



London Borough of Hounslow

Report for: ACTION

| | |
|--|----------|
| Contains Confidential or Exempt Information | N |
|--|----------|

| | |
|---|---|
| Report Title | Pay Policy Statement 2026/27 |
| Member Reporting | Leader of the Council and Portfolio holder for Strategy, Resources and External Affairs |
| Contact Details | Steven Walker-Whitehead Director of People, Equality and Organisational Development 0208 583 3839 Steven.Walker-Whitehead@hounslow.gov.uk |
| For Consideration By | Borough Council |
| Date to be Considered | 03 March 2026 |
| Deadline for call-in | Not subject to call in, Full Council decision |
| Implementation Date (if not called in) | 01 April 2026 |
| Affected Wards | None |

1. Details of Recommendations

Council is asked to

- 1.1. This report seeks Council approval to adopt the Pay Policy Statement for 2026/2027 in accordance with the Localism Act 2011 and the Local Government Transparency Code 2015.
- 1.2. Council is asked to note the Pay Gap Report set out at Appendix B.

2. Report Summary

- 2.1. Pay Policy Statement at Appendix A.
- 2.2. Pay Gap Report set out at Appendix B.
- 2.3. If adopted, there are no notable financial implications for the Council that will not be managed within existing resources.

3. Background and links to Corporate Priorities

- 3.1. Following the 'Hutton Review of Fair Pay in the Public Sector' (March 2011) and the government's desire to achieve greater transparency in public sector pay, the government has sought to ensure that certain key principles are addressed by way of a Pay Policy Statement. The objective of both is to ensure that there is greater transparency regarding the remuneration of the highest and lowest paid employees.
- 3.2. Our Pay Policy Statement links to our ambition to be a Thriving Hounslow - A strong local economy, offering good work to well-educated, skilled local workers. As regards our values, our Pay Policy Statement ensures that we Lead with Heart and can Be a Rock for our staff, ensuring our colleagues receive a fair day's pay for a hard day's work.

4. Proposal and Rationale

- 4.1. Approval and publication of the Pay Policy Statement satisfy the Council's legal obligations under the Act.
- 4.2. In line with the statutory requirement, our Pay Policy Statement (attached at Appendix A) covers our policy on the remuneration of our Chief Officers, the remuneration of our lowest paid employees and the relationship between the remuneration of Chief Officers and the remuneration of our other employees. The statement sets out:
 - the definition of 'lowest-paid employees' and our rationale for that definition.
 - our policies in relation to Chief Officers, in the following respects:
 - level and elements of remuneration,
 - remuneration on recruitment,

- increases and additions to remuneration,
 - use of performance-related pay and bonuses,
 - the approach to the payment of Chief Officers on their ceasing to hold office or be employed by the authority,
 - the publication of and access to information relating to remuneration of Chief Officers; and
 - other applicable terms and conditions
- 4.3. The Localism Act 2011 ('the Act') does not apply to staff of local authority-maintained schools, and so those employed in schools, under the control of governing bodies, are not covered by our Pay Policy Statement.

Publication of information relating to remuneration of Chief Officers

- 4.4. The Council publishes data in accordance with the principles set out in the 'Code of Recommended Practice for Local Authorities on Data Transparency' as amended by the Local Government Transparency Code 2015. Our data is accessible on the Open Data website.

Pay Gaps

- 4.5. The pay gaps are calculated using the guidance published by the Government Equalities Office.
- 4.6. On 31 March 2025, the date for statutory reporting, our median Gender Pay Gap was 3.7% (compared to 3.9% on 31 March 2024) and our mean average Gender Pay Gap was 5.2% (compared to 6.2% on 31 March 2024).
- 4.7. In addition to the Gender Pay Gap reporting we have produced the Ethnicity and Disability Pay Gaps. On 31 March 2025 our median Ethnicity Pay Gap was 3.7% (compared to 3.9% on 31 March 2024) and our mean average Ethnicity Pay Gap was 9.6% (compared to 8.6% on 31 March 2024).
- 4.8. On 31 March 2025 our median Disability Pay Gap was -2.1% (compared to -2.9% on 31 March 2024) and our mean average Disability Pay Gap was -4.4% (compared to -9.1% on 31 March 2024). This means that the average hourly rate of pay of our disabled employees is higher than that of our non-disabled employees'.
- 4.9. The Pay Gap Report at Appendix B sets out the detail of our statutory submission along with an update on our equality action plan.

