

COUNCIL PAY POLICY STATEMENT October 2025

1.0 Introduction

- 1.1 The Council's success relies on the talent and contribution of its workforce enabling and ensuring it meets its objectives. Our Pay Policy seeks to ensure the Council is able to attract, recruit, retain and engage the right people in order to achieve this.
- 1.2 The Pay Policy pulls together all the elements that make up the Council's reward practices. It provides assurances of our consistency, fairness and transparency and gives clarity to all our stakeholders about how and what our people are rewarded for. It defines the level and elements of remuneration for Chief Officers, and all senior staff, in accordance with the requirements of section 38(1) of the Localism Act 2011.
- 1.3 The Localism Act 2011 requires the Council to publish its position in relation to specific areas of chief officers pay as follows: remuneration levels, all other payments, incremental progression, performance related pay, bonus payments, redundancy, severance/ compensation, and retirement payments, and the Council's policy on the re-engagement of chief officers. This Pay Policy statement sets out the Council's position in these areas.
- 1.4 The Council employs 225 officers, which represents a full time equivalent based on a 37-hour week of 205.73.
- 1.5 The gross salary expenditure for the Council for the financial year 2025/26 is estimated to be £14,304,000.
- 1.6 Best practice recommends the Council consults a remuneration committee on all proposals relating to pay and reward for Senior Officers thus ensuring openness and accountability. This responsibility is delegated by Full Council to the Council Functions Committee and Chief Officer Pay Panel.
- 1.7 This policy will be reviewed and approved at least annually or as required by Full Council and may be accessed via the Council's external web site.

2.0 SCOPE OF THE POLICY

- 2.1 The policy applies to all Chief Officers.
- 2.2 The definition of Chief Officers (as set out in section (43(2)) of the Localism Act 2011 is not restricted to Heads of Paid Service and Directors. It also includes all other Senior Managers (statutory and non-statutory officers) who report directly to them and to their direct reports termed as Deputy Chief Officers. That is the Head of Paid Service (Chief Executive), Chief Operating Officer/Director/Executive Head of Service/Chief Officer and Associate Directors of Service.
- 2.3 The Council's post holders who fall within the definition of Chief Officers are as defined within the Councils Constitution and are shown in the following table:

Head of Paid Service	Chief Executive
Section 151 Officer	Chief Finance Officer (Interim Agency)
Chief Officers -	 Director of Sustainability, Environment and Communities Director of Regeneration and Growth Chief Operating Officer Executive Head of HR&OD, Corporate Communications
Deputy Chief Officers -	 Associate Director of ICT and Shared Services Associate Director of Customer and Corporate Services and Monitoring Officer Associate Director of Housing and Wellbeing Head of Property

- 2.4 The remuneration of Executive Director, Director, and Executive Head of Service roles was determined by the Chief Officer Pay Panel in June 2022, following a comprehensive review of senior management grading and market alignment. In 2025, the post of Chief Operating Officer was established, with remuneration set in accordance with the existing Director pay scale to maintain internal equity and consistency across the senior leadership structure. The remuneration of the Chief Executive was subsequently reviewed and approved by the Chief Officer Pay Panel in August 2025, in line with the council's established governance arrangements for chief officer pay.
- 2.5 The Council's Chief Finance Officer (Section 151 Officer) role is no longer operated on a shared or secondment basis with Three Rivers District Council. The Council has appointed an interim post-holder through its contracted agency supplier, Hays, on an agreed day-rate arrangement. This engagement is in line with the Council's procurement framework and interim resourcing protocols.
- 2.6 Pay details can be found <u>here</u>

3.0 TERMS AND CONDITIONS OF SERVICE

- 3.1 The Council's Chief Officers, i.e. the Chief Executive and Executive Director/Director/Chief Operating Officer/Executive Head of Service are engaged on Joint National Council (JNC) national terms and conditions of service.
- 3.2 The Council's Deputy Chief Officers, i.e. the Associate Directors, who report directly to an Executive Director/Chief Operating Officer are engaged on National Joint Council (NJC) national terms and conditions.
- 3.3 It should be noted that different national negotiating machinery applies across the senior management team.

4.0 **PRINCIPLES**

- 4.1 The Pay Policy reflects the aspirations of the Council Plan and Council Delivery Plan 2024-2026 and defines the Council's approach to managing reward that is guided by the following principles: -
- 4.2 All Council officer jobs are job evaluated using an analytical job evaluation scheme to allocate points to posts and establish relativity between all posts in the organisation.

