

<b>Report to</b>	County Council
<b>Date of meeting</b>	13 <sup>th</sup> May 2025
<b>Lead Member</b>	Cllr Julie Matthews, Deputy Leader and Lead member for Corporate Strategy, Policy and Equalities.
<b>Head of Service</b>	Catrin Roberts, Head of Corporate Support Service - People
<b>Report Author</b>	Sharon Hughes, Pay and Reward Specialist
<b>Title</b>	Pay Policy Statement 2025/2026

## 1. What is the report about?

- 1.1. The Localism Act 2011 requires local authorities to prepare pay policy statements. These statements must articulate an authority's own policies towards a range of issues relating to the pay of its workforce particularly its senior staff (or "chief officers") and its lowest paid employees. Pay Policy Statements must be approved by the Council on an annual basis and published on the relevant website.

## 2. What is the reason for making this report?

- 2.1. This report seeks approval of Full Council of the attached Pay Policy Statement which has been drafted in accordance with the requirements of 38 (1) of the Localism Act 2011 and incorporates all existing pay arrangements for the workforce groups within the Council, including Chief Officers and the lowest paid employees.

## 3. What are the Recommendations?

- 3.1. Full Council accept the recommendation from the Senior Leadership Remuneration Panel and approve the Pay Policy for 2025/26 (copy in Appendix A).
- 3.2. That the Committee confirms that it has read, understood, and taken account of the Well-being Impact Assessment (Appendix B) as part of its consideration.

## **4. Report details**

### **Pay Policy Statement**

4.1.1 Under Section 112 of the Local Government Act 1972 the Council has 'the power to appoint officers on such reasonable terms and conditions as the Council thinks fit'. This Pay Policy statement sets out the Council's approach to pay in accordance with the requirements of s38 (1) of the Localism Act 2011 which requires English and Welsh Local Authorities to produce and publish a Pay Policy Statement each financial year, detailing:

- a) The Council's Policies towards all aspects and elements of the remuneration of Chief Officers
- b) Their approach to the publication of and access to information relating to all aspects of the remuneration of Chief Officers
- c) The Council's Policies towards the remuneration of its lowest paid employees (including the definition adopted and reasons for it)
- d) The relationship between the remuneration of its Chief Officers and other employees.

The Pay Policy has been reviewed for 2025/26 and the following amendments made:

#### **4.1.2 National Pay Awards**

The Pay Policy has been updated with the current position with regards to the national pay awards which has been agreed for 2024/25, but no agreement has been reached for 2025/26. Once we have a clear position on the agreement, the Pay Structures for 2025/26 will be amended accordingly and we can understand the position in terms of Real Living Wage, but it is expected that our bottom increment will be in excess of Real Living Wage.

#### **4.1.3 Chief Officer and Chief Executive Pay Award**

The Pay Policy has been updated with the current position with regards to the national position of the pay awards for Chief Officers and Chief Executives, which are yet to be agreed 2025/26.

#### **4.1.4 Pay Relativities within the Council**

Paragraph 7.4 in the Pay Policy has been updated with the most recent comparison of the lowest paid employee against the Chief Executive's salary. The Hutton report on Fair Pay in the public sector was asked to explore the case for a fixed limit on pay dispersion in the public sector, through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation.

### **5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?**

5.1. As a Council, we recognise that employees are our most valuable asset and having a fair and transparent pay policy will contribute towards a well-motivated, respected workforce who in turn will contribute towards the Corporate Plan. We aim to create a sense of pride in working for our organisation to enable positive results in our performance and being a well-run and high performing council. The policy has a neutral contribution to the Council becoming a Net Carbon Zero and Ecologically Positive by 2030.

### **6. What will it cost and how will it affect other services?**

6.1. There are no new financial implications arising from this Pay Policy.

### **7. What are the main conclusions of the Well-being Impact Assessment and what changes have, or will be made to the project or approach as a result of the assessment?**

7.1. The Pay Policy Statement's aims are to provide a reward package that is competitive and enables us to attract, motivate and retain the appropriately talented people needed to maintain and improve our performance and meet future challenges. It sets out a consistent approach to pay, terms and conditions across the Council which staff and managers understand and apply to a diverse workforce that reflects the community that it serves in a transparency, equitable and fair way, complying with legislation.

7.2. Demonstrating these practices within the Council and being transparent can ensure that we recruit and retain employees that are treated fairly. This can also help to encourage residents of the county to seek employment in the Council that can also help the local economy.

## **8. What consultations have been carried out with Scrutiny and others?**

8.1. Consultation with the Head of Corporate Support Services: People and the Section 151 Officer to ensure all requirements of s38 (1) of the Localism Act are incorporated.

## **9. Chief Finance Officer Statement**

9.1. As stated in section 6, there are no direct financial consequences of this report. The final agreed pay awards for 2025/26 will have financial consequences and these will be reported as the position becomes clearer later in the financial year.

## **10. What risks are there and is there anything we can do to reduce them?**

10.1. The Council will be in breach of its legal obligations in respect of the Localism Act if it fails to adopt the Pay Policy.

## **11. Power to make the decision**

11.1. S38(1) of the Localism Act 2011 and section 112 of the Local Government Act 1972.