



**Annual Pay Policy**

**Statement Financial**

**Year 2025/26**

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## **Section 1 - Introduction**

Sections 38 – 40 of the Localism Act 2011 require that the Authority produce a Pay Policy Statement for each financial year that covers a number of matters concerning the pay of the Authority's staff, namely relating to the remuneration of Chief Officers; the remuneration of its lowest-paid employees, and the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

This Pay Policy Statement is reviewed annually and is to be considered and approved by Full Council at its meeting on 26th February 2025. It will be effective from that date. It will be subject to review annually and in accordance with legislation to ensure it remains relevant.

This Pay Policy Statement is in addition to the data on pay and rewards for staff which the Authority already publishes under the Code of Recommended Practice for Local Authorities on Data Transparency.

It must be complied with for all decisions relating to the remuneration of, or other terms and conditions applying to, those Chief Officers listed in Section 2.

## **Section 2 - Policy Statement**

### **Definitions covered by the Pay Policy Statement**

**Lowest-paid employees:** 'Lowest paid employees' is defined as those employees in jobs paid at spinal column point (SCP) 2 which is the authority's pay grade A1 (since SCP 1 was deleted from the national pay spine as part of the 2022/23 national pay award). In Leeds City Council this includes apprentices, who are also paid at spinal column point 2 which is higher than the national minimum pay rate for apprentices of £7.55 from April 2025.

SCP2 will be lower than the Living Wage Foundation rate at the 1<sup>st</sup> April 2025. Therefore, the minimum hourly rate will increase to £12.60 and align with the recommended Living Wage Foundation rate as published on 23<sup>rd</sup> October 2024. This will maintain alignment of our lowest paid staff to the Living Wage Foundation rate. This means from 1<sup>st</sup> April 2025 the annual salary of spinal column point 2 will be £24,309 after the authority has chosen to increase the minimum hourly rate to £12.60. This increase is inclusive of the 2025/26 pay award. If the 2025/26 pay award results in a higher minimum hourly rate for employees than £12.60, the difference will be backdated and paid when the pay award is implemented.

'**Chief Officer**' is defined in the Localism Act 2011 as:

- the head of the authority's paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- the monitoring officer designated under section 5(1) that Act;
- any statutory chief officer mentioned in section 2(6) of that Act;
- any non-statutory chief officer mentioned in section 2(7) of that Act; and
- any deputy chief officer mentioned in section 2(8) of that Act.

Under the above provisions, 'statutory Chief Officer' includes:

- the person having responsibility, for all statutory purposes (inc. section 151 of the Local Government Act 1972), for the administration of the authority's financial affairs;
- the Director of Children's Services appointed under section 18 of the Children Act 2004;
- the Director of Adult Social Services appointed under section 6(A1) of the Local Authority Social Services Act 1970 (as amended by the Children Act 2004); and
- the Director of Public Health appointed under section 73A(1) of the National Health Service Act 2006.

'non-statutory Chief Officer' includes:

- a person for whom the head of the authority's paid service is directly responsible;
- a person who in relation to most of their duties is required to report direct or is directly accountable to the head of paid service and any person who similarly is required to report direct or is directly accountable to the authority or its committees.

This Pay Policy Statement covers a number of Chief Officers as follows:

1. Head of the Paid Service, which in this Authority is the post of Chief Executive.
2. Five Directors covering:
  - Strategy & Resources
  - City Development
  - Children & Families
  - Communities, Housing & Environment
  - Adults & Health.
3. The Director of Public Health.
4. City Solicitor, who is the Monitoring Officer.
5. The Chief Officer Finance (appointed under section 151 of the Local Government Act 1972).
6. Those required to report directly to, or are directly accountable to, one or more of those roles described in 1-3 above.
7. Those undertaking a deputy statutory role, required to report directly to, or directly accountable to one of the roles described in 4-5 above.

This policy statement does not cover or include staff employed by schools and is not required to do so.

## **Policy on remunerating Chief Officers**

It is the policy of this Authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain those with the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the Authority's requirements of the post in question.

### Salaries and Appointment

The Authority may seek independent advice as a means of informing decisions on determining the pay scale for Chief Officer posts.

The salary packages are in accordance with the Joint National Council (JNC) terms and conditions for Chief Executives and for JNC Chief Officers. For those officers named within this statement, their salary payments are aligned to the Council's JNC grade banding system. The salaries of those Chief Officers covered by this statement is within an amount of £77,460 to a maximum of £232,379 and spans from the grade 'DIR60' and the 'Chief Executive' grade.

