

# Full Council

## 11 February 2025

### Pay Policy Statement 2025/26

#### For Recommendation to Council

**Cabinet Member and Portfolio:**

Cllr B Wilson, Corporate Development and Transformation

**Local Councillor(s):**

All Councillors

**Executive Director:**

M Prosser, Chief Executive

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**Report Status:** Public (the exemption paragraph is N/A)

**Brief Summary:**

As required by the Localism Act 2011, the attached report sets out the Pay Policy Statement for Dorset Council for the financial year 2025/26.

The Act places a requirement on local authorities to produce a statement on an annual basis, setting out their policies on the remuneration of their Chief Officers, and the relationship between the remuneration of its Chief Officers and non-Chief Officers.

**Recommendation:**

It is recommended that the Full Council:

- (i) Note the provisions of the Localism Act and content of the Pay Policy Statement for the 2025/26 financial year.
- (ii) Approve the Pay Policy Statement for 2025/26.

**Reason for Recommendation:**

The Full Council is responsible for approval of the annual pay policy statement.

## 1. Introduction

- 1.1 The Localism Act, Part 1, Chapter 8 under the heading 'Pay Accountability' places a requirement on local authorities to produce and publish a Pay Policy Statement on an annual basis.
- 1.2 This report sets out the main requirements of the Localism Act and details the scope of the council's Pay Policy Statement for the financial year 2025/26.

## 2. Pay Policy Statement 2025/26

- 2.1 The Pay Policy Statement for 2025/26 is attached at Appendix 1 setting out council policies for the financial year relating to:
  - a. the remuneration of its Chief Officers,
  - b. the remuneration of its lowest paid employees, and
  - c. the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.
- 2.2 The Pay Policy Statement refers to overview tables setting out the general policies relating to the remuneration of the council's Chief Officers.
- 2.3 The Pay Policy Statement also provides clear details of the council's partnership arrangements which are in place and work towards improving efficiency in local government. The council currently has a jointly funded partnership arrangement for Public Health which is due to end on 31 March 2025.

## 3. Requirements of the Localism Act

- 3.1 In preparing the Pay Policy Statement for the 2025/26 financial year, it is recommended that the Full Council note the following in respect of the Act's requirements.
- 3.2 Chief Officers
  - (a) The Act defines Chief Officers by reference to various sections of the Local Government and Housing Act 1989. For the purposes of this Pay Policy Statement and in terms of the council's structures, the definition of Chief Officers incorporates the Chief Executive, Executive Directors (includes Section 151 Officer, Director of Children's Services and Director of Adult Social Services), Director of Legal & Democratic (Monitoring Officer), Corporate Directors, Director of Public Health, Deputy Director of Public Health and Consultants in Public Health.
  - (b) The details for Chief Officers (Appendix 1) reflects the position as at 1 January 2025.
  - (c) In respect of the partnership arrangements, Appendix 1 indicates Dorset Council's contribution to the remuneration packages. There is currently only one partnership arrangement where Dorset Council is the host employer and that is for Public Health Dorset, in partnership with BCP

Council (Bournemouth, Christchurch & Poole). Dorset Council contributes 52%. This partnership arrangement is due to cease on 31 March 2025 following the decision of BCP Council to bring the existing Pan-Dorset Public Health function to an end. Dorset Council will continue to provide a Public Health service from 1 April 2025 which will cover the Dorset Council area. The number of direct reports to the Director of Public Health will reduce accordingly from 1 April 2025.

