

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO COUNCIL

11th February 2026

Report Title: Publication of a Pay Policy Statement for 2025/26

Submitted by: Chief Executive

Portfolios: One Council, People and Partnerships; Finance, Town Centres and Growth

Ward(s) affected: All wards

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes ☒	No ☐
To invite Council to approve the Pay Policy Statement for 2026/27			
<u>Recommendation</u> That Council: 1. Approves the content of the Pay Policy Statement for 2026/27, as set out at Appendix A, with a view to this being published on the Council's website by 31st March 2026.			
<u>Reasons</u> To ensure the Council complies with the requirements of the Localism Act 2011 and the guidance issued by the Department for Communities and Local Government 'Openness and Accountability in Local Pay'.			

1. Background

- 1.1** The Localism Act 2011 (the Act) requires local authorities to prepare and publish a pay policy statement for each financial year. The statement should set out the authority's policies relating to the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration levels of those two groups.

2. Issues

- 2.1** The statement sets out the policies relating to the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration levels of these two groups
- 2.2** The Government recommends the publication of an organisation's pay multiple, the ratio between the highest paid employee and the median average earnings across the organisation as a means of illustrating that relationship.

- 2.3 The Council's approach to performance related pay must also be included in the pay policy statement.

3. Recommendation

- 3.1 That Council approves the content of the Pay Policy Statement for 2026/27, as set out at Appendix A with a view to this being published on the council's website by 1st April 2026.

Reasons

- 3.2 To ensure that the appropriate information will continue to be made available to the public in accordance with the requirements of the Localism Act 2011.

4. Options Considered

- 4.1 The precise format and contents of pay policy statements is a matter for each council to determine so long as the basic requirements as to their content are met. In 2012, West Midlands Councils produced a Model Pay Policy Statement which drew together drafts from several authorities in the region with a view to a common approach being adopted to facilitate benchmarking of pay data. This format has been adopted each year subsequently up to and including the current pay policy statement.

5. Legal and Statutory Implications

- 5.1 Preparation of a Pay Policy Statement for 2026/7 is a requirement under section 38(1) of the Localism Act 2011.
- 5.2 Under Section 40(1) of the Act, Authorities must have regard to the guidance issued by the Department for Communities and Local Government in preparing and approving pay policy statements.
- 5.3 Before it takes effect, the Pay Policy Statement must be approved by a resolution of full council. This must be done no later than 31 March 2026.
- 5.4 Following approval, the statement must be published as soon as possible on the authority's website (and in any other manner the authority thinks fit).
- 5.5 An authority may amend its Pay Policy Statement in-year and this also requires a resolution of full council.

6. Equality Impact Assessment

- 6.1 The Council's pay policy statement is simply an annual summary of the content of other policies and the processes through which pay rates are set. Equality considerations are taken into account when devising and applying those other policies and processes.

7. Financial and Resource Implications

- 7.1 There are no unbudgeted revenue costs or resource implications associated with the approval of the pay policy statement. Changes to pay policy are determined through other processes where all relevant implications are taken into account. The pay policy statement is simply an annual summary statement of the content of those other policies

8. **Major Risks & Mitigation**

8.1 N/A

9. **UN Sustainable Development Goals (UNSDG)**



1. **One Council**

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒

We will make investment to diversify our income and think entrepreneurially.

One Digital Council ☒

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle.

One Green Council ☒

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

- 11.1 Changes to pay policy are determined through other processes where all relevant implications are taken into account. The pay policy statement is simply an annual summary statement of the content of those other policies. Therefore this paper in itself does not impact on the One Council programmes.

10. **Key Decision Information**

10.1 N/A

11. **Earlier Cabinet/Committee Resolutions**

11.1 N/A

1. **List of Appendices**

11.2 Appendix A – Proposed Pay Policy Statement

12. **Background Papers**

- 12.1** Ministry of Housing, Communities & Local Government – Openness and Accountability in local pay: Draft guidance under Section 40 of the Localism Act.
- 12.2** Local Government Association (LGA) and Association of Local Authority Chief Executives & Senior Managers (ALACE) – Localism Act Pay Policy Statements Guidance for Local Authority Chief Executives.