

## **Appendix 1**

### **Westminster City Council**

### **Pay Policy 2018- 2019**

#### **Introduction**

Westminster City Council's (the Council) Pay Policy is published in line with the Localism Act 2011, Section 38 (1) which requires all Local Authorities in England and Wales to publish their Pay Policy annually, at the start of each financial year.

The Council's Pay Policy is presented to full Council for approval on 7<sup>th</sup> March 2018. It brings together the Council's approach to pay and remuneration<sup>1</sup> which was approved by Cabinet on 27<sup>th</sup> August 2008 and is detailed in various Council policies. It is published on the Council's [website](#).

The Council seeks to be an Equal Opportunities employer and will heed all relevant employment legislation related to pay and remuneration. This includes but is not limited to the Equality Act (2010) and the Part-time Workers (Prevention of Less Favourable Treatment) Regulations (2000).

The Council publishes salaries of Chief Officers and senior staff earning over £63,297 (FTE) and above on the Council's [website](#) in line with Local Government Transparency Code 2015.

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, mandatory gender pay reporting will be required of all employers with over 250 employees from March 2018. The gender pay gap is a measure of the difference between men's and women's average earnings across the organisation. It is expressed as a % of men's earnings.

This gender pay gap data for Westminster City Council as at the 31<sup>st</sup> March 2017 will also be published on the Council's [website](#).

#### **Background**

The Council implemented a Broad Band pay structure in 2008, the purpose of which is to provide one simplified pay structure from the top to the bottom of the organisation. The pay structure focuses on rewarding added value and supporting business aims. It does not reward time served in post i.e. there is no guaranteed incremental progression. All progression is based on exceeding performance targets.

The Broad Band pay structure provides clarity and transparency on the levels within the organisation and applies to all staff employed by the Council with the exception of: schools support staff (except where the governing body has adopted the broad band structure), JNC Youth Workers, Public Health staff who TUPE transferred into the Council and Soulbury staff.

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#### Notes

<sup>1</sup> Excluding some employees in Schools, JNC Youth Workers, Public Health staff that TUPE transferred into the Council and Soulbury staff.

The Council recognises the need to recruit and retain staff in highly skilled or specialist work areas, where posts are hard to fill. It is accepted that our central London location and the occasional limited availability of quality personnel in certain professions means that in exceptional circumstances it is difficult to recruit to key posts on the salary for the grade of the post. Where there is a genuine requirement a Market Based Salary Supplement reflecting the difference between WCC salary and market pay rates is paid as a time bound and non - contractual addition to salary.

### **The Broad Band Pay Structure**

There is one Broad Band pay structure from the top to the bottom of the organisation. There are 7 Broad Bands with 7 pay steps in each band. Band 1 is the lowest and Band 7 is the highest. The band of a post is determined through job evaluation.

The pay levels in the Broad Bands are generally reviewed annually in line with the National Joint Council for Local Government Services (NJC) and the Greater London Provincial Council (GLPC).

### **Definition of Chief Officer**

The term “Chief Officer” for the purposes of this Pay Policy includes the following positions:

- The Chief Executive
- All Executive Management Team (EMT) Directors\*
- All Directors / Deputy Director, Heads of Services (Corporate Leadership Team)\*

\*all of whom meet the definition of either Statutory or Non-Statutory Chief Officers or Deputy Chief Officers as specified under Part 1, Section 2 (para's 6 -8) of the Local Government and Housing Act 1989, (LGHA) e.g.

“Non-Statutory Chief Officer” means,

(a) a person for whom the head of the authority's paid service is directly responsible;

(b) a person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to the head of the authority's paid service; and

(c) any person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority.

“Deputy Chief Officer” means, subject to the following provisions of this Section, a person who, as respects all or most of the duties of his/her post, is required to report directly to one or more of the statutory or non-statutory Chief Officers.

For the purposes of this Pay Policy only, managers below Corporate Leadership Team level, who as a result of changes in the structure, now report to a Chief Officer as defined above are not classified as Deputy Chief Officers.

## Pay accountability

### Salary packages on appointment which exceed £100,000

All posts, including those which exceed a salary package<sup>2</sup> of £100,000, are appointed within a pay band and structure where the principles of reward and remuneration have been previously agreed by full Council. Therefore any new appointments are not subject to full Council consideration.

### Redundancy payments which exceed £100,000

Employees are contractually entitled to be paid in line with the Council's Redundancy Compensation policy if they are made redundant. If a proposed redundancy payment exceeds more than £100,000 (excluding the capital cost of pension entitlement) and this is higher than the employee's contractual entitlement, the approval of full Council will be sought before an offer is made to the employee.

## Chief Officer Remuneration

### Chief Executive (Head of Paid Service)

The Chief Executive was paid a spot salary of £205,419 per annum (as at 31<sup>st</sup> March 2017). An additional 18% of this amount is held as deferred salary. This amount is not guaranteed and payment depends on performance. The Chief Executive was awarded a deferred salary payment of £32,867 in May 2017 for the period 1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2017. The Chief Executive undertakes the role of Returning Officer. A Returning Officer **may** recover their charges for services and expenses provided they were necessarily rendered or incurred for the efficient and effective conduct of the election and the total does not exceed the overall maximum recoverable amount specified by the Secretary of State in an order.

