

Title of report: Pay Policy Statement 2026/27

Meeting: Employment Panel

Meeting date: 21 January 2026

Report by: Director of Human Resources and Organisational Development

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To recommend the pay policy statement 2026-27 to Full Council for approval and publication.

Recommendation(s)

That the pay policy statement in Appendix A is recommended to Full Council.

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 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 2026/27 this ratio is 1:7.03 which is a marginal improvement from the previous year (1:7.37). 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
- 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, 1:8
- g) Oxfordshire County Council, 1:10.09
- h) Sandwell Council, 1:9

The pay policy statement also includes the ratio between the median (average) full time equivalent earnings of staff and the chief executive's salary. In Herefordshire Council this ratio is 1:5.27 and benchmarking data for regional or neighbouring authorities is shown below:

- a) Worcestershire County Council, 1:6.63
- b) Gloucestershire County Council, 1:5.04
- c) Shropshire Council, 1:6

- d) Powys County Council, 1:5.20
- e) Staffordshire County Council, 1:6
- f) Dudley MBC, 1:6
- g) Oxfordshire County Council, 1:6.34
- h) 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. 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 requirements 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 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 2026-2027

Background papers

None identified.