

Pay Award 2025/26

Meeting: **Employment Committee**

Date Of Meeting: 19 February 2025

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Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

1.0 Purpose of Report

1.1 To consider the Councils position on pay and progression for employees from 1 April 2025 for employees on grade W1 – W9.

2.0 Recommendations

2.1 The Employment Committee is requested to:

RECOMMEND TO COUNCIL THAT

- i. **the Real Living Wage is implemented from 1 April 2025;**
- ii. **Pay progression for employees who meet the set criteria is implemented from 1 April 2025; and**
- iii. **the pay award for 2025/26 is deferred until National Joint Council (NJC) for local government proposed uplift is published.**

Reason for Decision

2.2 To provide clarity for employees on pay and progression for 1 April 2025 for employees on grade W1 – W9.

3.0 Proposal and Outcome

3.1 To honour the Councils commitment to pay the real Living Wage to the lowest paid employees from 1 April 2025.

3.2 To agree that employees who have successfully met the agreed performance criteria and this has been confirmed through the Performance Review process will move one incremental pay point unless at the top of the grade.

3.3 To agree that the inflationary element of the pay award for 2025/26 be deferred until National Joint Council (NJC) for local government proposed uplift is published.

3.4 A separate report will be brought before the Committee to agree the pay position for employees on grades W10 – W12, i.e. Chief Officers, once the National position for senior officers is known.

4.0 Background

4.1 The Living Wage Foundation are an organisation at the heart of the independent movement of businesses and people that campaign for fair pay. Each year they publish the real Living Wage which will cover the basic cost of living. The Council has paid our lowest paid employees the real Living Wage for a number of years.

4.2 The Living Wage rate for 2024-25 was announced on the 23rd October and is £12.60. This equates to a salary of £24,309 per annum. Employers have 6 months to implement this, by May 1st 2025.

4.3 To implement the real Living Wage from 1 April 2025 the first grade on the pay scale would need to be re-modelled as illustrated below:

Current grade W1

Grade and zone	Annual salary	Hourly rate	Number of employees
W1 zone 1	£23,151	£12	24
W1 zone 2	£23,469	£12.16	0
W1 zone 2	£23,912	£12.39	1
W1 zone 3	£24,355	£12.62	2
W1 zone 3	£24,798	£12.85	6

Revised grade W1

Grade and zone	Annual salary	Hourly rate	Number of employees
W1 zone 1	£24,309	£12.60	24

W1 zone 2	£24,355	£12.62	1
W1 zone 3	£24,798	£12.85	8

- 4.4 Once the NJC inflationary uplift is agreed and implemented then W1, zones 2 and 3 will increase accordingly.
- 4.5 The cost of implementing the real Living Wage from 1 April 2025 is £11,313 which represents an average increase of £458 per employee.
- 4.6 Managers and employees are currently undertaking the Performance Development reviews. As described previously incremental pay progression through a grade will be dependent on:
- ✓ A PDR discussion has been completed.
 - ✓ Performance during the previous year was 'satisfactory'.
 - ✓ All mandatory training has been completed.
- 4.7 If any one of these elements is not evident then an incremental pay progression will not be awarded.
- 4.8 Should all eligible employees move through their grade by one increment point, the cost to the Council would be approximately £181,000.
- 4.9 Woking is not part of the national consultation process and the Council's pay scales are not on the National Joint Council (NJC) scales. Instead, Woking consults locally with our Trade Union representatives and in previous years have applied local agreements.
- 4.10 The Council has made a commitment to align with the National Employers formal collective agreement pay award for local government service employees from April 2025. The National Employers are currently surveying all Local Authorities in England to understand and seek their views on pay and the pay award. They will meet late March to consider this feedback and then adjourn for a few weeks for private political discussions. They will reconvene in April / May to discuss a response to the pay claim.
- 4.11 UNISON, GMB and Unite have agreed a headline claim of an increase of £3,000 on all pay points, along with claims for a plan to reach a minimum pay rate of £15 an hour.
- 4.12 To enable the alignment with the National Employers pay award the Council will need to defer a decision on a pay award until an offer is made. This is likely to be May/June 2025.
- 4.13 Confirmation of the offer will be brought before the Employment Committee for further discussion.
- 4.14 The Council will need to communicate this deferment to UNISON and the workforce

5.0 Options Considered

- 5.1 Employees did not receive a pay award in 2024 and therefore management have considered the option of awarding an inflationary pay increase from 1 April pending confirmation of an offer from National Employers. This option has not been proposed as there is no clear rationale for an award and may be overinflated.

6.0 Decision Type/Scope

- 6.1 There is a financial impact to the salary budget of the Council to increase the lowest point of grade W1 in line with the real Living Wage and progress employees through their pay grade. This impact has been accounted for within the latest iteration of the MTFS.

7.0 Implications

Legal

- 7.1 There are no legal implications in respect of this proposals set out in the report.

Resources (including finance)

- 7.2 The current MTFS includes a provision for a pay uplift, pay progression and implementing the real Living Wage.

Risks and Mitigation

- 7.3 For the Council not to apply an increase to pay in April will have an impact on staff morale, retention and recruiting and ultimately performance and service delivery. Deferring the inflationary increase in April would be mitigated by applying the incremental progression element of the pay award.

Consultation, Equality Impact Assessments

- 7.4 The pay award and incremental progression will impact all employees equally and therefore a separate impact assessment is not required. The Corporate Leadership Team have been consulted. Consultation with UNISON will be required.

Environment and Climate Change

- 7.5 None.

Report Ends