

Title of report: Pay Policy Statement 2025/26

Meeting: Full Council

Meeting date: Friday 7th February 2025

Report by: Chair of Employment Panel

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To approve the pay policy statement 2025-26 for publication.

Recommendation(s)

That:

The pay policy statement in Appendix A is approved.

Alternative options

1. There are no alternatives to the recommendation; the publication of the Pay Policy statement is a statutory requirement as stated in the Localism Act 2011. This provides transparency on the council's approach to pay and remuneration relationship for the highest and lowest earners. This statement does not introduce any policy changes but does provide a summary of policies already in place.
2. Employment panel are able to determine any changes to the statement to improve transparency, whilst having regard to statutory guidance issued by the Department for Levelling Up, Housing and Communities.

Key considerations

3. The Localism Act 2011 places an obligation on the council to produce an annual pay policy statement for each financial year and for this statement to be approved by Full Council before the start of the financial year to which it relates.
4. The statement must set out the council's policies relating to:
 - a) The remuneration of its chief officers
 - b) The remuneration of its lowest paid employees; and
 - c) The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
5. The statement must include the council's definition of 'lowest paid employees' and the reason for adopting that definition.
6. The statement must include policies relating to:
 - a) The level and elements of remuneration for each chief officer
 - b) Remuneration of chief officers on recruitment
 - c) Increases and additions to remuneration for each chief officer
 - d) The use of performance related pay for chief officers
 - e) The use of bonuses for chief officers
 - f) The approach to the payment of chief officers on their ceasing to hold office under, or to be employed by the authority; and
 - g) The publication of and access to information relating to remuneration of chief officers
7. The statement draws together factual material and provides a summary of the current pay policies of the council.

The ratio between the council's lowest paid staff and the chief executive's salary is included in the statement. For 2025/26 this ratio is 1:7.37 which remains unchanged from the previous year. This is caused by the most recent pay awards being set by the National Employers in the same way as the previous year's pay award. A comparison of the most recently published pay ratios for similar or neighbouring local authorities is below and this shows the council's ratio to be amongst the lowest.

- a) Worcestershire County Council, 1:9.29
- b) Gloucestershire County Council, 1:20
- c) Shropshire Council, 1:8
- d) Powys County Council, 1:6.46
- e) Staffordshire County Council, 1:9
- f) Dudley MBC, 1:9
- g) Oxfordshire County Council, 1:10.41
- h) Bristol City Council, 1:8.58
- i) Sandwell Council, 1:9

The statement also includes the ratio between the median (average) full time equivalent earnings of staff and the chief executive's salary as recommended to be a more relevant measure in the Hutton report. For Herefordshire Council this ratio is 1:5.13. A comparison of the same local authorities as above shows that are the lowest in this calculation.

- a) Worcestershire County Council, 1:6.84
- b) Gloucestershire County Council, 1:5.22
- c) Shropshire Council, 1:6
- d) Powys County Council, 1:5.20
- e) Staffordshire County Council, 1:4.9
- f) Dudley MBC, 1:7
- g) Oxfordshire County Council, 1:6.43
- h) Bristol City Council, 1:6.68
- i) Sandwell Council, 1:6

- 8. All posts, whether chief officer or not, have their level of remuneration established through assessment by a nationally recognised and independent job evaluation scheme. Full Council must approve any new salary packages not included in the pay policy statement, or severance payments, exceeding £100,000.
- 9. In approving its statement, Council must have regard to any guidance issued by the Secretary of State. This has been taken into consideration in the development of the statement.

Community impact

- 10. By complying with the legal requirement placed on it, the council continues to ensure that the resources available are used in the most effective way and there is transparency in how public money is used. This contributes to the corporate plan priority to secure better services, quality of life and value for money.
- 11. By publishing this statement the council is demonstrating the code of corporate governance principles of implementing good practices in transparency, reporting and audit to deliver effective accountability, and behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Environmental Impact

- 12. Whilst this decision will have minimal environmental impact, consideration has been made to minimise waste and resource use in line with the council's environmental policy.

Equality duty

- 13. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
- 14. The mandatory equality impact screening checklist has been completed for this statement and it has been found to have no impact for equality.
- 15. The pay policy statement clearly sets out that pay levels are set in line with equality legislation.

Resource implications

- 16. There are no costs arising directly from this report.

Legal implications

17. The requirement to publish an annual Pay Policy Statement is a requirement of section 38 of the Localism Act 2011. The Council also must consider the minister's [statutory guidance](#) issued in February 2012 when publishing the Statement.
18. The Statement must be approved by full Council and cannot be delegated to a committee.

Risk management

19. The risks identified with the pay policy statement are detailed below.

Risk / opportunity	Mitigation
Failure to approve and publish a statement will result in non-compliance with a statutory requirement	Arrangements are in place to ensure the statement is published following Council's full approval

Consultees

20. None

Appendices

Appendix 1 Pay Policy Statement 2025-2026

Background papers

None identified.

Report Reviewers Used for appraising this report:

Governance	Jen Preece	Date 18/12/24
Finance	Karen Morris / Judith Tranmer	Date 18/12/24 / 06/01/25
Legal	Sean O'Connor	Date 18/12/2023
Communications	Luenne Featherstone	Date 18/12/2024
Equality Duty	Harriett Yellin	Date: 06/01/2024
Procurement	Click or tap here to enter text.	Date Click or tap to enter a date.
Risk	Click or tap here to enter text.	Date Click or tap to enter a date.

Approved by	Tracey Sampson	Date 08/01/2025
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