5. Risk

- 5.1. There are no identified risks arising from this report.

6. Financial Implications

- 6.1. There are no financial implications arising from this report.

7. Legal Implications

- 7.1. Under Section 112 of the Local Government Act 1972 the Council has ‘the power to appoint officers on such reasonable terms and conditions as the Authority thinks fit’. This Pay Policy Statement outlines the Council’s approach to its pay policy in accordance with the requirements of 38(1) of the Localism Act 2011 which requires Local Authorities to produce and publish a Pay Policy Statement from 2012/2013 and for each financial year after that, detailing:
- a) The Authority’s policies towards all aspects and elements of the remuneration of Chief Officers;
 - b) Their approach to the publication of and access to information relating to all aspects of the remuneration of Chief Officers;
 - c) The Authority’s policies towards the remuneration of its lowest paid employees (including the definition adopted and reasons for it);
 - d) The relationship between the remuneration of its Chief Officers and other employees.
- 7.2. Section 38 of the Localism Act 2011 requires Authorities to produce and publish a Pay Policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office), and detail pertaining to the ‘lowest paid’ in the Authority. It also requires an explanation of the policy regarding the relationship between remuneration for Chief Officers and other groups.
- 7.3. Section 39 of the Act requires that the Council’s pay policy statement be approved by a resolution of the Council before the end of the 31 March immediately preceding the financial year to which it relates. As soon as is reasonably practicable after approving a pay policy statement, the Council must publish the statement in such manner as it thinks fit, which must include publication on the Council’s website.
- 7.4. Section 40 of the Act includes provision for the Secretary of State to issue guidance which the Council must have regard to, when preparing its pay policy statement for each financial year. The Secretary of State has issued guidance entitled ‘Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act 2011’. This guidance states that a meeting of the Full Council should be given the opportunity to vote on severance payments in excess of £100,000.
- 7.5. Further guidance was issued in 2022 which introduced the concept of Special Severance Payments which in summary are those payments made on termination of a person’s employment which go beyond those to which the recipient is contractually entitled, for instance to avoid legal proceedings being brought against the Council. The Guidance indicates that councils need to be clear about the rationale for any such payments and also suggests that where the value of those payments exceeds £100,000 the decision should be taken by full Council.

- 7.6. Both sets of guidance are statutory and therefore the presumption is that they will be followed unless there are cogent reasons to depart from them. It would be prudent to reflect this presumption in the pay policy while allowing for the possibility of departing from it in exceptional cases, having taken legal advice and recording the reason for any decisions.

8. Communities, Equalities and Health Implications

- 8.1. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require all organisations with 250 or more employees to report and publish information on their gender pay gap. This includes the mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile. The Council must use a snapshot date of 31 March each year.
- 8.2. The Council must report its gender pay gap information via the Government's Gender Pay Gap Service by 30 March annually.
- 8.3. The Council must publish its gender pay gap information on the Council's website by 30 March annually and the information must remain published for a period of at least 3 years.

9. Climate Emergency Implications

- 9.1. N/A

10. Other Implications

- 10.1. None

11. Value for Money Assessment

- 11.1. There is no value for money implications arising from this report.

12. Implementation Plan

- 12.1. The Pay Policy Statement will be:

- Approved formally at Borough Council by 31 March every year,
- Published on the Council's web site and in any other way the Council considers appropriate.
- Complied with, when the authority sets the terms and conditions for a Chief Officer.
- Complied with, when the authority considers the payments made to Chief Officers who cease to be employed.
- The statement can be amended in year, providing it is approved by Borough Council.

