

Woking Borough Council Pay Policy Statement 2025 to 2026

Meeting: **Employment Committee**

Date Of Meeting: 19 February 2025

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Will the decision be open for call in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1.0 Purpose of report

1.1 To consider the Pay Policy Statement 2025/2026 and make recommendations to Council for final approval.

2.0 Recommendations

i. That the Committee recommends to Council approval of the Pay Policy Statement for 2025/2026 as set out below.

Reason for decision

2.1 To comply with sections 38 to 43 of the Localism Act 2011 which require local authorities to prepare an annual pay policy statement for each financial year.

3.0 Proposal and outcome

3.1 This Pay Policy Statement sets out Woking Borough Council's policies relating to the pay of its workforce for the financial year 2025/2026.

3.2 This statement relates to employees of the Council and therefore does not apply to colleagues employed by a third party contracted to work for the authority (although the comments under the sections below on interim support and preventing tax avoidance should be noted).

3.3 One of the key principles within the Localism Act is transparency. The Employment Committee should feel confident in the rationale underpinning decisions around salary levels, particularly those paid to senior employees.

4.0 Background

4.1 Sections 38 to 43 of the Localism Act 2011 require local authorities to prepare an annual pay policy statement for each financial year.

The statement must specifically cover 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 of its chief officers, and the remuneration of its employees who are not chief officers the definition of 'lowest-paid employees' adopted
- the level and elements of remuneration for each chief officer
- remuneration of chief officers on recruitment
- increases and additions to remuneration for each chief officer
- the use of performance-related pay for chief officers
- the use of bonuses for chief officers
- the approach to the payment of chief officers on their ceasing to hold office or to be employed by the authority
- the publication of and access to information relating to remuneration of chief officers

The statement may also cover the authority's policy relating to policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

- 4.2 The pay policy statement has to be approved by Full Council. Following approval, the statement must be published as soon as possible on the authority's website. The Council may amend the pay policy statement in-year and this also requires a resolution.
- 4.3 The Council has developed its own local terms and conditions including pay scales. The local pay scale covers all employees of the Council.
- 4.4 As required by law, the Council provides all its employees with the opportunity to join the Local Government Pension Scheme.
- 4.5 For this pay policy statement the following definitions will apply:

'Remuneration', in addition to salary this includes taxable earnings and non-taxable benefits (and is more particularly defined in section 46 of the Localism Act 2011).

'Chief officer' refers to the following statutory and non-statutory roles within Woking Borough Council as follows:

- Chief Executive, as Head of Paid Service
- Strategic Directors
- Section 151 Officer/Chief Finance Officer and Monitoring Officer (MO)
- Senior Leadership who reports directly to those listed above (except the MO)

'Lowest paid employees' refers to employees employed within grade W1 of the Council's pay scales, other than apprenticeships or traineeships. This definition for the 'lowest paid employees' has been adopted because grade W1 is the lowest grade on the Council's pay scales on which employees are paid. The bottom point on this pay scale is £21,151. This will increase to £24,309 from 1 April 2025 in line with the Real Living Wage. To enable meaningful comparison the Council uses employees on full time contracts for this definition.

5.0 Determining pay

- 5.1 Remuneration needs to be competitive to secure and retain quality employees motivated to contribute to achieving the objectives set out in the Council's Performance and Recovery Plan and delivering services to the public. This has to be balanced by ensuring remuneration is appropriate within the challenging financial context we are operating in. The Council has responsibility for balancing these factors. The overall pay bill is controlled within a staffing budget agreed at least annually.
- 5.2 It is essential for good governance that decisions on pay and reward packages for chief officers are made in an open and accountable way. Our policy is to pay appropriately to attract competent and experienced senior employees to lead the organisation. Our aim is to be regarded as competitive as compared to the level of pay locally and neighbouring local authorities.
- 5.3 All Woking Borough Council employees are on local conditions. The pay and reward structure and the performance management process apply to all employees including chief officers. Targets for both objectives and behaviours are set and performance against those targets is assessed at least annually.
- 5.4 The Council has a salary and grading structure for all employees which includes the grades and salaries applicable to chief officers. The grade framework comprises of 12 grades. Outside the main framework there are 4 trainee grades. The grade allocated to a post is determined by the duties, level of responsibility and behaviours required as outlined in the job profile. All employees are on a fixed salary within a grade.
- 5.5 The Employee Committee, established in 2024, is responsible, on behalf of the full Council, for ensuring the provisions set out in this Statement are applied consistently throughout the Council.
- 5.6 The Committee at the last meeting in November 2024 resolved that the Council would align with the National Employers formal collective agreement pay award for local government services (Green Book) employees from April 2025. This would ensure that the Council keeps pace with the nationally agreed pay awards for local government employees.
- 5.7 The Authority will continue to consult with the trade union representing its workforce on the impact of any changes in pay.
- 5.8 Progression through a grade is based on an assessment of performance, behaviours and completion of mandatory training, following the outcome of an annual performance and development review (PDR).
- 5.9 In addition to basic pay all chief officers and employees are eligible to receive the following benefits:
- If the officer is a member of the Local Government Pension Scheme, the employers' contribution.
 - Payment of an annual subscription to one professional institution where this has a clear benefit to the Council or is a requisite to the job.

- A flexible benefit paid in monthly instalment. This can be used to purchase a public sector season ticket or as a cash alternative. Normal tax and national insurance rules apply.
- A vehicle allowance where access to a vehicle is an essential criterion for the role or as a recruitment and retention aid for senior roles.

