

REPORT TO COUNCIL

Date of Meeting: 3 March 2026

Report of: Strategic Director – People and Community

Title: Annual Pay Policy Statement 2026/27

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To set out the council's annual Pay Policy Statement 2026/27 which must be approved by Full Council each financial year in line with legislation.

2. Recommendations:

That Executive recommends to Council to approve:

- (1) The attached Policy, Report and Appendices be adopted and published in accordance with the legislation.
- (2) Delegated authority be given to the Strategic Director – People and Community to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

3. Reasons for the recommendation:

3.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh Authorities to produce a statutory Pay Policy Statement each financial year commencing in 2012/13 and thereafter each subsequent financial year.

3.2 Following the revocation of the restriction of the Public Sector Payment Regulations on 19 March 2021, the government have yet to announce any replacement proposals. Any future termination payments will be subject to any new legislation. In the meantime, any payments made should demonstrate value for money and be conducive to the effective and efficient operation of the Authority.

4. What are the resource implications including non-financial resources

There are no new resource implications created as a result of the revisions to the Pay Policy Statement.

5. Section 151 Officer comments:

5.1 There are no financial implications for Council to consider.

6. What are the legal aspects?

6.1 Local Authorities are required by Section 38 (1) of the Localism Act 2011 to set out a written statement each financial year relating to:

- the remuneration of chief officers;
- the remuneration of its lowest paid employees; and
- the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers

6.2 The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report.

7. Monitoring Officer's comments:

7.1 This report is produced in accordance with the statutory obligations set out above. The Monitoring Officer has no additional comments.

8. Report details:

In line with statutory requirements, the Council's Pay Policy Statement has been reviewed and updated for 2026/27 for approval by full Council prior to publishing on the Council's website.

The following needs to be taken into account when reviewing the revised policy and appendix:

- the increase in the nationally determined real living wage (Grade B) in November 2025 which comes into effect at Exeter City Council on 1 April 2026 (paragraph 3.2);
- the Local Government Services pay award for 2026/27 is yet to be resolved. This could increase our lowest pay scale;
- the Chief Executives pay award for 2026/27 is yet to be resolved;
- the Chief Officers pay award for 2026/27 is yet to be resolved;

The appendix will/may require amending once the pay negotiations have been completed for 2026/27.

9. How does the decision contribute to the Council's Corporate Plan?

The attached statement supports a well-run Council and our compliance with statute.

10. What risks are there and how can they be reduced?

There are no new implications arising from the recommendations.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and

- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because consideration has been given to the impact upon differing groups and a full assessment is not required.

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

No

Strategic Director – People and Community, Jo Yelland

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

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