

Westminster City Council Pay Policy 2019- 2020

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 6th March 2019. It brings together the Council's approach to pay and remuneration¹ which was approved by Cabinet on 27th August 2008 and is detailed in various Council policies. It is published on the Council's [website](#).

We are committed to diversity and inclusion, celebrating and recognising the contribution of all our people in a fair and transparent way and we will comply with 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 £65,208 (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.

The gender pay gap data for Westminster City Council as at 31st March 2018 will 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

Notes

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

adopted the broad band structure), JNC Youth Workers, Public Health staff who TUPE transferred into the Council and Soulbury staff.

The Council recognises the need to attract, recruit and retain the best 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 Leadership Team (ELT) Directors*
- All Directors / Deputy Director, Heads of Services

*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 Deputy Director and Head of Service levels, 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 package² 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.

Severance 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 severance payment exceeds more than £100,000 (excluding the capital cost of pension entitlement) and this is higher than the employee's contractual entitlement, which includes accrued and untaken holiday, then 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 package was reviewed by the appointments sub committee on 16th January 2018 and was 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 was not guaranteed and payment depends on performance.

The Chief Executive was paid a spot salary of £185,000 per annum as at 31st March 2018. For the year 2017-18 the Chief Executive received a deferred payment of £16,887, which comprised of:

- £12,197 for his previous role as Executive Director of City Management and Communities
- £1,259 for his role as Acting Chief Executive
- £3,431 for his role as Chief Executive

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.

Notes

² 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.

Posts which exceed a salary package of £100,000

- Directors (Executive Leadership Team) are paid at Band 6 / 7³. The basic salary range for Band 6 is £99,885 - £137,955 and for Band 7 is £141,276 - £194,907.
- Deputy Directors / Heads of Services (Senior Leadership Team which includes some members of the Executive Leadership Team) are paid at Band 5 / 6. The basic salary range for Band 5 is £65,208 - £91,518. There is no deferred salary for Band 5.

These salary figures include 10% “deferred salary”.

Deferred salary

The council’s deferred pay scheme had previously applied for many years to posts at Band 6 and Band 7 and the Chief Executive whereby 90% of salary is paid each month. The remaining 10% of salary (deferred salary) was dependent upon individual assessment against a range of criteria measuring individual contribution to overall corporate goals. While payment of up to the 10% deferred salary was not guaranteed it had become the practice that the full value of deferred pay had been awarded in nearly all cases.

The value of deferred pay as a tool to drive performance has diminished as it is viewed as a means of simply sacrificing a proportion of reward that will be awarded at a later date, and where all staff are awarded the same level with no differentiation. Research by Incomes Data Services shows that only 16% of senior officers have performance related pay within local government. It appears to have lost favour in recent years as latest research suggests that rewarding people to work better does not increase performance, particularly for more complex work or roles involving creativity and collaboration. It suggests that if we pay our senior leaders adequately and fairly we enable people to concentrate on the work itself. Therefore to regularise the current practice, for 2019/20 and beyond the Council will fully consolidate the 10% deferred pay into the monthly salary of senior managers and the Chief Executive.

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 1st December 2011).

There is no cash alternative to the above benefits.

³ Broad Band salary figures in the document are as at 1st April 2018.

Rewarding your contribution

This scheme enables managers to acknowledge exceptional contribution with a one off reward that can be made at any time and, for best effect, as close to the event as possible.

All employees, including Chief Officers, can be awarded a Rewarding Your Contribution payment of anything up to 5% of the annual salary, paid in a lump sum. If any employee is awarded more than £1,500 in a 12-month period, the payment must be authorised by an ELT member.

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 performance and increased contribution. Any pay progression cannot exceed the maximum of the relevant band.

The Council does not apply performance related pay.

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 2017-18 was £19,311. The Chief Executive's basic salary (as at 31st March 2018) was £185,000, which was 9.6 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 (excluding apprentices) as of 31st March 2018 was £10.29. This exceeded the recommended London Living Wage rate. (£10.20)

Apprentices are paid at a level above the national living wage for their age.

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 pay⁴) as at 31st March 2018 was 4.7 i.e. the Chief Executive, who had the highest total pay as at 31st March 2018 (£189,690) earned 4.7 times more than the Council's median full time equivalent total salary of £38,007. The median FTE total salary has increased by 1% from last year.

Notes

⁴ 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 31st March 2018. Pension contributions are excluded. Total pay for senior management and the Chief Executive also includes deferred salary for the performance year to 31st March 2018, where awarded, car lease contributions and the value of Private Health Insurance premiums where taken. All payments have been made in line with Council policy and were pro-rated if applicable.

The Pay Policy for 2019-2020 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.