

**Meeting** COUNCIL  
**Portfolio Area** Resources and Transformation  
**Date** 26 February 2025



## PAY POLICY STATEMENT 2025/26

### 1 PURPOSE

- 1.1 To approve the pay policy statement for financial year 2025/26.

### 2 RECOMMENDATIONS

- 2.1 That the pay policy statement set out in accordance with the Localism Act 2011 and the Local Government Transparency Code 2015, as attached at Appendix A to the report, be approved.
- 2.2 That members note and approve the proposed changes to Senior Officer salary scales from 1 April 2025 in line with the Appointments Committees Recommendations.
- 2.3 A payment is made to the retiring Chief Executive of £9,140, the reasons for which are set out in paragraph 4.8 and 4.9.
- 2.4 That the pay policy statement be placed on the Council's website once approved.

### 3 BACKGROUND

- 3.1 The Localism Act requires local authorities to adopt annually a statutory pay policy statement which must then be published (including on the Council's website) 'to help local people understand how public money is being spent in their area and to hold the Town Hall to account'.
- 3.2 No remuneration may be made to officers which falls outside the Pay Policy Statement although it will be possible for a meeting of the Council to amend

the Statement at any time.

- 3.3 The Pay Policy Statement must include its policies on the following matters:-
- the remuneration of its chief officers
  - the level and elements of remuneration for each chief officer,
  - the remuneration of chief officers on recruitment
  - increases and additions to remuneration for each chief officer
  - the use of performance related pay
  - the use of bonuses for chief officers
  - the approach to the payment of chief officers on their ceasing to hold office
- 3.4 'Remuneration' of chief officers includes pay and terms and conditions which may apply in the future and to chief officer appointments which may be made in the future.
- 3.5 The Statement may also set out policies relating to other terms and conditions relating to Chief Officers.
- 3.6 The Statement must also set out:
- The relationship between the remuneration of its chief officers and that of its employees who are not chief officers.
  - The Authority's definition of its 'lowest paid employees' for these purposes and the reasons for this definition and
  - The remuneration of its 'lowest paid employees'
- 3.7 For clarity, 'Chief Officer' includes the Head of Paid Service (the Chief Executive), the Chief Finance Officer, the Monitoring Officer (Borough Solicitor), non-statutory chief officers (the Strategic Directors), and deputy chief officers (Assistant Directors).
- 3.8 In approving its pay policy statement the Council must have regard to any guidance issued or approved by the Secretary of State. In 2012 'Openness and accountability in local pay' ("the Guidance") was issued. The Council is not bound to follow the guidance but must take it into account in approving the Statement.
- 3.9 The Act itself does not require local authorities to publish specific salary details in the Pay Policy Statement. However, the Accounts and Audit (England) Regulations 2011 and the Local Government Transparency Code 2015 require the publication in the accounts of salary bands and the salaries of Chief Officers. Salary bands for these posts have therefore been included in the Pay Policy Statement as suggested in the Guidance.
- 3.10 The Guidance refers extensively to the 2011 Hutton Review of Fair Pay in the Public Sector. This Review commented on fairness in pay and highlighted that the salary gap between the highest and lowest paid officers had grown in the years leading up to its publication. Hutton suggested that the relationship between chief officers and other employees is explained and taken into account in remuneration decisions for all staff. The relationship he recommended can be illustrated by the

publication of pay multiples – the ratio between the highest paid employee and mean average earnings.

- 3.11 The Statement therefore includes pay multiples comparing the Chief Executive’s remuneration against the lowest paid employees and mean average earnings across the Council.
- 3.12 The Guidance also expressed concerns that senior staff moving posts within the public sector could be seen as driving up average pay levels particularly where the sector as a whole is paying twice through a salary and a pension. As a closely related issue ‘Authorities should use their Pay Policy Statement to explain their policies towards re-engaging chief officers who have received severance or redundancy payments from that authority’. Although it is not envisaged that any such appointments will be made the Council has adopted a policy which relates to all Council officers, including chief officers and states that “Any employee who takes voluntary redundancy will not be permitted to return to the employment of Stevenage Borough Council, either as a permanent or fixed term employee, for a minimum period of 12 months following the date of their redundancy. There is no restriction on returning to employment following compulsory redundancy”.
- There is no restriction on returning to the wider public sector, however, in line with the Redundancy Payment (Local Government) (Modification) Order 1999 (as amended) officers who are made redundant, receive an offer of employment from another public body before their employment terminates and then start work in the new job within 4 weeks of that termination will lose their entitlement to a redundancy payment.
- 3.13 The proposed pay policy takes account of the supplementary statutory guidance issued under the Localism Act 2011, in February 2013 by the Secretary of State, on pay policy statements and remuneration above £100,000.

