

WORCESTER CITY COUNCIL PAY POLICY STATEMENT 2024/2025

1. Introduction and Purpose

- 1.1 The purpose of this policy is to clarify Worcester City Council's strategic approach to pay in order to provide direction to elected members and officers making detailed decisions on pay and to provide the citizens of Worcester with a clear statement of the principles underpinning relevant decisions on the use of public funds.
- 1.2 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 (the "statement") sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.
- 1.3 The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying:
 - the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. chief officers, as defined by the relevant legislation;
 - the Committee(s) that are responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.
- 1.4 Once approved by a meeting of the full Council, this policy statement will come into immediate effect and will be published on the Council's website. It will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

2. Legislative Framework

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment and local government legislation.
- 2.2 This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.3 With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality-proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

- 2.4 The Council reviewed its job evaluation processes and re-evaluated all roles with a new grading structure in 2017, adopting a set of generic role profiles underpinned by job evaluation scoring. An equalities impact assessment was undertaken on the pay structure before it was implemented. During 2022/3 the Council undertook a benchmarking exercise with consultancy support from West Midlands Employers to ensure that the generic role profiles remained fit for purpose and were being applied fairly. The exercise demonstrated the integrity of the existing grading structure. Changes were made to the process for hiring into new roles and reviewing regrading proposals, to ensure that job evaluation methodology remains an integral part of the process throughout.

3. Pay Structure

- 3.1 The Council's pay scales are published on the Council's web site.
- 3.2 Since December 2022 by agreement with Members and Unions, the Council's pay and grading structure has realigned with the national pay spine. In addition, from 1.12.22, the lowest spinal column point is set at scp5 for all employees and casual workers and a new scp7 is included in BS1/OPS1 grade. These changes were designed to raise the salary of the lowest paid employees in the organisation.
- 3.3 The Council remains supportive of the existing arrangements for national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated within the pay spine.
- 3.4 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining and/or as determined by Council policy.
- 3.5 In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and times at which those services are required.
- 3.6 New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. The Council has reviewed its policies on recruitment and on the use of market forces supplements to ensure that recruitment salary decisions are made consistently across the organisation and can be objectively justified by reference to clear and transparent evidence of relevant market comparators.

- 3.7 The Council does not operate any bonus schemes or performance related pay.
- 3.8 Employees of the Council, in common with members of the public, are eligible to apply to work on the administration of local elections, which provides separate remuneration under a contract with the statutory appointed Returning Officer.

4. Senior Management Remuneration

- 4.1 For the purposes of this statement, senior management means "chief officers" as defined within S43 of the Localism Act.
- 4.2 The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st January 2024:

a) Managing Director

The current salary of the post is £124,336. The salary is at the top of a range of 3 incremental points between £120,938, rising to a maximum of £124,336.

b) Corporate Directors

The salaries of the 3 posts designated as Corporate Director are paid based on the following scale:

Corporate Director Level 1 – £87,805

Corporate Director Level 2 – £89,235

Corporate Director Level 3 – £90,665

Corporate Director Level 4 – £92,096

Corporate Director Level 5 – £93,526 (3 posts at this level at 1 Jan 2024)

c) Deputy Directors

The salaries of the 2 posts designated as Deputy Director are paid based on the following scale:

Deputy Director Level 1 – £76,365

Deputy Director Level 2 – £77,795

Deputy Director Level 3 – £79,225 (1 post at this level at 1 Jan 2024)

Deputy Director Level 4 – £80,655

Deputy Director Level 5 – £82,085 (1 post at this level at 1 Jan 2024)

d) Head of Service

The 6 posts of Head of Service are paid based on the following scale:

Head of Service Level 1 - £64,924

Head of Service Level 2 - £66,354

Head of Service Level 3 - £67,784 (1 post at this level at 1 Jan 2024)

Head of Service Level 4 – £69,214

Head of Service Level 5 – £70,644 (4 posts at this level at 1 Jan 2024)

(Note one Head of Service is temporarily acting up in a shared director role across other authorities with an additional £17,222 p.a. funded by those authorities).

d) Monitoring Officer

The salary of the Monitoring Officer is included in the salary of the Corporate Director - Planning & Governance – 1 post, salary £93,526.

5. Recruitment of Chief Officers

- 5.1 The Council's policy and procedures with regard to recruitment of chief officers is set out within the Employment Procedure Rules as set out in Part 10 of the Constitution.
- 5.2 When recruiting to all posts the Council will take full and proper account of its own recruitment policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.
- 5.3 Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
- 5.4 Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, engage individuals under consultancy contracts.
- 5.5 These will be sourced through a relevant procurement process ensuring that the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council will ensure compliance with payroll and tax rules for consultants which are set by HM Revenue and Customs.

6. Additions to Salary of Chief Officers

- 6.1 The Council does not apply any bonuses to its chief officers.
- 6.2 Progression through the incremental scale of the relevant grade is subject to satisfactory performance.
- 6.3 In addition to basic salary, set out below are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

Returning Officer: administration of elections

6.4 Fees paid for returning officer duties where identified and paid separately. As dictated within the City Council Fees Order the Returning Officer is entitled to:

£120.00 per uncontested ward

£345.00 per contested ward

6.5 For Parishes the entitlement is:

£25.00 for uncontested

£71.00 for contested

6.6 All other Returning Officer or similar Officer fees for other elections are governed and set by the Cabinet Office and Worcestershire County Council, as appropriate.

7. Payments on Termination

7.1 The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

7.2 Any payments made in relation to the ending of employment by reason of redundancy are made in line with the relevant policy which is recommended to Council by the Personnel and General Purposes Committee.

7.3 Where the Council offers a voluntary redundancy severance scheme it includes a stipulation restricting employees from returning to work for the Council for a specified period of time; under the most recent two schemes this was set at 18 months.

8. Publication

8.1 Upon approval by the Full Council, this statement will be published on the Council's Website.

8.2 In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note setting out the total amount of:

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year (none currently paid);
- any sums payable by way of expenses allowance that are chargeable to UK income tax;

- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above.

9. Lowest Paid Employees

- 9.1 The lowest paid persons employed under a contract of employment with the Council are employed on full time 37 hours equivalent salaries at the rate set by the Living Wage Foundation unless the lowest rate in the Council's pay scale is higher.
- 9.2 As at 1 January 2024, the Foundation Real Living Wage is £12.00 per hour. The Council's lowest pay point is £12.18 per hour. The Council made a policy decision to ensure that no employee was appointed below scp5, in order to ensure that the Council would be paying above the Foundation Real Living Wage.
- 9.3 The Council employs registered student placements and apprentices, who are not included within the definition of 'lowest paid employees' as they are employed under the relevant terms and within the HMRC guidance in relation to such placements.
- 9.4 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
- 9.5 The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).
- 9.6 The current pay levels (at 1.1.2024) within the Council result in the multiple between the lowest paid (full time equivalent) employee and the Managing Director being 1:5.29. Between the lowest paid employee and the Corporate Directors it is 1:3.98.
- 9.7 The multiple between the median (average) full time equivalent earnings of £28,280 per annum and the Managing Director is 1:4.4. Between the median (average) full time equivalent earnings and the Corporate Directors it is 1:3.1 based on 1.1.24 earnings.
- 9.8 As part of its overall and on-going monitoring of alignment with external pay markets, both within and outside the sector, the Council will continue to use available benchmark information as appropriate.

10. Accountability and Decision Making

- 10.1 In accordance with the Constitution of the Council, the Personnel and General Purposes Committee is responsible for decision making in relation to the employment policies of the Council and also the recruitment, pay,

terms and conditions and severance arrangements in relation to chief officers.