- 4.3 The Council reviews appropriate external pay market information to ensure remuneration levels are consistent with Local Government, provide value for money for the taxpayer, and support the Council to remain competitive as an employer in areas of skills shortage.
- 4.4 If appropriate, market factors are applied to hard to fill posts. Where applied these supplements are reviewed annually in accordance with the market factor policy.
- 4.5 The Chief Executive receives a spot salary the level of which was reviewed in 2025.
- 4.6 Cost of living inflation increases for the Chief Executive and Chief Officer pay scales are awarded in accordance with the Joint National Council (JNC) for Chief Executives and the Joint National Council (JNC) for Chief Officers. Chief Officers are remunerated according to the pay scale applicable to their job. Progression within each grade is time based, subject to satisfactory performance and where appropriate awarded annually to the top of the grade, effective from 1 April
- 4.7 Cost of living inflation increases for Deputy Chief Officers, i.e. Associate Directors of Service, are awarded in accordance with the National Joint Council (NJC) for Local Authorities. Deputy Chief Officers are remunerated according to the pay scale applicable to their job. Progression within each grade is time based, subject to satisfactory performance and where appropriate awarded annually to the top of the grade, effective from 1 April.
- 4.8 The remuneration of a Chief Officer or Deputy Chief Officer on appointment will be at a point on the relevant pay scale for the job appropriate to their experience and salary level in their previous job.
- 4.9 The Council is committed to the principle of fairness; is clear about what people are being paid for, and is consistent, systematic, and transparent when applying reward practices. Pay models have been developed based upon appropriate pay market information and ensure that the ratio of pay levels between the highest paid officer and the median/ mean average/ low paid earnings in the Council remains consistent and is not distorted as a result of pay awards.
- 4.10 The Council's lowest paid employees are those post holders whose jobs are graded in the lowest pay band, which is Band 4 in a 14 band pay model. Jobs are evaluated using the Local Government Job Evaluation scheme.
- 4.11 Resignation. The Chief Officer's last entitlement to pay will be the last day of service, considering notice period and any period of pay in lieu of notice.
- 4.12 Redundancy or early termination in the interests of the service and Pension Benefits of Chief Officers will be made in accordance with the Council's Redundancy and Early retirement and early termination compensation policies however please see paragraph 9.6 below.

5.0 **EQUALITIES**

5.1 The Council is committed to equality of opportunity. All members of staff will be treated fairly based on ability, performance, and contribution irrespective of their employment or contractual status and personal circumstances, i.e. part time, fixed term. The Council monitors equalities data and this policy shall be applied fairly, consistently, and equitably for all employees irrespective of race, gender, disability, age, offending past, caring or dependency status, religion or belief, sexual orientation, marital or civil partnership status, pregnancy or maternity or gender identity and it is incumbent on those managing this policy to ensure that this is the case.

6.0 **GRADING**

6.1 Chief Officers – Chief Executive and Executive Director/Director/Executive Head of Service

- 6.2 **Job Evaluation** posts were assessed on data received relating to the external recruitment market and in conjunction with guidance received from the East of England LGA with regard to the Senior Manager job evaluation scheme.
- 6.3 Deputy Chief Officers Associate Directors/Head of Service
- 6.4 **Job evaluation** posts were assessed on data received regarding the external recruitment market, in conjunction with guidance received from the East of England LGA and considering the council's job evaluation scheme, ensuring relativity between all Council posts covered by NJC terms and conditions.
- 6.5 **Pay model –** Can be found <u>here</u>
- 6.6 **Labour market information** Comparative East of England Local Authority pay information, Croner Reward Job Evaluation system, Croner Market Pay analysis for Public Services and Infinistats provides the source of comparative pay information when there is a requirement for a role to be reviewed for example when it is hard to fill or are in areas of skills shortages within the council and are reviewed annually. There are currently no Market supplements applying to Chief Officer or Deputy Chief Officer roles.

6.7 All other posts in the Council

- 6.8 All other officer posts are job evaluated using the Local Government Job Evaluation Scheme (LGJES) and graded within one of the pay Bands in the 14 grades pay model. No Council post is graded below Band 4, and the minimum pay for Band 4 is £26,409 plus £1,013 local weighting allowance, (see 8.1 below). Where appropriate posts attract a market supplement, and the market forces payments policy should be consulted for further information.
- 6.9 Market factor supplements apply to the following non-Chief Officer posts in the Council.
 - Building Control Officer (TUPE Shared Services)
 - Building Control Surveyor (TUPE Shared Services)
 - Compliance and Maintenance Manager
 - Economic Development Manager
 - Economic Development Officer
 - EPMO Lead
 - Head of Property
 - Infrastructure and IT Security Manager
 - Senior Infrastructure Engineer
 - Senior Projects Manager
 - Senior Regeneration Manager
 - Senior Transport and Infrastructure Projects Manager
 - Senior Surveyor
 - Traffic Regulation Order Manager

7.0 **INCREMENTS**

7.1 Posts receive annual time-based increments effective on 1 April until remuneration reaches the top of the grade.

- 7.2 On appointment, all posts will normally be remunerated at the lowest incremental spinal column point within the grade, (unless 4.8 applies above).
- 7.3 The Council will apply the annual cost of living percentage increment as negotiated by the NJC national agreement to the values of incremental spinal column points as appropriate. At the time of writing this statement the April 2025 pay award has yet to be agreed.