#### **4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 The pay policy is set out in Appendix A and identifies the pay for the Council’s senior staff and the pay differentials between the Chief Executive and the mean average earnings and lowest paid worker. Since the 2024/25 pay policy a number of changes have been approved or are recommended in the 2025/26 pay policy report.
- Changes to Senior pay scales.**
- 4.1 Since the 2024/25 pay policy report the Appointments Committee has met to consider Chief Executive, Strategic Directors and Assistant Directors remuneration. The Committee considered a report in November 2024 which recommended an increase in the Chief Executive’s salary, which was duly ratified by Council on the 18 December 2024.

- 4.2 The November 2024 Appointments Committee report also identified that further benchmarking was being undertaken relating to Strategic Director and Assistant Director roles. Further to this it was noted that any proposals resulting from the assessment / benchmarking exercise would be presented to the Appointments Committee for consideration and, if approved, included as part of the Pay Policy report to Council in February 2025.
- 4.3 The Strategic Director and Assistant Director pay was subsequently reviewed by the Appointments Committee on the 12 February 2025. The associated report included the results of an independent (TBP2 Consultancy) report which considered the remuneration levels for associated roles in relation to upper and lower quartile pay for Hertfordshire, South East and Outer London.
- 4.4 The Appointments Committee unanimously agreed the revised pay scales in line with the Hertfordshire Districts pay as set out in Appendix A for Directors as summarised below.

Strategic Directors	Bottom of Scale	Top of Scale
Current Pay Scale	£90,176	£104,472
Recommendation based on Hertfordshire Lower & Upper Quartile	£107,000	£121,000
Increase	£16,824	£16,528

- 4.5 The comparators were more a bit difficult to compare for the Assistant Director roles because comparator Councils operate with different senior officer operating models. Accordingly, the recommendations for Assistant Director pay was based predominantly on the current remuneration packages noting that circa 50% of AD's being paid above the top of current grade via market forces payments because the Council has not been able to secure appointments within the existing pay scales. This was the case for the last two recruitments hence why the AD Finance role was advertised recently at up to £95,500. Essentially the proposed pay scale for AD's largely reflects what the Council is having to pay now i.e. top of the current pay scale with the addition of market forces supplements. The Appointments Committee unanimously agreed the increase below based on this information.

Assistant Directors	Bottom of Scale	Top of Scale
Current Pay Scales	£75,227	£87,099
Recommended based on market forces currently paid	£82,750	£96,000
Increase	£7,523	£8,901

- 4.6 Further rationale for the proposed Strategic and Assistant Director pay increases includes:
  - Senior Management remuneration has not been reviewed for nearly 20 years and a number of market forces supplementary payments are in place.

- Ensuring that Stevenage’s senior staff pay remains competitive and the Council is able to attract and retain staff, particularly noting the likely additional challenge posed going forwards concerning the implementation of Local Government Reform.
- The Council is already paying market forces for a number of Assistant Director roles and the latest round of recruitment necessitated advertising the role at circa £95,500.
- Strategic Director supplements as included in the pay policy annually can be removed when these posts are next appointed too if the new pay scales are approved and the pay levels continue to be competitive.
- The Council now needs to recruit a new Director and has two Assistant Director posts are currently vacant.

4.7 Council is recommended to approve the changes to senior pay as set out above and included in the pay policy.

**Other Pay Adjustments:**

4.8 Since Council met in January 2025, the Leader of the Council in conjunction with his Cabinet Members have considered the pay of the current Chief Executive following the changes set out in paragraph 4.1 for the in-coming Chief Executive. A number of factors were considered when making the decision to recommend that the incumbent should also be paid at the higher rate from the date of the Council decision to do so including:

- The Council’s pay policy is that when a grade or market force supplement for any given role changes, it should be applied from the date the change is agreed.
- To ensure the Council is equitable in terms of pay and is a fair and reasonable employer.

4.9 Based on the factors above the Cabinet are recommending that from the date the new Chief Executive pay scales were approved, 18 December 2024, the existing Chief Executive should also be paid at the increased level. This equates to a payment of £9,140, to reflect the difference between the current Chief Executives pay and pay scale for the role which was approved by Council in December 2024.

**5. IMPLICATIONS**

**5.1 Financial Implications**

5.1.1 The 2025/26 impact of the proposed new pay levels for Strategic Director and Assistant Director roles is summarised below and will be included in the next budget monitoring update.

Pay increase impact on budgets	General Fund increase	Housing Revenue Account increase	Shared Service partner increase	Total Increase
2025/26	£12,690	£12,140	£1,240	£26,070

- 5.1.2 The payment to the incumbent Chief Executive will also result in a modest positive impact on his final salary pension payment.

## **5.2 Legal Implications**

- 5.2.1 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, if required in-year.
- 5.2.2 The payment recommended to be made to the incumbent Chief Executive is in accordance with paragraph 3.2 above.

## **5.3 Equalities and Diversity Implication**

- 5.3.1 The Council has a legal obligation to comply with the Equality Act 2010, and to ensure equal pay for work of equal value, for men and women. The Council implemented single status with effect from 1 July 2014 to ensure compliance.
- 5.3.2 The Council publishes its Gender Pay Gap Report on an annual basis. A copy of this report can be found on the Council's website at the following link –

[www.stevenage.gov.uk/documents/about-the-council/access-to-information/data-transparency/gender-pay-gap-31-march-2023.pdf](http://www.stevenage.gov.uk/documents/about-the-council/access-to-information/data-transparency/gender-pay-gap-31-march-2023.pdf)

## **APPENDICES**

Appendix A- Stevenage Borough Council Pay Policy Statement 2025/26.

