

Council Report



Report of Head of Corporate Services

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To: Council

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Pay policy statement 2025/26

Recommendation

That Council approve the attached statement of pay policy for 2025/26.

Implications (further detail within the report)	Financial	Legal	Climate and Ecological	Equality and diversity
	Yes	Yes	No	Yes
Signing off officer		Nick Bennett	N/A	Mark Minion

Purpose of Report

1. This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and is updated annually from April each year. This pay policy statement sets out South Oxfordshire District Council’s policies relating to the pay of its workforce for the financial year 2025/26, in particular:

- a) the remuneration of its Chief Officers
- b) the remuneration of its “lowest paid employees”
- c) the relationship between
 - the remuneration of its Chief Officers and
 - the remuneration of its employees who are not Chief Officers

Strategic Objectives

2. It is a statutory requirement to publish this information annually. This report also supports the council's Corporate Plan priority of 'Openness and accountability.' This report helps meet our ambition to apply good governance and transparency in all our working and decision making.

Background

3. The purpose of the pay policy statement is to promote transparency on public sector pay, particularly in relation to remuneration of senior officers. Comparisons are also made with the remuneration of the lowest paid employees and with average salaries.
4. The pay policy statement must be approved by 31 March each year, by a meeting of Full Council. The pay policy statement may be amended during the year by further resolution of the Council.
5. Once approved, the pay policy statement must be published on the council's website and by any other means that the council sees fit.
6. Officers of each council (South Oxfordshire and Vale of White Horse) are placed at the disposal of the other and their costs are shared, as such, the pay policy statement attached has been drafted jointly between the councils.

Climate and ecological impact implications

7. This report is a statutory requirement and does not have any climate or ecological implications.
8. As agreed with the climate team, the use of the Climate Impact Assessment Tool is not required for the decision set out in this report.

Financial Implications

9. This report is provided by way of information only. When the council sets its budget provision is made for all staffing costs, including increases relating to agreed pay award and increments.
10. Pay negotiations for 2025/26 have not yet been concluded, however there is scope for these pay scales to increase depending on pay negotiations. Pay increases will be applied with effect from 1 April 2025.

Legal Implications

11. This report is a statutory requirement as required by the Localism Act 2011.

Risks

12. None identified.

Other Implications

13. None identified.

Recommendation

14. Council is asked to approve the council's pay policy statement for 2025/26.

Background Papers

15. None.

Pay Policy Statement for 2025/26

Introduction

1. This is a joint statement of South Oxfordshire and Vale of White Horse District Councils.
2. The Localism Act 2011 requires each council to produce and publish annually a pay policy statement. The statement which relates to the forthcoming financial year, must be approved by 31 March each year by a meeting of the Full Council, and must then be published on the council's website. The pay policy statement may be amended during the year by further resolution of the council.
3. The pay policy statement must as a minimum include details of the council's policy on:
 - the remuneration of its chief officers
 - the remuneration of its lowest-paid employees
 - the relationship between the remuneration of its chief officers and other officers.
4. For the purposes of the Localism Act 2011 and this statement, the term "Chief Officers" is defined by Section 2 of the Local Government and Housing Act 1989. For the councils, the term "chief officers" refers to the Chief Executive (Head of Paid Service), Deputy Chief Executives, Heads of Service, Service Managers, the Monitoring Officer, and the Chief Finance (S151) Officer.
5. Chief Officers may be employed by either council and are placed at the disposal of the other by means of an agreement made under Section 113 of the Local Government Act 1972.
6. "Lowest paid employees" refers to those staff employed within grade 1 of the councils' pay framework as this is the lowest grade on the councils' pay framework.

Organisation Structure

7. On 9 January 2025, a restructure of the Development & Corporate Landlord service area commenced. The proposed timescales indicate the new structure will go live effective from 1 April 2025.
8. Following consultation with The Chartered Institute of Public Finance and Accountancy (CIPFA), a new structure is proposed that centralises the Councils' landlord function, creating greater capacity to deliver this function to our service teams across the organisation and provide improved resilience.
9. In the proposed structure there are new posts identified to support delivering a centralised landlord function.
10. Recruitment for vacant positions will continue in 2025/26.

11. On 16 December 2024, the government published a white paper on plans for local government devolution and reorganisation. This covered the governments' intent to roll out larger, regional Strategic Authorities that will cover areas of around 1.5 million people.
12. Discussions regarding this roll out have commenced, with the current direction not yet agreed. South Oxfordshire continue to prepare for any changes that will take place and the impact this will have on the organisational structure.
13. The announcement for local government devolution will not have an impact on the pay award conversations for 25/26.