8.0 **ADDITIONAL PAYMENTS**

- 8.1 Local Weighting (LW) is the inner fringe London Weighting Allowance and is negotiated as part of the national framework. LW is an additional payment that is made to officers in the Council, and the rate is negotiated nationally by NJC.
- The Head of Paid Service receives additional payment for duties as Clerk to the West Herts Crematorium Joint Committee, and fees for Returning Officer duties during elections as and when appropriate.

9.0 LOCAL GOVERNMENT PENSION SCHEME (LGPS)

- 9.1 All officers are eligible to join and contribute to the Local Government Pension Scheme. Officer contribution rates are a percentage of their earnings. Levels of contribution are stated by the scheme and are based on the whole-time equivalent value of all contractual pay excluding any travel allowance payments. The employer's contribution to the scheme is 19.1%.
- 9.2 The table below provides the proposed Member contribution table for 2025/26.

Pay Bands	Contribution Rates
Up to £17,800	5.5%
£17,801 - £28,000	5.8%
£28,001 - £45,600	6.5%
£45,601 - £57,700	6.8%
£57,701 - £81,000	8.5%
£81,001 - £114,800	9.9%
£114,801 - £135,300	10.5%
£135,301 to £203,000	11.4%
Over £203,000	12.5%

- 9.3 The normal retirement age for the LGPS is State Pension Age, or age 65 (whichever is the higher).
- 9.4 With the exception of early retirement for the reason of permanent ill health (to which no age restrictions apply), the earliest age an officer can retire and receive pension benefits is 55.
- 9.5 Early retirement may be granted in the following circumstances:

Early termination of employment for the reason of redundancy On ill health grounds On compassionate grounds Efficiency of the service Request to go.

9.6 The Council's Redundancy, early retirement and early termination compensation, pension discretions policy should be consulted as appropriate for further information.

10.0 **REDUNDANCY**

- 10.1 In the event of redundancy, i.e. where a post to be vacated would not be replaced, the Council pays a discretionary redundancy payment by applying a 2.2 multiplier to each week's redundancy pay, thus providing up to a maximum of 66 weeks' pay based on contractual pay.
- 10.2 Officers aged 55 and above will retire in this circumstance and have access to their accrued pension benefit.
- 10.3 The Council does not augment additional pension membership; however, the Officer may elect to purchase additional LGPS pension membership with the discretionary payment. Full details are specified in the Council's Redundancy policy, and this should be accessed for full details.

11.0 EARLY RETIREMENT FOR THE REASON OF ILL HEALTH

11.1 To qualify an officer must be confirmed by the Council's Medical Adviser as being permanently unable of discharging the duties of their employment because of ill health or infirmity and have a reduced likelihood of obtaining gainful employment before reaching normal pension age.

12.0 EARLY RETIREMENT ON COMPASSIONATE GROUNDS

12.1 To qualify an officer would have to have a compelling hardship or difficulty that would most usually be due to caring responsibilities.

13.0 SEVERANCE – EARLY TERMINATION OF EMPLOYMENT IN THE INTEREST OF EFFICIENCY TO THE SERVICE.

- 13.1 There may be situations that are initiated by management to facilitate organisational change where a post to be vacated would be replaced. The Early Retirement and Early Termination Compensation policy applies and should be consulted.
- 13.2 Where appropriate, the Council will make a discretionary severance/ compensation payment by applying a 2.2 multiplier to each week's severance pay, thus providing up to a maximum of 66 weeks' pay based on contractual pay.
- 13.3 Officers aged 55 and above will retire in this circumstance and have access to their accrued pension benefit.
- 13.4 The Council does not augment additional pension membership; however, the Officer may elect to purchase additional LGPS pension membership with the discretionary payment. Full details are specified in the Council's redundancy policy, and this should be accessed for full details.

14.0 EARLY PAYMENT OF PENSION BENEFITS ON REQUEST TO LEAVE (ASK TO GO)

14.1 Criteria

Initiated by the employee who must be aged 55 or above. Employee submits a written request to the Executive Director/Executive Head of Service stating grounds and case for consideration and first approval The Executive Director/Director/Executive Head of Service and Executive Head of Human Resources and Organisation Development will then submit a report for approval by the Chief Executive.

