

Diversity impact assessment

Appendix 2

TITLE
Pay Policy Statement 2026/2027
DATE
13 January 2026
LEAD OFFICER.
Samantha Beck-Farley Chief Organisational Culture Officer
1 Summary description of the proposed change
What is the change to policy / service / new project that is being proposed? How does it compare with the current situation?
<p>To comply with Section 38 (1) of the Localism Act 2011, whereby all English and Welsh local authorities are to produce a pay policy statement for the financial year 2012/2013 and for each financial year after that.</p> <p>The aim of Section 38 is to ensure that there is openness and transparency with regard to the commitment of public money through employee remuneration</p> <p>The pay policy statement is required to set out the council's policies relating to the remuneration of its chief officers and its lowest-paid employees, and the relationship between the two.</p> <p>The statement also shows that the pay relationship between the Chief Officer and the lowest paid employee is within the accepted pay multiplier as suggested by Will Hutton's 2011 Review of Fair Pay in the public sector.</p>
2 Summary of evidence used to support this assessment
<p>Eg: Feedback from consultation, performance information, service user. Eg: Comparison of service user profile with Medway Community Profile</p> <p>The following factors are considered when setting pay:</p> <ul style="list-style-type: none"> • UK inflation rate • Proposals by Trade Unions <ul style="list-style-type: none"> ○ A return to NJC ○ A 5% flat rate, consolidated increase for all staff ○ An uplift to the sleep-in payments of 4.7% ○ A reduction in a working week to 35 hours. • Benchmark with similar organisations (posts are benchmarked as part of MedPay Review) and we work in collaboration on other local offers. • The financial performance of the Council (Revenue and Capital Budget monitoring Round 3, Draft Capital Revenue Budgets 2025/26) • Feedback from CMT and Cabinet • Feedback from colleagues • The National Living Wage • MedPay PPP Terms and Conditions

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3 What is the likely impact of the proposed change?

Is it likely to:

Adversely impact on one or more of the protected characteristic groups

Advance equality of opportunity for one or more of the protected characteristic groups

Foster good relations between people who share a protected characteristic and those who don't

(insert Yes when there is an impact or No when there isn't)

Protected characteristic groups (Equality Act 2010)	Adverse impact	Advance equality	Foster good relations
Age		X	X
Disability		X	X
Gender reassignment		X	X
Marriage/civil partnership		X	X
Pregnancy/maternity		X	X
Race		X	X
Religion/belief		X	X
Sex		X	X
Sexual orientation		X	X
Other (e.g. low income groups)		X	X

4 Summary of the likely impacts

Who will be affected?

How will they be affected?

Increasing pay in line with inflation, and addressing historical anomalies through the MedPay Review, which includes allowances is likely to reduce pay disparities and, therefore, advance equality. Staff morale will also improve.

Pay awards are applied in accordance with MedPay terms and conditions. No adverse impacts on any of the protected characteristic groups are anticipated, and reviews are undertaken.

Adjusting pay to meet new (2026) National Living Wage rates will advance equality.

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5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

What alternative ways can the Council provide the service?

Are there alternative providers?

Can demand for services be managed differently?

Not applicable.

6 Action plan

Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence

Action	Lead	Deadline or review date
Joint Consultative Committee	COCO	Dec 2025
Employment Matters Committee	COCO	Dec 2025
Corporate Consultative Committee	COCO	Dec 2025
Joint Consultative Committee	COCO	Jan 2026
Employment Matters Committee	COCO	Jan 2026
Budget Set at Council in Feb 2024	CFO	Feb 2026

7 Recommendation

The recommendation by the lead officer should be stated below. This may be: to proceed with the change, implementing the Action Plan if appropriate, consider alternatives, gather further evidence

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

Continue with the negotiations so that a fair and reasonable award can be proposed at Full Council in February 2026.

8 Authorisation

The authorising officer is consenting that the recommendation can be implemented, sufficient evidence has been obtained and appropriate mitigation is planned, the Action Plan will be incorporated into the relevant Service Plan and monitored

Assistant Director

Phil Watts