

Approval of Pay Policy Statement 2025/26

Date: 26th February 2025

Report of: Chief Officer Human Resources

Report to: Full Council

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report details information around the Councils Annual Pay Policy Statement (Appendix A) which is statutorily required to be approved before 31st March each year by Full Council.

The organisations People Strategy keeps inclusion and wellbeing at the centre of our organisation plans. An important part of the People Strategy is our commitment for a fair and sustainable pay structure. This links directly to the Council implementing a minimum wage which seeks to mirror the Foundation Living Wage rate to ensure fair and sustainable pay for our lower paid employees.

In addition, the report updates Members in relation to staff declarations of protected characteristics in the JNC cohort as well as providing comparative data in respect of regional median pay multiples.

Recommendations

Full Council is recommended to:

- a) Note the contents of the Pay Policy Statement 2025/26 at Appendix A and the content as set out in Appendix B
- b) Approve the Pay Policy Statement for the 2025/26 financial year as attached in Appendix A.
- c) Resolve that the data in the Pay Policy Statement be updated once national pay negotiations for the 2025/26 financial year are concluded;
- d) Note the Chief HR Officer has existing delegated authority to make any necessary adjustments to the Council's pay scales arising from nationally agreed pay awards.

What is this report about?

- 1 This report sets out the Pay Policy Statement for 2025/26. This is required under the Localism Act 2011 and must be annually approved by the Full Council before 31 March each year.

What impact will this proposal have?

2. Each Local Authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local

taxpayers. The provisions of the Localism Act do not seek to change this or to determine what decisions on pay should be taken. However, they require individual employing authorities to be clear about their own policies in relation to pay.

3. With effect from 1st April 2025 the Council will further increase its minimum hourly pay rate to £12.69 equivalent to an annual salary of £24,482 which is nine pence above the Living Wage Foundation minimum rate. The national minimum rate of pay for apprentices will be £7.55 per hour from 1st April 2025. All new starters in Leeds City Council including apprentices will receive a minimum of £12.69 per hour from 1st April 2025.
4. 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. However, due to ongoing delays in national negotiations on the Pay Claim the pay multiple for 2025/26 cannot be calculated to include the 2025/26 pay award as this is yet to be agreed. Instead, and for the purposes of publishing the Pay Policy Statement the pay multiple has been calculated with the information currently available. This is by using the median salary in the organisation as at 31st December 2024 (£30,060) and the current salary of the Chief Executive, the pay multiple has been calculated at 6.75:1.
5. In addition, the organisation produces a pay multiple with the highest paid and the lowest paid salary. Based on the implementation on the 1st April 2025 of £12.69 and the current salary of the Chief Executive, the pay multiple with the lowest paid is 8.29:1.
6. Members are also provided with details of the median pay multiple in other regional authorities and core cities for 2024/25 (where available) as a comparison in Appendix B.
7. The figure for employees at a senior level declaring their protected equality characteristics has increased to 86%. The percentage of staff declaring their protected equality characteristics across this council is 84%. For the purposes of this data, 'senior' level refers to those employed on Joint National Council (JNC) terms and conditions.
8. The mean hourly rate for women for 2024 is 0.8% lower than for men, this demonstrates a reduction in the mean gender pay gap of 2.6% since 2023. In addition, the median gender pay gap has also decreased. The median hourly rate for women for 2024 is 5.8% lower than for men, which demonstrates a reduction of 2.7%. In part the reductions are due to a retention payment being made to our Adult Social Care team in the reference period for reporting. The retention payment was to ensure we could maintain the required level of staffing in a buoyant labour market for the sector.

Does this proposal support the council's three Key Pillars?

- Inclusive Growth Health and Wellbeing Climate Emergency

9. This requirement to review the Pay Policy statement is a statutory requirement as set out in the Localism Act 2011.

What consultation and engagement has taken place?

10. No formal consultation is required. In publishing a Pay Policy Statement, the Council is fulfilling our legislative requirements as set out in sections 38 of the Localism Act 2011.

What are the resource implications?

11. The Pay Policy Statement is a point of reference for the Council in assessing its chief officer management costs and its budget strategy.

What are the key risks and how are they being managed?

12. The requirement to review the Pay Policy Statement annually will be met for 2025/26 when the Policy is considered and approved by Full Council.

What are the legal implications?

13. There is a statutory requirement for local authorities to approve their Pay Policy Statements before the end of the 31st March each year. To comply with this the intention is for the Full Council meeting on 26th February 2025 to consider and approve the Pay Policy Statement for the 2025/26 financial year.

Options, timescales and measuring success

What other options were considered?

14. No other options were considered, this is part of our statutory duty under the Localism Act 2011.

How will success be measured?

15. Though the Pay Policy Statement publication is part of our statutory duty, the organisation continues to monitor its Gender Pay Gap to ensure the average hourly earnings between males and females is not increasing.
16. In addition, the pay multiple published in the Pay Policy also helps the authority monitor the difference in those who are the chief executive and those who are the lowest remunerated in the workforce to ensure it is not increasing.
17. Furthermore, it is anticipated that in future years additional protected characteristic pay gaps will be required alongside the Gender Pay Gap, as set out in the government's 'Plan to Make Work Pay' paper, pay gap reporting for ethnicity and disability are likely to be introduced. The People Strategy 2020-2025, is currently being reviewed but will continue to promote inclusive recruitment and management practices so that Leeds City Council will achieve its aim to be the best place to work and promote diversity in the workforce.

What is the timetable and who will be responsible for implementation?

18. This statement needs to be approved by Full Council prior to 31st March 2025.

Appendices

19. Appendix A – Annual Pay Policy Statement
20. Appendix B – Comparison of other Local Authorities pay multiple

Background papers

N/A