The rationale for agreement will include improvement in organisational efficiency e.g. needs of job, new skills required, need to work in different ways, improved productivity.

An assessment of the strain on the pension fund in relation to the benefit obtained by the Council will be conducted. The strain cost would normally need to be recovered within 2 years of the retirement. The post will be replaced.

14.2 Benefits

Under 55

• Not available

Over 55

- Actuarially reduced accrued pension benefits
- No added years are awarded by the Council.

Employees can elect to retire and receive pension benefits from age 55, but there are no added years awarded and accrued pension benefits are actuarially reduced.

The Early Retirement and Early Termination Compensation policy applies and should be consulted.

15.0 FLEXIBLE RETIREMENT

- This is subject to agreement by the Council, providing an option for an officer to continue in employment post Local Government Pension Scheme retirement age and to take some or all of their Local Government Pension that is due to them whilst continuing to work on reduced hours or reduced pay. The benefit for the Council is the ability to retain skills, knowledge, and experience.
- 15.2 An abatement of pension may apply if the pay for the new post plus the LGPS pension they receive exceeds the value of the salary for the post from which they retired. Local Pensions Partnership Administration (LPPA) should be consulted for advice.

The Early Retirement and Early Termination Compensation policy and flexible retirement policy applies and should be consulted.

16.0 RE-EMPLOYMENT POST SEVERANCE OR REDUNDANCY

- 16.1 The re-employment of officers who were granted early retirement, are receiving their Local Government pension, or have received a severance/ compensation payment, or a redundancy payment is discouraged. The following criteria should be considered. Refer to the Council's policy for early retirement/ early termination compensation for further information.
 - What is the nature of the work to be undertaken?
 - How similar is the work to that formally undertaken by the individual?
 - Is it work that the individual could have been redeployed to?
 - The work should be a specific project or task where the skills/ knowledge set required is unique to that individual.
 - The work should be such that it could not be undertaken by anyone else currently employed in the Council.

17.0 OFFICERS WHO HAVE RETIRED AND ARE IN RECEIPT OF PENSION

- 17.1 If an officer is in receipt of their Local Government Pension and returns to work for the Council an abatement of their pension may apply if the pay for the new post plus the LGPS pension they receive exceeds the value of the salary for the post from which they retired. LPPA should be consulted for advice.
- 17.2 Flexible retirement subject to agreement by the Council provides an option for an officer to continue in employment post-retirement age and to take some or all their pension working on reduced hours or reduced pay. The flexible retirement policy should be accessed for full information.

18.0 PAY RELATIVITY AND LOWER PAID STAFF

- 18.1 The Council is committed to the principle of fairness when setting pay levels for all officers. All jobs below Chief Officer are job evaluated meaning each has an analytical score providing its relative value in the organisation and each job is linked to a defined pay model.
- 18.2 The Council defines its lowest paid staff as those whose posts are graded on the lowest grade in the pay model. Pay rates are based on whole time equivalent salaries.
- 18.3 Including apprenticeship posts, the mean average earnings in the Council are £46,110 giving a ratio with the highest paid officer of 1:3.95. The median earnings in the Council are £42,708 giving a ratio with the highest paid officer of 1:4.26. Including apprenticeships, the lowest earnings in the Council are £22,071, giving a ratio with the highest paid officer of 1:8.25. Excluding apprenticeship posts, the lowest earnings in the Council are £26,835 giving a ratio with the highest paid officer of 1:6.78.
- 18.4 The lowest pay band on the pay model (Band 1) is not in use by Watford Borough Council whose lowest remunerated post is within Band 4 paying £13.91 per hour excluding LW. This is significantly above the real living wage of £12.60 per hour for 2024/25.
- 18.5 Cost of living pay increases in the Council are awarded consistently in line with those negotiated nationally by NJC. An analysis of pay awards for the previous 5 years is provided at Appendix 1.

Appendix 1

Summary of JNC/ NJC national pay awards previous 5 years

- 2021 1.75% pay award.
- 2022 £1,925 per annum across all pay points
- 2023 £1,925 per annum across points 2 to 43. 3.88% increase for salaries above point 43. 3.5% pay award to Chief Officers and Chief Executive Officer.
- 2024 £1,290 per annum across points 2 to 43. 2.5% increase for salaries above point 43. 2.5% pay award to Chief Officers and Chief Executive Officer.
- 2025 3.2% pay award

Current Real Living wage rate

Real Living wage £12.60 for 2024/25.

^{*} Note that there are no posts in the Council that are currently remunerated below spinal column point 13 – (£14.60 per hour excluding Local Weighting) which is significantly above the Real Living Wage threshold of £12.60 per hour for 2024/25.