

Pay Policy Statement

Introduction and Purpose

The purpose of this policy is to clarify the County Council's strategic stance on pay in order to provide direction for members and officers making detailed decisions on pay and to provide the citizens of Worcestershire with a clear statement of the principles underpinning decisions on the use of public funds.

Under section 112 of the Local Government Act 1972, the Council has the power to appoint officers on such reasonable terms and conditions, including remuneration, 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. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding those working in local authority schools) 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 Panel responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the statement to the full Council.

Once approved by the full Council, the statement will come into immediate effect and will be published by no later than 1 April each year, subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes, but is not an exhaustive list, 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. 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.

Pay Structure

The purpose of pay is to encourage staff with the appropriate skills to seek to work for the County Council and then to reward them appropriately for the tasks they undertake in order to maintain their motivation and retain their services.

Based on the application of job evaluation processes, the Council uses the nationally negotiated pay spine as the basis for its local grading structure (known as the main salary scale). This determines the salaries of the majority of the workforce, together with the use of other nationally defined rates where relevant. In common with the majority of authorities, the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and any annual associated cost of living increases negotiated with the trade unions.

Any other pay rates are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. 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 at times at which those services are required.

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. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources.

Senior Management Remuneration

For the purposes of this statement, senior management means ‘chief officers’ as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2023¹. Salaries quoted are based on the full time equivalent (FTE) of 37 hours per week. The Council since April 2011 has adopted a maximum of 35 hours per week for new appointments and corresponding salaries are shown in brackets. Currently 25 of the chief officers as defined within S43 of the Localism Act are employed on a 35 hour per week contract. Table 1 lists the 34 chief officer posts as defined within S43 of the Localism Act that make up 1.23% of the 2758² people employed by the County Council (excluding schools).

Table 1: Chief Officer posts

| Title | Grade | Pay range minimum | Pay range maximum | Incremental points |
|--|--------------------------------|------------------------|------------------------|--------------------|
| Chief Executive (35 hours per week) | Chief Executive | (£167,138) | (£188,171) | 4 |
| Director of Childrens Service & Chief Executive for Worcestershire Children First (Functional) ³ (includes a retention payment) | WCF Chief Executive | (£130,138) | (£141,961) | 6 |
| Strategic Director of Economy & Infrastructure Strategic Director of Commercial and Change Strategic Director for People | Director (3 posts) | £127,003 (£120,138) | £139,505 (£131,964) | 6 |
| Chief Financial Officer (s151) (Includes a Pay Supplement of 15%) | Assistant Director 1 | £107,302 (£101,502) | £117,963 (£111,586) | 6 |
| Director of Public Health (Includes a responsibility allowance of 18%) | Assistant Director 1 | £110,101 (£104,150) | £121,040 (£114,498) | 6 |
| Assistant Director for Legal & Governance (Includes a responsibility allowance of 10%) | Assistant Director 1 | £102,637 (£97,089) | £112,834 (£106,735) | 6 |
| Assistant Director for Adult Social Care Assistant Director for Communities Assistant Director for IT & Digital | Assistant Director 1 (8 posts) | £93,306 (£88,262) | £102,576 (£97,032) | 6 |

¹ Data to populate this was run on 1st December 2022 based on Chief Officers in post and expected to be in post with effect from 1st April 2023

² Refers to the staffing count as at 1st December 2022 which includes all permanent, temporary and relief/casual/sessional employees (as/when required) excluding Schools. The 2023 NJC award is currently being negotiated. The rates above are those effective from 1st April 2022

³ The Strategic Director for Children’s Services is an employee of Worcestershire Children First. They are not included in any of the calculations.

