay and conditions of service, employees on spinal column point 23 (£33,366) and below are entitled to additional payments when required to work:

- on Saturday or Sunday
- on public holidays
- at night
- sleeping in duty

- split shifts
- beyond the full-time equivalent hours for the week in question.

Members of the Corporate Leadership team are expected to be on call at all times as part of their duties and responsibilities and receive none of the additional payments available to other employees.

Car Leasing Scheme

The Council's scheme applies to all employees including Chief Officers. At present no Chief Officers are using vehicles leased under the provisions of the scheme as indicated: Car Leasing Scheme.

Payment of expenses

Where claimed, expenses incurred by staff, including Chief Officers, in the course of carrying out their duties are paid in line with the Council's <u>Travel and Accommodation Policy</u>. This is part of the nationally agreed terms and conditions of service supplemented by the Council's local conditions as laid down in its policies on <u>Travelling Allowances</u>, and <u>Subsistence Allowances</u>.

All expenses claimed by the Chief Executive and Executive Directors are published on the County Council's website, detailed under the link to their individual profiles <u>About our senior officers and pay policy statement | Nottinghamshire County Council.</u>

Pay Protection

The Council's current Pay Protection Policy as at 1st February 2025 is used in circumstances where the duties of a post change and following re-evaluation the grade for the post goes down and may also be applied in some circumstances where, to protect their ongoing employment, individuals are redeployed to a lower graded post. Read more about the Council's Pay Protection Policy.

Any changes to the rates of pay included in this policy are subject to national negotiations and any changes will be reflected in next year's pay policy statement.

Redundancy compensation payments

Contractual notice and redundancy pay in relation to a redundancy is calculated in line with the Council's <u>Redundancy Compensation Payment Ready Reckoner</u> which forms part of the Council's policy on <u>Redundancy and Early Retirement</u>, which currently applies to all employees of the Council, including Chief Officers.

This policy currently applies to all direct employees, including Chief Officers. It is also the subject of negotiations with the recognised trades unions. Any further changes agreed will be reflected in the future Pay Policy Statements.

Payment on retirement

Employees may also leave the employment of the Council under the following types of termination:

- <u>Efficiency of the Service</u> As set out in the Council's policy on Redundancy and Early Retirement this provision would only be used in very exceptional circumstances.
- <u>Flexible Retirement</u> As set out in the Council's policy on <u>Flexible Retirement</u> employees may apply for employer permission to access their pension from age 55 but remain working at the Council either on reduced pay or reduced hours. Due to the associated Pension Strain costs this provision has not been applied to Chief Officers.

Under the terms of the LGPS Regulations employees may also retire on the basis of age:

- <u>Age Retirement</u> Under Pension Regulations employees, including Chief Officers, may automatically access their pension benefits, currently from age 55 on an actuary reduced basis, when they leave employment. As permitted under the Employment Equality (Age) Regulations 2006, the Council does not operate a default retirement age whereby employees are dismissed at age 65.
- <u>Early Retirement</u> As set out in the Council's policy on Redundancy and Early Retirement, under LGPS regulations, employees can request access to their pension from age 55 with the Council's consent. An actuarial reduction applied to the employee will normally apply unless the Council chooses to waive this.

Re-engagement of former employees

Nottinghamshire County Council's policy on the re-employment and reengagement of former employees currently applies to all employees, including Chief Officers. Where the former employee has previously received a voluntary or compulsory redundancy payment, part or all of the compensatory element of the redundancy payment may be recovered and abatement of pension could apply. Read more about the Council's <u>Re-employment or Re-engagement of</u> <u>Former Employees</u>

5. RELATIONSHIP BETWEEN HIGHEST AND LOWEST PAID EMPLOYEES

Highest and lowest paid employees

The Council's highest paid employee is its Chief Executive, Adrian Smith, who, following the application of the national pay award for Chief Officers from April 2024 earns a fixed annual salary of £201,664.

For the purpose of this Pay Policy Statement, the definition of "Lowest Paid Employees" at Nottinghamshire County Council are employees on Grade 1 spinal column point 2. On the national pay spine this equates to £23,656 annual basic pay (£12.26 per hour) which exceeds the age related statutory National Living Wage, currently set at a maximum of £11.44 per hour for employees aged 21 years or over. The Council's current Living Wage allowance reflects the Living Wage Foundation Living Wage Rate and brings its minimum pay rate up to £12.60 an hour for all employees, bringing their FTE annual salary to £24,309. This currently benefits **1,386** of its lowest paid direct employees living in some of the most deprived parts of the County.

Relationship between the Pay of the Highest and Lowest Earner

When expressed as a multiplier of pay, the Chief Executive's salary as at 1st February 2025 is 8.3:1 times greater than that of the Council's lowest earner when the Living Wage Allowance is included.

This ratio has seen a reduction over the last three years, falling from 9.9:1 in 2022, 9.03:1 in 2023 and 8.5:1 in 2024.

Median Pay of Workforce

For the purpose of this Pay Policy Statement, Nottinghamshire County Council has updated this calculation to ensure it is compliant with the definition set out in the Local Government Transparency Code 2014 which includes all elements of taxable earnings inclusive of variable pay and allowances.

The Council does not pay bonuses.