Appointments will be made to the appropriate approved minimum point of the grade for the post in question unless there is evidence that a preferred candidate cannot be appointed without varying the remuneration package. In such circumstances incremental advancement within the grade range is permissible.

Honoraria may be payable in circumstances where additional duties and responsibilities are undertaken which are over and above those which could be reasonably accommodated within existing terms and conditions of employment.

Market supplement and or retention payments may be paid only where it has been established that there is a significant risk of not being able to retain/replace staff with specific knowledge and skills essential to the delivery of a particular service, project or corporate priority.

### Terms and Conditions

The Chief Executive is employed on terms and conditions set out under the Joint Negotiating Committee for Chief Executives. All other Chief Officers are employed on terms and conditions set out under the Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities, save for some Chief Officers covered by NHS terms and conditions following the transfer of Public Health in 2013. For those on JNC Chief Officer terms and conditions the arrangements for national pay awards are negotiated annually. Equivalent arrangements are also in place for staff covered by NHS terms and conditions.

Public Health Consultants who transferred to the Local Authority on 1st April 2013 receive protection of general NHS Terms and Conditions that were in place at that point in time. Public Health Consultant additional payments and allowances are in line with NHS rates.

Any recruitment for Public Health roles since the transfer enables the transition to JNC terms and conditions.

Some aspects of remuneration are applicable to all staff (including Chief Officers covered by this policy). For completeness these are outlined below:

- Membership of the Local Government Pension Scheme; with employee contributions ranging from 5.5% (on salaries up to £17,600) to 12.5% (on salaries over £199,701). The 2025 rates are unlikely to be agreed before March 2025, this information can be included in an addendum once announced.
- Car mileage expenses are based on a Leeds City Council local collective agreement with Trade Unions with HMRC rates used for casual car users. Other travel and subsistence rates are based on National Joint Council for Local Government Employee rates or by local agreement.
- Following appointment, incremental progression is made on 1<sup>st</sup> April subject to having completed 6 months employment by that date. Where 6 months employment is completed after 1<sup>st</sup> April, then the first increment is paid on reaching 6 months employment. Subsequent annual incremental progression is on each 1<sup>st</sup> April thereafter.

The JNC terms and conditions are available on the website of the Local Government Association (LGA).

#### Bonuses and Performance Related Pay

The Authority does not currently operate a bonus or performance related pay scheme for Chief Officers. Performance is considered however as part of a package to offer market supplements and retention pay when needed.

#### Earn-Back

The Authority does not operate a scheme of remuneration linked to Earn Back.

#### In year variations to pay scales

The Chief Officer (HR) has delegated authority to make any necessary adjustments to the Authority's pay scales arising from national pay awards.

#### Termination Payments

Payments made must demonstrate value for money and be conducive to the effective and efficient operation of the Authority. The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 provides maximum discretion to award up to 104 weeks' pay.

The Leader of the Council will be informed in relation to any such termination payments.

## **Policy on remunerating the lowest paid in the workforce**

The policy of this Authority is to apply terms and conditions of employment and relevant national pay offers that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of council decisions, these are then incorporated into contracts of employment.

In October 2024 the Living Wage Foundation announced a recommended hourly living wage rate of £12.60. From 1<sup>st</sup> April 2025 the lowest pay point in this Authority (excluding schools) will increase to £12.60 per hour and equates to an annual full-time salary of £24,309.

The council is committed to continuing to match the Living Wage Foundation Rate (subject to affordability) for future years.

## **Policy on the relationship between Chief Officer Remuneration and that of lowest paid employees**

The pay multiple is the relationship between the median salary and the highest paid actual salary in the organisation, this is usually set out as part of the Pay Policy Statement. In addition, the Statement sets out the pay multiple between the Chief Executive's substantive salary and that of the lowest paid in the workforce as of 1<sup>st</sup> April 2025.

Due to delays in the national negotiations on Pay Claims over recent years the 2025/26 negotiations are likely to start early 2025, the pay multiple has been calculated based on the Chief Executive's current salary following the 2024/25 pay award.

Once the pay award is collectively agreed and implemented, the pay multiple for 2025/26 will be calculated and included in an addendum to this Pay Policy Statement. For clarity the multiple will be calculated following the 2025/26 pay award when it has been collectively agreed.

The pay multiple based on the median salary in the authority as at 31/12/24 is (£30,060) and the Chief Executives current salary is 6.75:1.