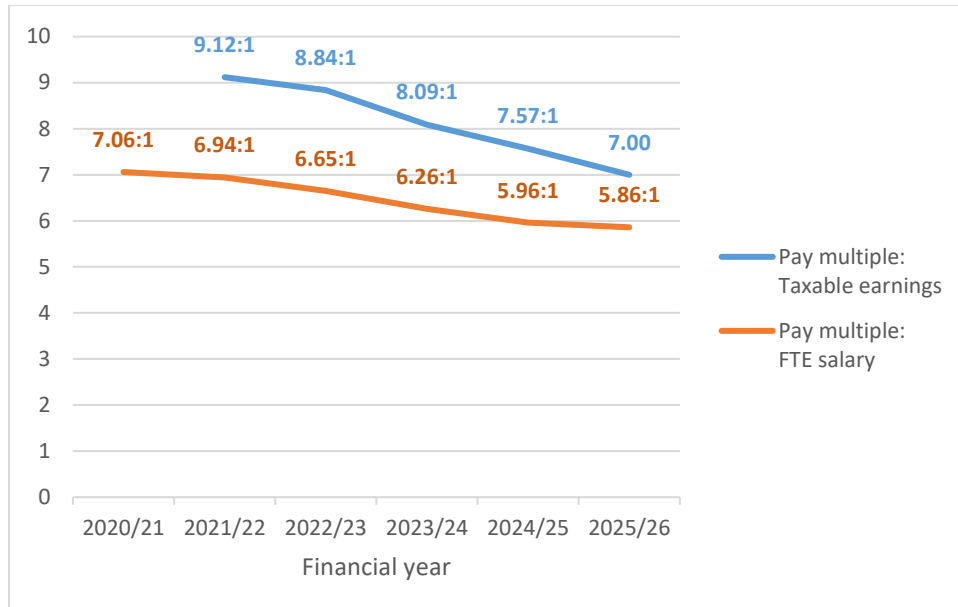
- (d) The council also engages via contracts for service through third party organisations, which have been assessed as IR35 compliant (and fall outside of the IR35 legislation).

### 3.3 Definition of Lowest Paid Employees

- (a) The council has defined its lowest paid employees as those on the lowest Green Book spinal column point.
- (b) For both Chief Officers and the lowest paid employees, the council adopts all relevant national agreements and the associated national pay bargaining arrangements. As a result, any pay awards negotiated by the National Joint Council and Joint National Council will be contained within the Appendix as required.

### 3.4 Relationship between Chief Officers and non-Chief Officers

- (a) The relationship between Chief Officer remuneration and non-Chief Officer remuneration is normally calculated as the ratio between the earnings of the highest paid officer (the Chief Executive) and the median earnings of employees.
- (b) In calculating the pay multiple based on total taxable earnings for the 2023/24 tax year (including benefits in kind and elements such as pension contributions) the ratio of the Chief Executive's earnings to the median earnings of employees was 7.00:1. This is slightly lower than the 2022/23 tax year which was 7.57:1.
- (c) In calculating the pay multiple based on FTE salaries (excluding allowances and enhancements) as at 1 January 2025, the ratio of the Chief Executive's salary to the median FTE salary of employees was 5.86:1. This is slightly lower than last year which was 5.96:1.
- (d) The 2024/25 pay award (an increase of £1,290 up to spinal column point (SCP) 43 and 2.5% increase from SCP 44 onwards) increased the lowest SCP by 5.77% compared with the increase for the highest earner of 2.5%. This would have contributed to the reduction in the two pay multiples at 3.4 (b) and 3.4 (c) above.
- (e) The chart below shows the ongoing trends for the two pay multiples since the 2020/21 pay policy statement.



#### 4. Next Steps

- 4.1 Once agreed, and in advance of 31 March 2025, the Pay Policy Statement will be published on the council's website.
- 4.2 Prior to its publication, Privacy Notices will be issued to each of the Chief Officers detailed in the Schedule (at Appendix 1).

#### 5. Financial Implications

- 5.1 None arising directly from the Pay Policy Statement.

#### 6. Natural Environment, Climate & Ecology Implications

- 6.1 None arising directly from this report.

#### 7. Well-being and Health Implications

- 7.1 None arising directly from this report.

#### 8. Other Implications

- 8.1 None arising directly from this report.

#### 9. Risk Assessment

- 9.1 **HAVING CONSIDERED:** the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW

Residual Risk: LOW

10. **Equalities Impact Assessment**

- 10.1 The Localism Act was subject to consideration in terms of compatibility with the European Convention on Human Rights and contains a statement by the then Secretary of State that the provisions are compatible with equalities legislation. The Pay Policy Statement is now part of a wider transparency and equality framework alongside gender pay gap reporting requirements.

11. **Appendices**

- 11.1 Appendix 1: Pay Policy Statement (which includes the Schedule of Chief Officers Remuneration and Overview Table of Policies Relating to Remuneration for the Chief Officers)

12. **Background Papers**

- 12.1 None.

13. **Report Sign Off**

- 13.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal & Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Cabinet Member.