## APPENDIX A – PAY POLICY STATEMENT FOR STEVENAGE BOROUGH COUNCIL

This Pay Policy Statement is made in accordance with Chapter 8 of the Localism Act, 2011.

This policy shall apply from 1 April 2025 to 31 March 2026 subject to amendment by Council.

To date no Chief Officers' Pay Award has been agreed 2025/26 at a national level. Should an award be agreed this will be implemented in line with national guidance.

### Remuneration bands of senior officers are set out here:

Head of Paid Service/ Chief Executive	£145,000-£165,000
Deputy Chief Executive (Strategic Director pay band plus 10%)	£117,000- £133,100
Strategic Directors	£107,000-£121,000
Monitoring Officer/ Borough Solicitor	Employed by Hertfordshire County Council as part of a shared legal service.
Section 151 Officer	The section 151 officer receives a supplement of up to £7,744 per annum in addition to their Strategic Director pay
Assistant Directors	£82,750-£96,000

*Lowest Paid Employees with effect from 1 April 2025	£24,308
**Mean Average Basic Earnings	£42,016

\*Excludes apprentices. 'Lowest Paid Employee' means the employees on the lowest grade assuming that the posts are full time.

\*\* At the time of writing no pay award for NJC staff has been agreed for financial year 2025/26 has been agreed

1. Any employee, up to and including those on grade 6, is eligible for an overtime payment at an enhanced rate of +0.33 of their basic pay hourly rate for any overtime hours worked Monday to Saturday and +1.00 for any

overtime hours worked on a Sunday for any additional hours worked over 37 per week.

2. Employees at or below Grade 6 that are required to undertake non-standard working are entitled to non-standard working enhancements. In addition to their normal salary those employees at or below grade 6, who are required as part of their contracted hours to work on a Saturday, or for longer than 4 consecutive hours between 10pm and before 7am receive a shift enhancement of +0.33 of their basic salary for those hours, and employees at or below grade 6 who are required to work on a Sunday as part of their contracted hours receive a shift enhancement of +1.00 of their basic salary, this rate of enhancement also applies to any hours worked on a public holiday.
3. With effect from 1 January 2014 the Council commenced paying the Living Wage to all employees, excluding apprentices. SBC updates the Living Wage on 1 April each year. With effect from 1 April 2025 this will be £12.60 per hour which equates an annual salary of £24,308.
4. The pay of the Chief Executive (excluding payments for elections) is currently 5.97 times the pay of the lowest paid worker and this ratio is not expected to change significantly. The pay of the Chief Executive is currently 3.53 times the pay of mean average earnings. It should be noted at the time of writing no national pay award has been for any staff group for 2025/26.
5. Many of the Chief Officers, Deputy Chief Officers and other employees receive a payment for attending and performing certain duties at elections. These payments are set in line with guidance produced per election type.
6. Salary packages amounting to £100,000 or more for new appointments will be approved by Full Council.
7. Salary increments are paid annually by default for all employees of the Council up to the top of the pay grade.
8. The pay of Chief Officers and Deputy Chief Officers is based on job evaluations undertaken through the Inbucon scheme.
9. The terms and conditions of Chief Officers and Deputy Chief Officers are set in accordance with the JNC.
10. Chief Officers and Deputy Chief Officers including any new appointments at this level will be made in accordance with the pay scales set out above.



11. All employees including Chief Officers and Deputy Chief Officers are entitled to redundancy payments based on the same multiple of 2.5 times statutory provision and based on actual weekly pay.
12. Any redundancy or severance packages of £100,000 or more for Chief Officers must be approved by Full Council.
13. Any employee who takes voluntary redundancy will not be permitted to return to the employment of Stevenage Borough Council, either as a permanent or fixed term employee, for a minimum period of 12 months following the date of their redundancy. There is no restriction on returning to employment following compulsory redundancy but an employee who is re – employed following redundancy must have a break of at least four weeks between the termination of the first employment and the start of the second in order to retain a redundancy payment
14. All employees including Chief Officers and Deputy Chief Officers are entitled to retirement pensions calculated in the same way under the Local Government Pension Scheme (Administration) Regulations 2008, Regulations 2014 and the Council Pension Discretion Policy. These Regulations require the Council to publish its policy on increasing an employee's total pension and on awarding additional pension.
15. The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 require the Council to formulate, review and publish its policy on making discretionary payments on early termination of employment.
16. The terms and payment of terminating the employment of any officer of the Council in any contentious circumstances which do not result from an award made by an Employment Tribunal or Court are settled by the Council on the basis of the legal merits of the case, the time and disruption which protracted litigation would involve, any limit of statutory entitlement on monetary claim available to an employee and what is considered prudent in all the circumstances.