The pay multiple based on the lowest paid of £12.60 per hour from 1<sup>st</sup> April 2025 and the Chief Executives current salary is 8.35:1.

This Authority does not have a policy on maintaining or reaching a specific 'pay multiple'. However, the Authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the Authority as expressed in this Pay Policy Statement.

The Authority's approach to the payment of all staff is to pay that which the Authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities,

and qualities needed for the post in question at the relevant time. It is also to ensure that the Authority meets any contractual requirements for staff including the application of any local or national collective agreements, or Authority decisions regarding pay.

### **Gender Pay Gap**

From 2017/18 all public and private sector employees with 250 or more employees are required to annually publish data on the gender pay gap within their organisation. The Gender Pay Gap is the difference between the average hourly earnings of all male employees in the organisation and the average hourly earnings of all female employees within the organisation based on a set “snapshot date”, this being 31<sup>st</sup> March each year for public sector employees. Data from each snapshot date must be published by 30<sup>th</sup> March the following year. The first was reported in March 2018 for the snapshot taken on 31<sup>st</sup> March 2017. Using the same snapshot date, the Council now has 8 years of data:

| Year Snapshot Date | Women’s Mean Hourly rate is % lower than men’s | Women’s Median Hourly Rate is % lower than men’s |
|--------------------|--|--|
| 31.03.17           | 8.6%   | 13.1%  |
| 31.03.18           | 6.3%   | 10.8%  |
| 31.03.19           | 5.9%   | 7.8%   |
| 31.03.20           | 6.0%   | 10.4%  |
| 31.03.21           | 4.9%   | 9.5%   |
| 31.03.22           | 3.8%   | 9.4%   |
| 31.03.23           | 3.4%   | 8.5%   |
| <b>31.03.24</b>    | <b>0.8%</b>                                    | <b>5.8%</b>                                      |

The reduction in the mean and median hourly rate for 2024 is in part due to a retention payment being made to staff within the Adult Social Care Team within the reference reporting period. The retention payment was made to ensure we could maintain the required level of staffing in a buoyant labour market for the sector.

In addition, using the same snapshot date all organisations are obliged to report on the percentage of male and female staff by earning quartile, the results for Leeds City Council being:

|                              | <b>Women<br/>31.03.23</b> | <b>Women<br/>31.03.24</b> | <b>Men<br/>31.03.23</b> | <b>Men<br/>31.03.24</b> |
|------------------------------|---------------------------|---------------------------|-------------------------|-------------------------|
| Top Quartile (highest paid)  | <b>61.8%</b>              | <b>62.5%</b>              | <b>38.2%</b>            | <b>37.5%</b>            |
| Upper Middle Quartile        | <b>51.6%</b>              | <b>51.2%</b>              | <b>48.4%</b>            | <b>48.8%</b>            |
| Lower Middle Quartile        | <b>57.9%</b>              | <b>56.5%</b>              | <b>42.1%</b>            | <b>43.5%</b>            |
| Lower Quartile (lowest paid) | <b>72.1%</b>              | <b>71.5%</b>              | <b>27.9%</b>            | <b>28.5%</b>            |



## **Re-employment of staff in receipt of a LGPS Pension or a Redundancy/Severance Payment**

The Authority is under a statutory duty to ensure that it complies with all appropriate employment, pension and equalities legislation.

Under the Council's targeted Voluntary Leavers Scheme (VLS), employees will not be re-employed by the Council for a period of **12 months** from the date of exit. This includes Local Authority schools and any agency work for the Authority.

## **Obligations under the Local Government Transparency Code 2015 and the data which is published under The Accounts and Audit (England) Regulations (2015).**

The Authority will publish information on pay and rewards for staff falling under the criteria specified in the Accounts and Audit (England) Regulations which requires the Authority to provide information relating to those employees with salary packages above £50,000 and which fall below those of Chief Officers as specified above. This is published annually on the Data Mill North website.

### Election Fees

Grant funding is made by the Cabinet Office for national elections and referendums which is paid to the Chief Executive in their capacity as Returning Officer. In turn these are apportioned to officers delegated to support the Returning Officer in accordance with criteria determined by the Chief Executive.

### Private Service Company Consultants

Individuals who operate as private service companies will not be engaged to cover chief officer posts covered by this policy.

### Publication of Pay Policy Statement

Upon approval by the Full Council this Pay Policy Statement will be published on the council's website.