

# Westminster City Council Pay Policy 2023- 2024

## 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 8<sup>th</sup> March 2023. 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](#).

We are committed to diversity and inclusion, closing all pay gaps 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 £71,898 (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 is 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 and median earnings across the organisation. It is expressed as a % of men's earnings.

The gender pay gap data for Westminster City Council as at 31<sup>st</sup> March 2022 shows a mean gender pay gap of 7% and a median gender pay gap of 10%. The Council also publishes detail of its ethnicity pay gaps, showing the difference between the Global Majority (GM) and White employees pay as a percentage of White employees' pay. For 2022 there is a mean ethnicity pay gap of 13% and a median ethnicity pay gap of 12%.

## 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 individual's performance, behaviour and contribution. In order to close the gender and ethnicity pay gaps, people leaders are expected to ensure

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### Notes

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

fairness and equality within their teams both in recruitment decisions and when awarding step ups. At a Council wide level decisions on pay are monitored and where appropriate amended by ELT to ensure alignment to our goal of closing our pay gaps.

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 and former City West Homes 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, an annually reviewed 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 their 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 their 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 their 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 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.

#### **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 was paid a spot salary of £221,352 per annum as at 31<sup>st</sup> March 2022.

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

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Notes

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

the election and the total does not exceed the overall maximum recoverable amount specified by the Secretary of State in an order.

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

- Executive Directors (Executive Leadership Team) are paid at Band 7<sup>3</sup> and Directors are paid at Band 6. The basic salary range for Band 6 is £108,873 - £149,469 and for Band 7 is £153,012 - £210,204.

Heads of Services are paid at Band 5. The basic salary range for Band 5 is £71,898 - £99,951.

### **Benefits**

All Chief Officers are currently entitled to the following benefits:

- Private Health Insurance (PHI).
- Reimbursement of the payment of one professional membership fee relevant to the proper performance of duties (available to all staff).

In addition, Chief Officers appointed before 30 November 2011 are eligible for up to £234 per month contribution to contract car hire (this scheme is not available for any Chief Officer appointment made after 1<sup>st</sup> December 2011).

There is no cash alternative to the above benefits.

### **Rewarding your contribution**

This scheme currently enables leaders 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.

Employees are eligible for one payment per year only.

All employees, including Chief Officers, can be awarded a Rewarding Your Contribution fixed payment of either £1,000 or £2,000, paid in a lump sum.

Amounts should not be linked to the individual's salary band or step. Therefore, it is expected that employees at all bands could be awarded either sum as appropriate in each individual case.

### **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

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<sup>3</sup> Broad Band salary figures in the document are as at 1<sup>st</sup> April 2022 unless otherwise stated.

- 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 whilst also considering Pay Gap impact. 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 should be in line with their skills, capability and impact on Pay Gaps. 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, behaviour and contribution. Any pay progression cannot exceed the maximum of the relevant band.

Impact on Pay Gaps must also be considered and reviewed quarterly.

### **Closing WCC's Gender and Ethnicity Pay Gaps**

In order to close the pay gaps, people leaders are expected to ensure fairness and equality within their teams both in recruitment decisions and when awarding step ups.

At a Council wide level decisions on pay are monitored and where appropriate amended by ELT to ensure alignment to our goal of closing our pay gaps.

### **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.

## Redundancy Compensation

### Statutory Redundancy Pay (SRP)

Statutory redundancy entitlement is payable if an employee has 2 years' service with an employer. It is calculated as follows:

For each complete year of service (subject to a 20-year maximum) depending on age:

- Service accrued up to age 21: a half week's pay
- Service accrued between age 22 to 40: one week's pay
- Service accrued at age 41 and over: one and a half week's pay

There is a cap on the maximum week's pay used and the current amount can be found [here](#).

### Initial Compensation Payment (ICP)

ICP is the discretionary redundancy compensation payment the Council makes to employees whose employment is terminated due to redundancy or in the efficiencies of the service who have at least 2 year's continuous service with the Council on their last day of service. It includes and is usually more than SRP. ICP will only be paid to an employee if they do not exercise their entitlement, if over 55, to have a payment made into their pension fund for the waiving of reductions.

ICP will be payable subject to statutory limits of 66 weeks' pay maximum and based on no more than annual equivalent pay of £80,000 and will always be equal to or more than the SRP.

ICP is calculated as follows:

- (A) completed years of continuous local government service
  - (B) week's pay (actual but excluding overtime and honorariums)
  - (C) multiplying factor of 1.5
- $$(A) \times (B) \times (C) = \text{ICP}$$

The statutory maximum week's pay (which can be found [here](#)), is used where this is higher than actual weekly pay for full time staff (it is pro rata for part time staff).

### 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 2021-22 was £23,004. The Chief Executive's total pay (as at 31<sup>st</sup> March 2022) was £221,352, which was 9.6 times the lowest salary.

## London Living Wage

In October 2022 the London Living Wage increased to £11.95. The Council's minimum full time equivalent hourly rate of pay to its employees (excluding apprentices) as of 1<sup>st</sup> April 2022 was £13,51, which exceeds the current LLW.

All London based apprentices are now paid above the London Living Wage, whilst those based outside London are paid in line with the National Apprentice Wage appropriate 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 pay<sup>4</sup>) as at 31<sup>st</sup> March 2022 was 5.35 i.e. the Chief Executive at 31<sup>st</sup> March 2022 (£221,352) earned 5.35 times more than the Council's median full time equivalent total salary of £41,346.

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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 2022. Pension contributions are excluded. Total pay for senior management and the Chief Executive also includes 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 2023-2024 reflects the statutory guidance issued by the DHLUC and will be amended in response to any further Government reforms to public sector exit payments as soon as these come into force.