The Chief Executive package was reviewed by the appointments sub committee on 16<sup>th</sup> January 2018 and has been changed to bring it in to line with other senior officers whereby an additional 10% (rather than 18%) of the spot salary is held as deferred salary. This amount is not guaranteed and payment depends on performance.

### Posts which exceed a salary package of £100,000

- Directors (Executive Management Team) are paid at Band 7<sup>3</sup>. The basic salary range for Band 7 is £137,130 - £189,193.
- Deputy Directors / Heads of Services (Corporate Leadership Team which includes some members of the Executive Management Team) are paid at Band 6. The basic salary range for Band 6 is £96,957 - £133,910. These salary figures include 10% "deferred salary"

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#### Notes

<sup>2</sup> Including basic salary and professional fees, PHI and lease car contributions where applicable but excluding pension contributions in accordance with the Local Government Pension Scheme regulations.

<sup>3</sup> Broad Band salary figures in the document are as at 31<sup>st</sup> March 2017.

### **Deferred salary**

Directors and Deputy Directors/Heads of Service are only paid 90% of the basic salary figures listed above. 10% of the basic salary is deferred. Payment of the deferred salary up to 10% is not guaranteed and will depend on achievement of targets.

### **Benefits**

All Chief Officers are entitled to the following benefits:

- Private Health Insurance
- Reimbursement of the payment of one professional membership fee relevant to the proper performance of duties
- Up to £234 per month contribution to contract car hire (not available for any Chief Officer appointment made after 1<sup>st</sup> December 2011).

There is no cash alternative to the above benefits.

### **Additional Allowances**

All Chief Officers are expected to work such hours as are required for the efficient performance of their duties. There are no other additional elements of remuneration in respect of overtime or premium payments (e.g. bank holiday working, stand by arrangements etc).

There are no additional allowances in respect of the roles of:

Monitoring Officer

Section 151 Officer

### **General Remuneration Principles Applying to Remuneration of Chief Officers and Employees**

#### **Recruitment**

On recruitment individuals will be placed on the appropriate step salary within the evaluated grade for the job. In order to recruit high quality staff a relocation package may be offered where necessary and where this would be considered cost effective. When recruiting and appointing to a Chief Officer post, the starting salary offered must be within the target salary and cannot exceed this except in exceptional cases where the Executive Director or Chief Executive has authorised this. Where an interim is required to cover a Chief Officer role, a Temporary Agency Contractor may be engaged in line with the requirements of the Council's Procurement and Contracts Code, rather than the use of a Contract for Services.

#### **Broad Band Pay Progression**

There is no automatic time served incremental progression. All progression is based on exceeding performance and increased contribution. Any pay progression cannot exceed the maximum of the relevant band.

The Council does not apply performance related pay or bonuses.

## **Termination of Employment**

On termination of employment with the Council, the Council's policy applies to all Chief Officers. Individuals will only receive compensation:

- where appropriate and relevant (e.g. redundancy compensation)
- in line with the Council's Redundancy and Redundancy Compensation Policy
- which complies with the specific terms of a settlement agreement, which will take into account the Council's contractual and legal obligations, the need to manage an exit effectively, risks to the Council and the commercial business case.

## **Re-employment**

The decision to re-employ a previous employee, who has been made redundant by the Council (and on termination of employment received a redundancy compensation payment), will be made on merit.

The Council will not engage such an individual under a Contract for Services.

## **Remuneration of the Lowest Paid Employees**

The Council's definition of the lowest paid employee excludes staff based outside London. Employees on Band 1 Step 1 are defined as the Council's lowest paid employees. The full time equivalent annual basic salary of this Step in 2016-17 was £18,846. The Chief Executive's basic salary (as at 31<sup>st</sup> March 2017) was £205,419 which was 10.90 times the lowest salary.

## **London Living Wage**

The Council does not have a policy to pay the London Living Wage; though the Council's minimum full time equivalent hourly rate of pay to its employees as of 31<sup>st</sup> March 2017 was £10.04. This exceeded the recommended London Living Wage rate. (£9.75)

## **Pay Multiple**

The Local Government Transparency Code (2015), states that local authorities should publish their pay multiple. This is defined as the ratio between the highest paid salary and the median salary of the workforce. The Council's pay multiple (using total pay<sup>4</sup>) as at 31<sup>st</sup> March 2017 was 5.74 i.e. the Chief Executive, who had the highest total pay as at 31<sup>st</sup> March 2017 (£238,286) earned 5.74 times more than the Council's median full time equivalent total salary of £41,493.

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### Notes

<sup>4</sup> Total pay is the sum of full time equivalent basic salary plus actual amounts received for the reimbursement of professional fees, market based salary supplements, honorariums and shift allowances where claimed up to 31<sup>st</sup> March 2017. Pension contributions are excluded. Total pay for senior management and the Chief Executive also includes deferred salary for the performance year to 31<sup>st</sup> March 2017, where awarded, car lease contributions and the value of Private Health Insurance premiums where claimed. All payments have been made in line with Council policy and were pro-rated if applicable.

The Pay Policy for 2018-2019 will be amended in response to the Government's reforms to public sector exit payments (i.e. to cap exit payments at £95,000 and recover exit payments for employees earning £80,000 where they take another public sector role within a 12 month period) as soon as these come into force.