

# Brighton & Hove City Council

**Council**

**Agenda Item 106**

**Subject:** Pay Policy Statement 2026/27

**Date of meeting:** 26 March 2026

**Report of:** Director People & Innovation

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**Ward(s) affected:** All

**For general release**

## **1. Purpose of the report and policy context**

1.1 The Localism Act 2011 requires local authorities to produce a pay policy statement to be approved by Council annually before the start of the financial year to which it relates. The aim is to increase accountability, transparency, and fairness in the setting of local pay.

1.2 The pay policy statement:

- sets out the council's policies on a range of issues relating to the pay of its workforce, particularly its senior and lowest paid staff;
- summarises the parameters within which staff are paid;
- describes the parameters being governed by a local pay framework set with reference to national terms and conditions, and nationally agreed pay awards

1.3 The provisions in the Act do not seek to determine what decisions on pay should be taken, or what policies should be in place, but they do require councils to be open about their policies and how decisions are made.

1.4 This report asks Council to approve the attached pay policy statement for adoption from 1 April 2026

## **2. Recommendations**

2.1 That Full Council adopts the pay policy statement for 2026/27 attached at Appendix 1.

## **3. Context and background information**

3.1 The Localism Act 2011 requires local authorities to produce and formally approve an annual pay policy statement prior to the year to which it relates. The statement for 2026/27 is attached at Appendix 1. The council may amend its statement by resolution of Council if required during the year.

- 3.2 School staff fall outside the scope of this legislation. Individual governing bodies are responsible for setting and updating their own Schools' Pay Policy each year.
- 3.3 The guiding principles for the council's pay policy are set out in the 'Aim' section of the statement and align with the Council's Learning Organisation Framework. This includes supporting workforce development, skills acquisition and career progression, and ensuring that pay and grading structures enable continuous learning, internal mobility and the effective deployment of skills across the organisation.
- 3.4 The council has adopted national terms and conditions, and these provide scope for local determination on grading structures, as well as the ability to negotiate on working pattern allowances. Local authorities have the ability to determine their grading structures and payments over and above basic pay.
- 3.5 Chief Officers, for the purpose of this legislation, are those who report to the Chief Executive and those who report to posts reporting to the Chief Executive i.e. deputy chief officers (aside from support roles).
- 3.6 The statement must provide a definition of lowest-paid employees adopted by the council for the purposes of the statement and include the council's policies relating to the remuneration of chief officers, payments to chief officers on leaving, and the publication of information on the remuneration of chief officers. The pay policy statement provides links to our existing policies on redundancy, retirement, and other compensation payments. These policies set out who is responsible for decisions on such payments.
- 3.7 The council's pay policy statement provides that an Appointment and Remuneration Panel is responsible for advising on any proposal to offer a salary package for any Officer that is outside of the current grading structure and exceeds £100,000. In this way, it is ensured that adequate systems are in place to ensure value for money. In doing so, the Council also has regard to the need to build sustainable leadership and professional capability in line with the Learning Organisation Framework, ensuring that pay decisions support long term organisational learning and resilience rather than short term solutions.
- 3.8 The same provision is made regarding severance packages above £100,000, with the Chief Executive having authority to agree a severance package above £100,000 where the severance package has been recommended by the Appointments & Remuneration Panel. In accordance with Statutory Guidance, this figure does not include amounts that may be payable by virtue of any enactment e.g. redundancy retirements where payment is in line with legal requirements and normal council policy.
- 3.9 All other severance packages are scrutinised by an officer Compensation Panel comprising the Director of People & Innovation, the Monitoring Officer and the s151 Officer (or their nominated deputies). The Compensation Panel makes recommendations to the relevant Corporate Director responsible for

the severance package. The council's external auditors are also consulted about the value for money of any potential offers to Chief Officers. Compensation packages in excess of £100,000 which relate to the Chief Executive will be referred to full Council for approval.

- 3.10 Following the revocation in March 2021 of the Restriction of Public Sector Exit Payment Regulations 2020, the Government issued statutory guidance in May 2022 pursuant to the Local Government Act 1999, which sets out the Council's 'best value' duty in legislation. That guidance sets the criteria for the Council to consider when determining whether to make a 'Special Severance Payment' ('SSP'). SSPs are payments outside of statutory, contractual or other requirements and are discretionary. The Government's view is that SSPs should only be considered in exceptional circumstances. The Compensation Panel pays due regard to this guidance when considering relevant cases.
- 3.11 The Localism Act 2011 does not require specific numerical data on pay and reward to be published as part of a council's pay policy statement. However statutory guidance made under section 40 of the 2011 Act suggests that consideration be given to how the pay policy statement fits with data on pay and reward that councils are already required to publish on their websites under the [Local Government Transparency Code](#) and by the [Accounts and Audit Regulations 2015](#). The data published is in an accessible format according to the guidance contained in the aforementioned publications.
- 3.12 The council publishes pay data annually in accordance with the Local Government Transparency Code. The majority of this information is published as soon as possible after the start of the financial year. However, information required in line with the Accounts and Audit Regulations 2015 is published in May each year in an unaudited format, and then the fully audited accounts are published in July each year.
- 3.13 The Localism Act 2011 requires authorities to explain what they think the relationship should be between the remuneration of its chief officers and its employees who are not chief officers. The pay multiple is calculated using the median pay of all employees within the scope of the Pay Policy Statement as a multiple of the Chief Executive's salary. This method is in line with the Hutton report on Fair Pay, which is referred to in the 'Openness and Accountability in Local Pay' guidance. For the financial year 2024/25, the pay multiple was 5.13 to 1. This is a 0.07 increase from 2023/24. This is recalculated after the end of the financial year and published on the council's website as part of our pay data. The pay multiple is calculated using the definition contained in the Local Government Transparency Code, i.e. the ratio between the highest paid employee (usually the Chief Executive, as is the case with Brighton & Hove) and the median salary across the workforce (excluding school staff). 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).

