

PAY POLICY STATEMENT 2024-25

Executive Summary

Pay Policy

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.

Chief Officer is defined to include:

- the head of its paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- its monitoring officer under section 5(1) of that Act;
- a statutory chief officer under section 2(6) of that Act; - a non-statutory chief officer under section 2(7) of that Act; - a deputy chief officer in section 2(8) of that Act.

The pay policy statement has to be approved by a resolution of the authority. 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.

The Act specifies that the functions relating to pay accountability are not executive functions and that section 101 of the Local Government Act 1972, which gives local authorities powers to arrange for the discharge of their functions by committees, officers or other local authorities, does not apply to these functions. This means that the resolution must be approved by full Council.

Recommendations

The Council is invited to approve the Pay Policy Statement for the financial year 2024/25 and in so doing comply with the provisions of the Localism Act 2011.

RESOLVE That the Pay Policy Statement be approved for publication.

The Committee has the authority to determine the recommendation set out above.

Background Papers: None.

Reporting Person: Julie Fisher, Chief Executive
Email: julie.fisher@woking.gov.uk, Extn: 3333

Contact Person: Amanda Jeffrey, Head of Human Resources
Email: amanda.jeffrey@woking.gov.uk, Extn: 3904

Portfolio Holder: Councillor Ann-Marie Barker
Email: cllrann-marie.barker@woking.gov.uk

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1.0 Introduction

- 1.1 This Pay Policy Statement is provided in accordance with Sections 38 - 43 of the Localism Act 2011.
- 1.2 This Pay Policy Statement sets out Woking Borough Council's policies relating to the pay of its workforce for the financial year 2024-25.
- 1.3 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).

2.0 Background

- 2.1 The Council has developed its own local terms and conditions including pay. The local pay scale covers all employees of the Council.
- 2.2 As required by law, the Council provides all its employees with the opportunity to join the Local Government Pension Scheme.

3.0 Definitions

- 3.1 For the purpose of this pay policy 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
- Senior Managers who report directly to those listed above

- 3.2 'Lowest paid Employees' refers to employees employed within grade W1 of the Council's current pay grading structure, 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 grading structure on which employees are paid. The bottom point on this pay scale is £21,029. This will increase to £23,088 from 1 April 2024 in line with the Real Living Wage. To enable meaningful comparison the Council uses employees on full time contracts for this definition.

4.0 Determining pay

- 4.1 Remuneration needs to be adequate to secure and retain quality employees dedicated to fulfilling the Council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is appropriate within the 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.
- 4.2 It is essential for good governance that decisions on pay and reward packages for chief executives and 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.

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Our aim is to be regarded as competitive as compared to the level of pay locally and neighbouring local authorities.

- 4.3 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.
- 4.4 The Authority has a salary and grading structure for all employees which includes the grades and salaries applicable to chief officers. The grade allocated to a post is determined by the duties, level of responsibility and behaviours required as outlined in the job description, person specification and role map.
- 4.5 The grade framework comprises of 12 grades. Outside the main framework there are 4 trainee grades. All employees are placed within the grade framework on a fixed salary based on an assessment of the job role. Progression through a grade is based on an assessment of performance, skills and behaviours following the outcome of an annual performance and development review (PDR).
- 4.6 Indexation (cost of living) is considered annually for all employees in consultation with the Executive and UNISON.
- 4.7 The Council has previously made provision to progress employees through pay grades based on meeting performance expectations set and reviewed through the PDR (performance development review) process.
- 4.8 An Employee Committee will be established in 2024/25 which will review local terms and conditions of employment for employees and make recommendations regarding pay issues and the annual local pay award.
- 4.9 Given the Council's current financial position, there will be no cost of living or performance based pay awarded for 2024/25 other than for colleagues on the lowest point of W1 in line with the Real Living Wage.
- 4.10 The Council recognises that maintaining this pay position indefinitely is not sustainable. It is therefore proposing that alongside the position that has to be taken for 2024/25, the Council will make some pay and reward commitments from 2025/26 as follows:
 - The Council will align with the National Employers formal collective agreement pay award for local government services (Green Book) employees. This will mean that the Council will keep pace with the nationally agreed pay awards for local government employees.
 - Review the Council's Performance Development Review process so that it recognises staff performance and better supports performance-based progression through pay scales.
- 4.11 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 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.

4.12 The Council does not have a lump sum performance related pay or bonus scheme.

5.0 Policy on the lowest paid employees

5.1 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 2024/25 the lowest point on the Councils pay framework will align to the Real Living Wage, this is currently set at £12 per hour.

5.2 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.

6.0 Pay ratios

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

6.2 The average (median) chief officer remuneration is £85,598; the average (median) remuneration for employees other than the chief officers is £38,422. Therefore the ratio of average chief officer remuneration to the average remuneration of other employees is 2.22.

6.3 The ratio between the highest paid earner, the Chief Executive, to the average (median) remuneration of the whole workforce is 4.61.

7.0 Recruitment and retention

7.1 Our policy is to take into account the relevant skills and experience of the person appointed. Appointments at chief officer level below Chief Executive 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. Appointments to the post of Chief Executive are made by the leading Members and approved by the Council.

8.0 Interim support

8.1 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.

8.2 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).

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

9.1 The Council's redundancy framework 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.

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

10.1 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. The grade framework for all employees is published on the Council's website.

11.0 Additions to remuneration for chief officers

- 11.1 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.
- 11.2 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.

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

- 12.1 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.

13.0 Policy on employing someone who is also drawing a pension

- 13.1 The Council will consider all requests from employees who wish to draw their pension but continue working.

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 Implications

Finance and Risk

- 15.1 To foster a transparent pay and reward policy which is accountable and managed appropriately.

Equalities and Human Resources

- 15.2 To train and brief managers appropriately.

Legal

- 15.3 Ensure compliance with current legislation with particular regard to equal pay.

16.0 Engagement and Consultation

- 16.1 Unison and workforce.

REPORT ENDS