

Report to: Governance Committee

Date of meeting: 28 January 2025

By: Chief Operating Officer

Title: Pay Policy Statement

Purpose: To consider the pay policy statement for 2025/26

RECOMMENDATIONS

The Governance Committee is recommended to recommend to the County Council the updated pay policy statement for 2025/26 as set out in Appendix 1 of the report.

1 Background

1.1 The Localism Act 2011 requires local authorities to formulate and publish a pay policy statement on the pay of its Chief Officers and the relationship between these pay levels and the rest of the workforce, excluding schools. This policy statement has to be approved annually by full Council by 31 March.

1.2 At its meeting on 27 March 2012, County Council agreed that the Governance Committee should have formal responsibility for the approval of posts at Chief Officer, Deputy Chief Officer and Assistant Director level with a remuneration package of £100,000 or more, provided the existing grade bands and terms and conditions are applied and any proposed exceptions to these are reported to full County Council. The actual appointment decision will continue to be made using existing delegations. Any proposed exceptions to this would require the approval of the full County Council.

2 Pay Policy Statement

2.1 The Localism Act 2011 requires local authorities to prepare an annual pay policy statement relating to the remuneration (total pay package) of its Chief Officers, as defined by statute, Deputy Chief Officers (and, by definition, Assistant Directors), the Monitoring Officer and its lowest-paid employees, excluding schools. The pay policy also has to state the relationship between the remuneration of Chief Officers and the remuneration of its employees who are not Chief Officers.

2.2 The Hutton report on Fair Pay in the Public Sector recommended the publication of an organisation's pay multiple as a means of illustrating the relationship between the remuneration arrangements for Chief Officers in comparison with the rest of the non-schools workforce. This is a calculation in the form of a ratio between the median average earnings across the organisation and the highest paid employee. In addition, in 2021, revised guidance on the publication of fair pay disclosures was issued, requiring the publication of additional data; the top to median, lower quartile and upper quartile staff pay multiples (ratios) as set out below.

2.3 Fair Pay disclosures (pay multiples) March 2024 compared with March 2023:

| Date of Calculation | Pay Multiple (median) | Pay Multiple (25 th Percentile) | Pay Multiple (75 th Percentile) | % change in highest paid director's salary & allowances | % change in all employees' salary & allowances |
|---------------------|-----------------------|--|--|---|--|
| March 2023 | 6.52:1 | 8.26:1 | 4.95:1 | 0.9% | 10.0% |
| March 2024 | 5.94:1 | 7.95:1 | 4.75:1 | 3.5% | 7.3% |

The fair pay disclosures data is published on our website with the Pay Policy Statement and will be updated in March 2025.

2.4 It is necessary to include definitions and the authorities' policies relating to levels and elements of remuneration including all additional payments and benefits in kind. The statement must also indicate the approach to the payment of Chief Officers on ceasing employment, including eligibility for the award of additional pensionable service and on the engagement or re-engagement of Chief Officers previously made redundant or accessing a local government pension.

2.5 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 placed a new requirement on all employers with 250 or more employees to publish gender pay data on the gov.uk website by 30 March each year. The median gender pay gap for March 24 is 6.1% compared to 6.69% in March 23; the gender pay report for East Sussex County Council is published annually on our website, along with the Pay Policy Statement.

3. Recommendations

3.1 The Governance Committee is recommended to recommend to the County Council the updated pay policy statement for 2025/26 as set out in Appendix 1 of the report.

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Chief Operating Officer

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