Remuneration of Chief Officers

14. Chief officers are paid a spot salary. The spot salaries which apply for 2025/26 are as follows and are subject to change depending on pay award negotiations:
 - Chief executive £184,577
 - Deputy Chief Executives £139,579
 - Head of Finance £122,475
 - Head of Legal £122,475
 - Heads of Service: £114,814
15. Service Managers will be paid on the joint councils' pay scale at grade 11 or a spot salary where required. Service Manager salaries range between £70,571 to £80,145. This is subject to change depending on pay award negotiations.
16. Chief Officers do not receive any performance-related pay or bonuses.
17. The Chief Executive has been designated as the councils' Head of Paid Service. No additional remuneration is payable for that designation.
18. The Head of Finance has been designated as the councils' Chief Finance (section 151) Officer and therefore annual salary reflects that designation.
19. The Head of Legal and Democratic has been designated as the councils' Monitoring Officer and therefore annual salary reflects that designation.
20. The Democratic Services Manager has been appointed as the councils' Returning Officer. In this role they are entitled to receive additional remuneration. They may also employ and remunerate other officers (including chief officers) to support them in their work as Returning Officer. Fees payable for district and parish council elections are agreed by each council. Fees for other types of election are agreed and payable by the government or other bodies such as Oxfordshire County Council.
21. Chief Officers do not receive overtime, on-call, or stand-by payments, and do not receive additional payment for attendance at evening meetings. The Chief Executive, at their discretion, may make additional responsibility payments as required.

22. On recruitment of a new Head of Service within the current management structure, the gross base salary on recruitment will be the spot salary stated in paragraph 14, though this may vary if an interim appointment is made.
23. On recruitment of a new Chief Executive, the gross base salary will be determined by the Joint Staff Committee.
24. In the event of a Chief Officer's post becoming redundant, any severance payment will be made on the same basis as to any other employee, according to the councils' organisational change policy. Other than any pension to which they are contractually and / or statutorily entitled, no other payments will be made to Chief Officers on their ceasing to be employees of the council unless in settlement of any dispute.
25. Chief Officers' contributions to the Local Government Pension Scheme (LGPS) are determined by their salary and by the rules of the scheme.
26. For those who are members of the LGPS and paying contributions on the whole of their salary contributions for 2025/26 are:
 - Chief Executive – 11.4 per cent
 - Deputy Chief Executives - 11.4 per cent
 - Heads of Service - 10.5 per cent
 - Service Managers (who earn £79,701 and more) – 9.9 per cent
 - Service Managers (who earn £79,700 and less) - 8.5 per cent
27. No enhancements will normally be paid to Chief Officers' pensions other than in the event of a Chief Officer being offered early retirement on efficiency grounds, and only then with the approval of the Joint Audit and Governance Committee.
28. The councils will not usually re-employ a Chief Officer who has left their employment and is now drawing a local government pension unless there are exceptional circumstances. Any decision to re-employ a Chief Officer already drawing a pension is at the discretion of the Chief Executive. If the role is Chief Executive, JAGC would approve.

Lowest paid employees

29. The councils are committed to paying the real living wage of £12.60 per hour (as defined by The Living Wage Foundation), the lowest-paid employees (including apprentices) are employed on full time 37 hours equivalent salaries. From 1 April 2025, the lowest paid members of staff will receive £24,657 per annum. The Chief Executive's Salary is thus 7.49 times the salary of the lowest-paid member of staff. Any uplift in the real living wage will be implemented on 1 April each year as part of the annual pay negotiations.
30. The figures outlined above are subject to change pending pay award negotiations.

Remuneration of Chief Officers compared with other officers

31. Employees who are not Chief Officers are paid according to locally agreed pay scales, with annual increments paid subject to performance until the employee reaches the top of the scale.

32. Pay for all employees is collectively determined by negotiation between UNISON and the senior management team.
33. Pay scales for 2025/26 have not yet been agreed.

The Ministry of Housing, Communities and Local Government (MHCLG) published in February 2015 a code of recommended practice for local authorities on data transparency. This code of practice recommends publishing the “pay multiple,” that is the ratio between the highest paid salary and the median average salary of the whole of the authority’s workforce. For our councils, the median salary during 2025/26 is £44,684. The pay multiple defined above is thus 4.13. The remuneration of Chief Officers will be published on the data hub on the councils website at [Pay Policy Statements - South Oxfordshire District Council \(southoxon.gov.uk\)](https://southoxon.gov.uk/Pay-Policy-Statements)