- 3.14 The fair pay disclosures (pay multiples) will be published on the Council's website and monitored annually. The pay multiples for financial year 2025/26 are yet to be calculated as the data used includes March 2026 pay data. This will take into account the national pay awards for 2025/26.
- 3.15 The pay policy statement, when published on our website, will contain hyperlinks to related information. This will include reference to the separate pay policy for directly employed teachers at the council.
- 3.16 The Real Living Wage will increase from £12.60 to £13.45 per hour with effect from 1st April 2026: an increase of 6.75%. However, the council's lowest pay point exceeds this level of pay, with the lowest pay point as at April 2025 being £13.69 and 1.78% higher than the Real Living Wage rate at the time and will likely increase further when the 2026 national NJC pay award is agreed.

### **Gender Pay Gap reporting for period to March 2025.**

#### **Pay Gap reporting for period to March 2025, Gender, Ethnicity & Disability**

- 3.17 Driven by The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the council's gender pay gap reporting for the period to March 2025 showed that, on average, female employee hourly earnings were 7.9% more than male employees, this is a 0.7% increase from the previous year. Using the median as a measure, female employee hourly earnings were 6.8% more than male employees, a 3% increase from the previous year. On both measures this is a negative pay gap. The council voluntarily publishes ethnicity and disability pay gap reports. For the period March 2025 the median ethnicity pay gap is 0.00%, reducing from 2.7% year on year. This shows there is no pay gap between the median hourly earnings of White and BME employees. The mean ethnicity pay gap is 3.1%, reducing from 4.9% year on year. The median disability pay gap is -0.3%, reducing from 2.7% year on year. This shows the median hourly earnings for employees who identify as having a disability is higher than the median earnings of employees who identify as having no disability. The mean disability pay gap in average hourly pay is 2.7%, reducing from 3.4% year on year.

## **4. Analysis and consideration of alternative options**

- 4.1 Section 39(1) of the Localism Act 2011 requires the Council to approve its Pay Policy Statement, while section 39(5) requires that it publish its Pay Policy Statement as soon as reasonably practicable after approval. This Report and the Pay Policy Statement are considered to achieve the appropriate levels of transparency and to comply with relevant guidance.

## **5. Community engagement and consultation**

- 5.1 The purpose of this pay policy statement is to provide transparency regarding how local decisions on pay are made. There will be no separate consultation, however trade unions have been made aware of the contents.

## **6. Financial implications**

- 6.1 The annual pay policy statement provides a framework to support sound governance for the setting of local pay, and allows benchmarking and comparison with other local authorities to properly assess Value For Money and demonstrate that due consideration is given to the Council's Best Value Duty.
- 6.2 The policy statement aims to set pay at a level which balances the prudent use of public funds with the ability to attract and retain high caliber individuals to the workforce.

Name of finance officer consulted: Haley Woollard

Date consulted: 17/02/2026

## **7. Legal implications**

- 7.1 The Pay Policy Statement attached at Appendix 1 complies with the requirements of s38 of the Localism Act 2011 and with relevant statutory guidance.

It is a requirement of section 39(1) of the Localism Act 2011 that the Pay Policy Statement be approved by full Council.

Name of lawyer consulted: Victoria Simpson      Date consulted 09/02/2026

## **8. Equalities implications**

- 8.1 The publication of a pay policy statement increases transparency in relation to pay and promotes fairness.

## **9. Sustainability implications**

- 9.1 None.

## **10. Social Value implications**

- 10.1 The pay policy statement provides local taxpayers with information on how the council makes local decisions on pay and thus provides greater openness and transparency to assist the public to assess value for money.

## **11. Conclusion**

- 11.1 It is a requirement of the Localism Act 2011 that Members are consulted prior to the publication of the Pay Policy Statement. It is therefore recommended that full Council formally approve the Pay Policy Statement

2026/27.

## **Supporting Documentation**

### **1. Appendices**

1. Appendix 1: Pay Policy Statement 2026/27