5.10 The Council does not operate a lump sum performance related pay or bonus scheme.

5.11 To provide transparency and consistency of application, all future pay increases outside of the annual pay award will now be considered by a Pay Panel. The Panel will include at least one member of the Corporate Leadership Team (CLT) and Human Resources.

5.12 Managers are required to complete a business case to support all pay increases. Typically, this will include proposals on pay progression where the job role has grown significantly, honoraria and market rate supplements.

6.0 Policy on the lowest paid employees

6.1 When determining any pay award, the Council considers the needs of the lowest paid and matches the Real Living Wage (outside London rate) as determined by the Living Wage Foundation. As in previous years, for 2025/26 the lowest point on the Councils pay framework will align to the Real Living Wage, this is currently set at £12.60 per hour.

6.2 The Council is supportive of the principle of equal pay in employment and has made a commitment to involve and work positively with UNISON to develop and maintain an open and transparent process and dialogue.

7.0 Pay ratios

7.1 Our policy is that the ratio is broadly in line with comparator authorities.

7.2 The Council does not have a target for the ratio between the pay of the highest earners and other employees. It does not propose to set one, accepting the judgement of the Hutton Report, that such targets serve no useful purpose. However, it will monitor this relationship to ensure that the remuneration of the highest paid is not excessive and remains consistent with the needs of the Council as expressed in this policy statement.

7.3 The average (median) chief officer remuneration is £94,406; the average (median) remuneration for employees other than the chief officers is £40,306. Therefore, the ratio of average chief officer remuneration to the average remuneration of other employees is 2.34, as compared to last year which was 2.22.

7.4 The current Chief Executive is not directly employed by the Council and was appointed by the Secretary of State to increase the capacity of the Commissioner team. The pay level for a Commissioner is set the Government and paid for by the Council. The, the ratio between the highest paid 'earner', the Chief Executive, to the average (median) remuneration of the whole workforce is 4.43, as compared to last year which was 4.61.

8.0 Recruitment and retention

8.1 Our policy is to take into account the relevant experience, skills and knowledge of the person appointed. Appointments to roles within the Corporate Leadership Team (CLT) are approved by the Council. Appointments at chief officer level below CLT are made by more senior officers with Member involvement as appropriate. On occasion the Council will request input from neighbouring authorities or other experts in the recruitment process particularly when the post requires specialist knowledge.

9.0 Interim support

9.1 Where the Council is unable to recruit officers, or there is a need for interim support to undertake essential work or provide cover for a substantive post, the Council will engage individuals on a temporary basis. Such individuals will be sourced through a relevant procurement process in line with legal requirements, financial regulations and standards and the Council's agreed processes.

9.2 The Council has implemented all the necessary steps required to assure compliance with the rules in relation to off-payroll working in the public sector (IR35).

10.0 Approach to the payment of officers in the event of their ceasing to hold office or be employed by the authority

10.1 The Council's redundancy policy sets out a consistent method of calculating redundancy pay which is applied to all redundant employees. The level of redundancy pay is calculated using the statutory system with no cap on weekly earnings. The payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment.

11.0 The publication of and access to information relation to remuneration of chief officers

11.1 The annual Pay Policy Statement will be published on the website where it can be easily accessed. Information about senior officer remuneration has been published on the Council's website as part of transparency agenda.

12.0 Additions to remuneration for chief officers

12.1 One or more chief officers will be eligible for payments for election duties (e.g. as Returning Officer or Deputy Returning Officer/s) which is calculated based on the number of electors in each ward in the election. There is an agreed Surrey wide scale of fees and charges which sets out the amounts used to calculate this.

12.2 Fees for borough, county and Police Commissioner elections vary according to the size of the electorate and number of postal voters. Payments for General and European elections are set by central government and are not paid by the Council as the money is reclaimed.

13.0 Policy on employing someone who has taken redundancy from another authority

- 13.1 If there is less than a 4-week gap between someone being made redundant from another council and joining Woking Borough Council they will be required to repay their redundancy payment to their previous employer. If the gap is longer than 4 weeks' they can retain their payment but their continuous service is broken, which means that they would have no eligibility for redundancy payments until they have 2 years continuous service with this authority.

14.0 Policy on additional employments

- 14.1 The Council's Conditions of Service provide for employees to have one or more employments with the Council, in which cases the arrangements outlined above apply. Private employment or outside activity is conditional upon such employments or activity not prejudicing their main employment with the Council.

15.0 Decision type/scope

- 15.1 To approve this statement is a key decision for the Council to ensure that it stays within the legislative framework as set out by the Localism Act 2011.

16.0 Implications

Legal

- 16.1 The statutory requirements set out in the Localism Act 2011 are summarised in the report and the Pay Policy Statement. The approved Pay Policy Statement must be published on the Council's website as soon as reasonably practicable after being approved.

Resources (including finance)

- 16.2 The organisation's overarching strategy will continue to ensure the cost of its workforce falls within the budget allocation agreed by the Council as part of the organisation's overall budget for 2025/2026.

Risks and mitigation

- 16.3 This statement outlines existing and agreed policy and procedures. There are sufficient monitoring arrangements in place. The statement fosters a transparent approach to pay and reward which is accountable and managed appropriately.

Consultation, Equality Impact Assessments

- 16.4 An impact assessment has been completed. The Corporate Leadership have been consulted on this report.

Environment and climate change

- 16.5 None.

17.0 Supporting documents

Appendices

17.1 None.

Background documents

17.2 None.

Report ends