13. Comments of the Chief Financial Officer

- 13.1. This report has no direct financial implications. The Council's budgets include provision for salary costs. Its Pay Policy must be implemented within these approved budgets and fulfils a statutory duty as outlined elsewhere in this report.

14. Comments of the Monitoring Officer

- 14.1. Section 40 of the Localism Act 2011 requires every local authority to prepare and publish an annual pay policy statement before 31 March each year.
- 14.2. Article 4 of the Council's Constitution reserves specific functions to Full Council, including the adoption of Pay Policy Statement.

15. Appendices

- 15.1. Appendix A - The Pay Policy Statement
- 15.2. Appendix B - Pay Gap Report

16. Background Information

- 16.1. *'Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act 2011'*, Department [for Communities and Local Government, February 2012.](#)
- 16.2. *'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 – Supplementary Guidance'*, [Department for Communities and Local Government, February 2013.](#)

REPORT ENDS

PAY POLICY STATEMENT 2026/27

HOUNSLOW COUNCIL

1 Introduction

- 1.1 In accordance with the requirements of the Localism Act 2011, this Pay Policy Statement sets out the Council's policy on the payment of its Chief Officers and lowest paid employees. All decisions on pay and reward will comply with this statement. It is agreed by Borough Council every year and can be amended during the financial year, providing any changes are approved by Borough Council.
- 1.2 Our aim is to develop a flourishing workforce where our people connect, feel they belong and can grow so that we can deliver outstanding services to our residents. We wish to be an employer of choice, and we want our community to be served by people who live our values. We will always be prudent with our employment costs ensuring they reflect budgetary and efficiency needs.
- 1.3 We are committed to ensuring fair and appropriate levels of pay and remuneration for all our employees. The Council's pay multiple of highest to lowest paid is 8.5. Our median pay multiple (median salary compared to the highest earner) is 5.2. We believe this to be appropriate for the size and complexity of our organisation and it compares favourably with the pay multiple in the private and public sectors. We are in line with our neighbouring boroughs (Hillingdon, Ealing, Richmond, Hammersmith & Fulham and Spelthorne) where we see an average median pay multiple of 5.2.
- 1.4 We are committed to reducing inequality and to leading by example. Our median Gender Pay Gap is currently 3.7%; our median Ethnicity Pay Gap is 3.7% and our median Disability Pay Gap is -4.4% (a positive gap). The Pay Gap Report (Appendix B) sets out the detail of our statutory submission along with an update on our equality action plan.
- 1.5 The Pay Policy Statement is an evolving document that will continue to be developed and be responsive to the emerging position regarding senior remuneration. We adopt a strategic approach to pay and reward to ensure we can recruit and retain appropriate staff and drive service improvement. We acknowledge the role that the Trade Unions play in working with us to build a strong employee relations climate and we are committed to working in partnership with them.
- 1.6 Future pay policy recommendations will continue to be underpinned by the principles of public sector delivery and a commitment to equality and fairness.

Scope

- 1.7 Staff employed in schools, under the control of governing bodies, are not covered by this Pay Policy Statement.

2 Remuneration of Chief Officers

Level and elements of remuneration for Chief Officers

- 2.1 Chief Officer posts are evaluated using the 'Hay Scheme'. This is a systematic process for ranking jobs logically and fairly by comparing job against job or against a pre-determined scale to determine the relative importance of jobs to an organisation.
- 2.2 All Chief Officer posts are paid in accordance with the [Chief Officer Salary Scale](#).
- 2.3 Any changes to Chief Officer pay are delegated to the Chief Executive, as Head of Paid Service, in consultation with the Leader of the Council.

Remuneration on recruitment

- 2.4 On recruitment, a Chief Officer will be paid in accordance with the Council's approved [Chief Officer Salary Scale](#). Because all appointments to Chief Officer posts, including those at a salary of over £100,000, will be appointments within a pay band and structure where the principles of reward and remuneration have previously been agreed by Borough Council, remuneration for new appointments will not be subject to Borough Council consideration.
- 2.5 The authority's most senior posts are on the Council's payroll unless there are exceptional, temporary circumstances which mean that a different approach is required. Where this arises, approval will be in line with the Council's established mechanisms for the authorisation of 'off-payroll' workers.