From 1st February 2025 the Council's Full Time Equivalent basic **Median Pay**, that is the mid-point on the range of pay points, was: **£28,628** per annum (equating to spinal column point 14 on the Council's pay scale).

Pay Multiple

From 1st February 2025, the relationship between the Chief Executive's pay and that of the Council's median (mid-point), earner (£28,628), was a ratio of **7:1**.

This ratio has seen a reduction over the last three years, falling from 8.15:1 in 2022, 7.48:1 in 2023 and 7.2:1 in 2024.

6. REMUNERATION OF CHIEF OFFICERS

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 three Executive Directors and two Service Directors.

Under current Constitutional arrangements, Chief Officer appointments are made by elected members on the Senior Staffing Committee. This Committee refers appointments in respect of the Chief Executive, Monitoring Officer and Section 151 Officer to Full Council as such appointments are subject to this ratification.

The comparative level of remuneration of each Executive Director is decided on the basis of their particular accountabilities and responsibilities (including any statutory responsibilities) and the size of the job, taking into account the range of services provided, the number of employees and the size of the population within their remit. This is supported by information from Korn Ferry on median pay rates for comparative roles of a similar size in a range of public sector organisations across the country.

In compliance with the Transparency Code 2015 a pay table in bands of £5,000, is provided at **Appendix 1a.** This includes the pay of our Chief Officers and names those earning above £150,000 as required.

Remuneration of Chief Officers on recruitment

The starting salary of the Council's Service Directors falls within the pay band for their job and is subject to annual incremental progression to the top point of the pay band.

The starting salary offered will not be more than the maximum of the pay band for the evaluated grade of the job unless another policy, such as Market Factor Supplements, is applicable.

On appointment, a Chief Executive or Executive Director will be appointed to the agreed fixed spot salary for their post.

Returning / Counting Officer's Fee

In Nottinghamshire, the County Council's Chief Executive is the Chief Officer nominated as Returning Officer in charge of the running of Local, European, Parliamentary Elections and National Referenda. The Council does not govern the fee payable for these elections as it is funded by central government and is therefore not related to Nottinghamshire County Council's terms and conditions. The Chief Executive receives no additional remuneration for Returning Officer duties.

Monitoring Officer's Fee

The Council's Service Director – Customers, Governance and Employees currently fulfils the statutory obligations of the Monitoring Officer to ensure Nottinghamshire County Council, its officers, and its elected Councillors maintain the highest standards in all they do. The Monitoring Officer's legal basis is found in Section 5 of the Local Government and Housing Act 1989; as amended by the Local Government Act 2000.

This duty was taken into consideration in the evaluation of the salary of this Service Director post under the Hay Job Evaluation scheme. The post holder also undertakes the Monitoring Officer role to the Police and Crime Panel but receives no additional remuneration for this work. The Deputy Monitoring Officer is currently the Group Manager – Legal and Democratic Services.

Section 151 Officer

In Nottinghamshire County Council this responsibility under the local Government Act 1972 is undertaken by the Service Director Finance, Infrastructure and Improvement.

This duty was taken into consideration in the evaluation of the salary of the Service Director Finance, Infrastructure and Improvement under the Hay Group Job Evaluation scheme. No separate payment is made for undertaking this function.

<u>Payments to Chief Officers on ceasing to hold office or be employed by Nottinghamshire County Council</u>

To ensure accountability is maintained Under section 11 of the Council's current Constitution, under delegated powers from Full Council, the Senior Staffing Committee is responsible for the appointment and dismissal of and the taking of disciplinary action against senior employees that is the Chief Executive, Executive Directors and Service Directors.

The Council's payment to Chief Officers leaving the Council is made under the same types of termination and same rules as for other employees as set out in

section 4 above and the relevant policies apply. Any such terminations are reported in the annual Statement of Accounts.

In compliance with the supplementary Statutory guidance to the Localism Act (section 40), any severance packages for senior officers of £100,000 or more will be subject to approval by Full Council. For the period February 2025 to January 2025 no such payments have been made.

7 EMPLOYEES WHOSE REMUNERATION IS £50,000 OR ABOVE

In compliance with the requirements of the Transparency Code 2014, a list of the number of employees with a total remuneration, including salary and allowances above £50,000, along with the job title and area of responsibility, is set out in **Appendix 1a**. Remuneration is expressed in brackets of £5,000, with job title and the functions and services for which they are responsible.

On 1st February 2025 the total number of employees in scope was 478. This number has increased from last year as the pay award takes additional pay spines over £50,000 each year while the set salary of £50,000 hasn't ever changed. This reflects the national picture for the same reason. This year the increase in numbers of employees was more than previous years as the national pay award has put the top of Hay band D, into this salary bracket. The top of this salary bracket is the point at which a number of our experienced team managers are paid. Neither the overall head count or pay bill for the Council have increased (other than by the pay award amount). The number of staff that fit in to the lowest of the £5k salary brackets (£50,000-£54,999) accounts for 58% of the total figure, up from 43% last year, which demonstrates this is experienced staff from this salary band moving in to this threshold.

W nottinghamshire.gov.ukE enquiries@nottscc.gov.uk

T 0300 500 80 80

Nottinghamshire County Council, County Hall West Bridgford, Nottingham NG2 7QP



