

**SPECIAL COUNCIL
20 FEBRUARY 2025**

PAY POLICY STATEMENT 2025/2026

**Responsible Cabinet Member –
Councillor Mandy Porter, Resources Portfolio**

**Responsible Director –
Elizabeth Davison, Executive Director of Resources and Governance**

SUMMARY REPORT

Purpose of the Report

1. To present the Pay Policy Statement for the financial year 2025/2026 in line with the requirement of the Localism Act 2011 and Local Government Transparency Code 2014 and request members to approve it.

Summary

2. The Localism Act 2011 requires the Council to agree a written Pay Policy on an annual basis.
3. The Act requires the Council to publish specific information relating to the Council's highest and lowest paid employees.
4. The proposed Pay Policy for 2025/2026 is attached at **Appendix A** and meets the requirements of the Localism Act 2011 and associated guidance.

Recommendation

5. It is recommended that that Council agree and approve the proposed Pay Policy 2025/2026 (Appendix A). If approved, arrangements will be made to publish the Policy on the Council's internet for public access.

Reason

6. The recommendation is supported to enable the Council to comply with the requirements of the Localism Act 2011

**Elizabeth Davison
Executive Director of Resources and Governance**

Background Papers

- (i) Localism Act 2011
- (ii) Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 published by the Department for Communities and Local Government: February 2012
- (iii) Improving Local Government Transparency Consultation published by the Department for Communities and Local Government: October 2012
- (iv) Supplementary guidance to The Localism Act requirements (Openness and accountability in local pay: Guidance under Section 40 of the Localism Act 2011) dated February 2013 issued by Department of Communities and Local Government
- (v) Local Government Transparency Code 2014 dated October 2014 issued by Department of Communities and Local Government
- (vi) Local Government Transparency Code 2015 dated February 2015 issued by Department of Communities and Local Government
- (vii) The Repayment of Public Sector Exit Payments 2015
- (viii) Public Sector Exit Payments Regulations 2016
- (ix) Equality Act 2010 (Gender Pay Gap Information) Regulations 2017
- (x) Governments statutory guidance on the making and the disclosure of special severance payments by local authorities in England 2022.

Council Plan	This report has no particular implications for the Council Plan
Addressing inequalities	This report provides information concerning the Council Pay Policy in line with the Equality Act 2010 and Gender Pay Gap Regulations.
Tackling Climate Change	There are no climate change implications in the report
Efficient and effective use of resources	There are no efficiency and effective use of resources implications in this report
Health and Wellbeing	This report has no implications for the Council's Health and Wellbeing agenda
S17 Crime and Disorder	The report does not contain any Crime and Disorder implications
Wards Affected	No wards are affected
Groups Affected	No groups are affected
Budget and Policy Framework	This does not impact on the budget or policy framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

7. The Council is required to adhere to The Localism Act 2011 and the duty to agree a written Pay Policy on an annual basis.
8. The Pay Policy sets out the ratio of the highest paid employees against the workforce median earnings and principles associated with the payments and remuneration packages of Chief Officers both during and on termination of employment.
9. Any decisions relating to the pay and remuneration of Chief Officers must comply with the Pay Policy Statement in place at the time for that financial year and whilst the Statement can be amended in year as required, any changes must be subject to the approval of full Council. Failure to do so would be contrary to the Council's Statutory Duty under the Localism Act and would result in legal action being taken against the Council.
10. Supplementary guidance to The Localism Act - Local Government Transparency Code 2014 dated October 2014 issued by Department of Communities and Local Government sets out the requirements for calculating the pay multiple and further publication of senior salaries which the Council has implemented.

Pay Multiple

11. The Council's Pay Multiple is based on highest paid taxable earnings and median taxable earnings for the whole authority (excluding casuals, apprentices and community schools) is:

	Highest paid Employee based on taxable earnings	Workforce Median Taxable earnings	Median taxable earnings Pay Multiple
Taxable Earnings Pay Multiple 2024/2025 ¹ (2023/2024)	£13,540.33 (£13,210.08)	£2,511.67 (£2,404.17)	5.4 (5.5)

¹ – Based on figures 31st December 2024

12. The December 2024 multiple was 5.4, a reduction of 0.1 on the pay multiple reported in December 2023 (5.5).
13. This reduction is largely associated with the Chief Executive receiving a 2.5% pay award for 2024/2025, the £1,290 award was equivalent to 4.5% to those on the medium earnings.
14. The Council aims to ensure that the pay multiple does not exceed 10. This is a Tees Valley wide agreement which was agreed in 2013.
15. The 2014 Code stipulates that the Pay Multiple will be calculated each year on a fixed date coinciding with reporting at the end of the financial year. Locally the Pay multiple is

calculated each December for the approval of the Pay Policy by Council to allow publication and approval before 31 March each year. Arrangements will also be made to update the Pay Multiple with year-end figures in April which will be published on the Council's internet pages alongside other Transparency Code information requirements.

Senior Salaries

16. The Code requires that the Council publishes Senior Officers Salaries exceeding £50,000. There is also a requirement to publish the services, functions, the budget held, and the number of employees' senior officers are responsible for. This information is available on the internet with other Transparency requirements.

Revisions to the Pay Policy Statement

17. *Revisions to the proposed Pay Policy Statement for 2025/2026, are summarised as follows:*
 - (a) Other than changes to the salaries and ratios, there have been no revisions to the pay policy.

Financial Implications

18. There are no financial implications associated with the Pay Policy.

Legal Implications

19. It is a statutory requirement to calculate and publish a Pay Policy and associated ratio on an annual basis.

HR Implications

20. There are no HR implications associated with the publication of the Pay Policy.

Equalities Considerations

21. There are no specific equality considerations associated with the Pay Policy that impact on protected characteristics as detailed in the Equality Act 2010.

Consultation

22. There is no formal requirement to consult the community, employees, trade unions or management to implement the revised Pay Policy.