Increases and additions to remuneration

- 3.6 Chief Officers' terms and conditions of employment are in accordance with the Scheme of Conditions of Service for the Joint Negotiating Committee (JNC) for Local Authorities' Chief Officers. Any pay awards agreed under this collective agreement will be applied to Chief Officers' pay.

Use of performance related pay and bonuses,

- 3.7 Chief Officer pay progression is dependent on performance.
- 3.8 We do not pay bonuses.

The approach to the payment of Chief Officers on their ceasing to hold office or be employed by the authority

- 3.9 A Chief Officer who ceases employment with the Council may be entitled to a severance payment if they are being dismissed either on grounds of redundancy or on grounds of efficiency of the service. The procedure and payments applicable in these circumstances are governed by the Council's [Redundancy Policy](#).

- 3.10 Borough Council will be given the opportunity to vote / register an objection to any severance package over £100,000 (save where the contents of the package are strictly limited to amounts to which the employee has a contractual entitlement and/or any or all payments are in line with agreed Council policies) prior to any final, written offer being made to staff.
- 3.11 Severance packages include, and must provide a breakdown of, salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid as part of the package.
- 3.12 This ensures there is proper accountability where large severance packages are offered and that the termination process can continue in as efficient a manner as possible.

Special Severance Payments

- 3.13 The Government has published Guidance on the Making of Special Severance Payments by local authorities in England. Broadly speaking, these are payments made on termination of a contract of employment which exceed the amount to which the individual concerned would normally be contractually entitled at the end of their employment. Where it is proposed to make any payment which, in light of that guidance would amount to any special severance payment (SSP) such payments shall be approved as follows:
- 3.13.1 For amounts under £20,000 the payment shall be authorised by the employing executive director.
- 3.13.2 For amounts above £20,000 up to and including £100,000, the payment may be authorised by the Chief Executive, in consultation with the Leader, and the Chief Officer Employment Panel shall also have authority to agree such payments should the Chief Executive consider, the decision should be referred to that panel.
- 3.13.3 In relation to the Chief Executive, for amounts up to and including £100,000 the Chief Officer Employment Panel shall have authority to agree such payments and consideration shall also be given to the requirement in the SSP Guidance to involving an independent panel of at least two people. Where it is decided not to involve such a panel, the reasons for this decision shall be recorded in writing. Appropriate advice will be sought on the establishment of this panel, should the situation arise.
- 3.13.4 For all officers, where the proposed payments exceed £100,000, the payment shall be approved by Borough Council before being agreed, unless, in exceptional circumstances, there are cogent reasons for departing from the SSP and Transparency Guidance, in which case, those reasons shall be recorded in writing and the decision may then be taken by the Chief Officer Employment Panel.

- 3.14 The Council's [Pensions Discretion Policy](#) sets out the discretions which can be exercised in the case of Chief Officers (and all other employees). The procedure for approving the application of any pension discretion is contained within this policy.
- 3.15 In the unlikely event that a previous Chief Officer, who had left the authority with a severance or redundancy package, were considered suitable to be re-employed or to provide a contract for services, the following safeguards are in place:
- (i) The full and proper recruitment and selection processes, as laid out in the Council's [Recruitment Policy](#), will always be applied where the proposal is to re-employ;
 - (ii) Any arrangements and decisions made will be in full compliance with the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 and any associated amendments.
 - (iii) An employee who wished to claim their pension whilst working would need to make an application under the Council's [Retirement Policy](#).

