

COUNCIL
27 February 2025

***PART 1 – PUBLIC DOCUMENT**

PAY POLICY STATEMENT 2025/26

REPORT OF: SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: LEADER OF THE COUNCIL

COUNCIL PRIORITY: ACCESSIBLE SERVICES

1. EXECUTIVE SUMMARY

- 1.1 This report sets out a draft Pay Policy Statement 2025/26 (Appendix 1) for Council's consideration and approval in accordance with the requirements of Section 38 of the Localism Act 2011 (the Act), associated guidance issued under Section 40 of the Act, the Local Government Transparency Code 2015 and any other relevant legislation.

The Statement incorporates elements of existing policy and practice and is required to be agreed annually.

2. RECOMMENDATIONS

- 2.1. That Council approves the 2025/26 Pay Policy Statement attached at Appendix 1.
- 2.2. That Council delegates authority for revisions made in year to the Pay Policy Statement, to the Service Director - Resources, in consultation with the Leader of the Council. Revisions which might arise in the year include changes in structure, changes to employment benefits, subsequent pay awards agreed nationally and new legislative requirements.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To comply with the requirements of Section 38 of the Localism Act 2011, Statutory Guidance issued under s40 and the Local Government Transparency Code 2015.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The Pay Policy Statement reflects current adopted policies and associated statutory reporting arrangements.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 There is no consultation required.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1 The Localism Act 2011 requires Council to approve, on an annual basis, a Pay Policy Statement. The suggested contents of the statement are set out in guidance issued under Section 40 of the Act, the Local Government Transparency Code 2015 and the Enterprise Act 2016.

8. RELEVANT CONSIDERATIONS

- 8.1 The format and general contents of the Pay Policy Statement are unchanged from previous years. The main updates to note are:
- Details of the pay agreement for 2024/25 (Appendix 1 Paras 2.1).
 - Updated pay rates and multiples. As these will be subject to further update when the April 2025 pay claim is agreed, this emphasises the need for recommendation 2.2.

9. LEGAL IMPLICATIONS

- 9.1 Under Section 38 (1) of the Localism Act 2011, the Council must prepare a Pay Policy Statement for each financial year and policies for the financial year relating to the remuneration of its chief officers, the remuneration of its lowest-paid employees and the relationship between the remuneration of its chief officers and its employees who are not chief officers.
- 9.2 Section 38 (4) of the Localism Act 2011 sets out what the Pay Policy Statement must include:
- (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.
- 9.3 The Localism Act 2011 defines remuneration widely, which will include not just pay but also charges, fees, allowances, benefits in kind, increases in or enhancements in entitlements such as pension entitlements and termination payments.
- 9.4 The Localism Act 2011 also confirms that the Pay Policy Statement:
- must be approved formally by Full Council before it comes into force,
 - must be prepared and approved each year,

- as soon as reasonably practicable after approving or amending a Pay Policy Statement, the Council must publish the Pay Policy Statement in such manner as it thinks fit which must include on the authority's website.

9.5 The Council must have regard to any guidance issued or approved by the Secretary of State under Section 40 of the Localism Act 2011.

9.6 Under Section 39 of the Localism Act 2011, the Council's Pay Policy Statement must be approved by resolution of the authority, before it comes into force.

9.7 Sections 38 to 43 of the Localism Act 2011 require Councils to prepare a Pay Policy Statement for each financial year and the Secretary of State, pursuant to section 40, has issued both the original Pay Accountability Guidance in February 2012 and a supplementary guidance in February 2013. The content of this report and the recommendations comply with the Council's responsibilities in this regard. Section 39(4) permits the Council to amend its policy by resolution.

9.8 Section 4.4 (aa) of the Council's Constitution states that Full Council will "agree any award which would exceed the financial limits set out in the Council's Pay Policy Statement". Therefore, the Pay Policy Statement needs to set what this level will be.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report.

11. RISK IMPLICATIONS

11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

11.2 There are no direct risk implications arising from this report.

12. EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 The Pay Policy Statement reflects the practical arrangements that are in place to ensure all employees are remunerated in accordance with the requirements of the Equality Act and Public Sector Equality Duty and, in particular, through the application of a universal grading scheme, flexible retirement scheme, and salary structure for all staff. The pay policy ensures consistency in regard to pay and remuneration in regard to individual roles, and therefore with no direct adverse impact on any single group with protected characteristics.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at Paragraph 12.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 The Pay Statement meets the requirements of the Localism Act 2011.

16. APPENDICES

- 16.1 Appendix 1 - North Herts Council Draft Pay Policy Statement 2025/26

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