The publication of and access to information relating to remuneration of Chief Officers

- 3.16 Information relating to the remuneration of Chief Officers is published on the [Open Data website](#).
- 3.17 More specifically, the following information can be accessed here:
- [Pay multiple](#)
 - [Senior posts](#)
 - [Senior salaries count](#)
 - [Trade union facility time](#)
 - [Organisation chart](#)

Terms and conditions applying to the authority's Chief Officers

- 3.18 Chief Officers' terms and conditions of employment are in accordance with the Scheme of Conditions of Service for the Joint Negotiating Committee (JNC) for Local Authorities' Chief Officers as supplemented by the Council's employment policies. The Chief Executive's terms and conditions are in accordance with the JNC for Local Authority Chief Executives' National Salary Framework and Conditions of Service Handbook as supplemented by the Council's employment policies. These may be amended from time to time by the Council and agreements made with the Chief Officers' or chief executives' representative body.
- 3.19 The Chief Executive is the Council's Returning Officer. The Returning Officer's fee is paid separately from and in addition to the Chief Executive's salary. The Returning Officer's fee is not set by the Council. Instead, the Council adopts the

Scale of Returning Officers' Fees and Expenses recommended by London Councils for the financial year.

- 3.20 Additional fees for Chief Officers, in respect of any local election duties they may perform, are paid separately from salary at levels that comply with the Scale of Counting Officers' Fees and Expenses recommended by London Councils for the financial year.
- 3.21 Chief Officers, who have elected to be members of the Local Government Pension Scheme, make contributions from their salary into the pension fund. The council makes an employer contribution to the pension fund of 19.1%.

4 Remuneration of the lowest paid employees

- 4.1 The posts of our lowest paid employees are evaluated using the Greater London Provincial Council Job Evaluation Scheme ('GLPC Scheme'). This is a systematic process, developed for use by London Boroughs, to determine grading arrangements based on fairness, transparency, and consistency.
- 4.2 The Council's lowest paid employees are paid in line with the national terms and conditions for Local Government Staff ('the Green Book'), subject to receiving at least the London Living Wage (LLW). At present the Council's lowest paid employees earn £14.80 per hour.
- 4.3 The Council is an accredited LLW employer, and all staff have been paid at least the LLW since 1 November 2011. We are committed to ensuring that our lowest paid staff receive a fair day's pay for a hard day's work. Should the LLW rate exceed our minimum rate of pay, we will pay the LLW. We expect any suppliers contracting with us to budget for this level of payment to their own employees.
- 4.4 To ensure that we Lead with Heart and can Be a Rock for our lowest paid employees, we will implement the London Living Wage from the 1st of the month following its announcement (usually this will be in November each year following the announcement in October). This enables our people to receive the increase at the earliest opportunity that is practicable for the council, allowing sufficient time for the necessary payroll administrative arrangements to be made.

5 Relationship between the remuneration of the Council's Chief Officers and other officers

- 1.1 The Council's pay policies, in relation to Chief Officers and other staff, differ in respect of incremental pay and allowances.

Incremental Pay

- 5.2 Pay progression for our Chief Officers and employees on Hounslow Management Grades (HMG) is dependent on performance.
- 5.3 For all other employees, pay progression is service based, in line with national joint council agreements. An increment can be withheld if the employee is

underperforming and being considered under the Council's Performance Improvement Policy.

- 5.4 The rationale for this different approach is a recognition that our residents are entitled to expect that higher earning employees are delivering the Council's objectives and are accountable to the community for the work they perform.

Allowances

- 5.5 Under the Council's [Allowances Policy](#), Chief Officers and employees on HMG grades are, ordinarily, not entitled to claim these allowances.
- 5.6 The rationale for this is that the salary at these levels is sufficient to compensate senior staff for any additional work which they may be required to undertake. However, the coronavirus pandemic demonstrated that unprecedented circumstances may necessitate a variation to this approach, to ensure that services can operate effectively for the benefit of our residents. This remains the case. The Head of Paid Service will determine when such policy variances need to be applied.
- 5.7 Any change to the scheme of allowances is delegated to the Chief Executive, as Head of Paid Service, to approve in consultation with the Leader of the Council.

End of Appendix A