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|--|-----------------------------------|----------------------|----------------------|---|
| Assistant Director for Major Projects & Waste Assistant Director for Highways, Transport & Operations Assistant Director for Human Resources, Organisational Development & Engagement Assistant Director for People Commissioning Assistant Director for Integration & Service Development | | | | |
| Deputy Chief Finance Officer Assistant Director for Economy Assistant Director for Transformation and Commercial | Assistant Director 2 (3 posts) | £87,749 (£83,006) | £97,010 (£91,767) | 6 |
| Public Health Consultant* (Includes a Market Forces Supplement) | PO7 + MFS (5 posts) | £78,699 (£74,445) | £82,611 (£78,146) | 4 |
| Head of Human Resources Operations and Employee Relations* (includes Market Forces Supplement) | PO7 + MFS (1 post) | (£72,302) | (£76,001) | |
| Chief Accountant* (includes Market Forces Supplement) | PO7 + MFS (1 post) | (£71,928) | (£75,628) | |
| Head of Communications and Engagement* Head of Pensions Administration* Head of Financial Operational Services* Head of Service for Safer Communities* | PO7 (4 posts) | £65,861 (£62,301) | £69,773 (£66,001) | 4 |
| Finance Manager - Pensions Treasury & Capital* Head of Learning & Development* | PO6 (2 posts) | £59,494 (£56,278) | £62,920 (£59,519) | 4 |
| Public Health Service Manager* | PO5 | £53,529 (£50,635) | £56,795 (£53,725) | 4 |
| Audit and Compliance Manager* (includes a Responsibility Allowance) | PO4 | £53,803 (£51,191) | £57,442 (£54,632) | 4 |

*These posts are not Chief Officer posts as defined by the County Council's constitution but meet the definition of S43 Localism Act.

For information, the main salary scale covering most of the workforce, is shown in Table 2 in the Appendices. The number of posts in each grade is also shown in Chart 1 in the Appendices.

Recruitment of Chief Officer Related Posts

The Council's policy and procedures with regard to recruitment of chief officer related posts is set out within the Constitution which can be accessed at

http://www.worcestershire.gov.uk/info/20088/about_your_council/83/the_councils_constitution.

When recruiting to all posts the Council will take full and proper account of its own policies and procedures. The determination of the remuneration to be offered to any newly appointed chief officer related position will be in accordance with the pay structure and relevant policies in place at the time of recruitment. 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. Currently we have 1 post (5 post holders) receiving a market forces supplement.

Where the Council remains unable to recruit to chief officer related posts under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer related post, the Council will, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. Currently the Council has no interim chief officer related positions under such arrangements.

Additions to Salary of Chief Officer Related Posts

The Council does not normally apply any bonuses or performance related pay to its chief officer related posts. However, progression through the incremental scale of the relevant grade is subject to satisfactory performance, which is assessed on an annual basis.

In addition to basic salary, the Council may pay 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, which could include returning officer fees or responsibility allowances. This list is not exhaustive. The Council currently pays three additional responsibility allowances, one of which is paid to the Chief Financial Officer, one to the Director of Public Health and one to the Assistant Director for Legal & Governance.

Payments on Termination

The Council's approach to 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 and the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).

Any other payments falling outside the provisions, or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

In 2011 the Council introduced a ceiling of £50,000 on redundancy payments for all employees.

Publication

Upon approval by the full Council, this statement will be published on the Council's Website. In addition, the Council's Annual Statement of Accounts will include a note setting out the number of staff whose total remuneration is at least £50,000 and for chief officer posts it will show the amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- employers contribution to the person's pension
- any bonuses so paid or receivable by the person in the current and previous year;
- 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

Lowest Paid Employees

The Council since April 2011 has adopted a maximum of 35 hours per week for new appointments. The lowest paid persons employed under a contract of employment with the Council are employed on 35 hour per week in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2022³ this is £18,586 per annum. The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as the terms and conditions are determined by the National Apprenticeship Service.

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.

³ Refers to pay structure at 1st December 2022. The 2023 NJC award is currently being negotiated. The rates above are those effective from 1st April 2022

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). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.

The current pay levels within the Council define the multiple between the lowest paid (35 hours per week) employee and the Chief Executive (35 hour per week) as 1:10.12 and; between the lowest paid employee (35 hours per week) and average chief officer as 1:4.55. The multiple between the median (average) full time equivalent earnings and the Chief Executive (35 hours per week) is 1:7.06 and; between the median (average) full time equivalent earnings and average chief officer is 1:3.17.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

Re-engagement and Re-employment of former Chief Officer Related Posts

Other than in exceptional circumstances the Council would not normally re-employ or re-engage chief officers who were previously employed by the Council and who on ceasing to be employed, received severance or redundancy payment.

Accountability and Decision Making

In accordance with the Constitution of the Council, the Appointments Etc Panel is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to chief officer positions within the Council. Overall, the Council aims to maintain a mid-market position on chief officer pay in comparison to similar authorities

FOR OFFICE USE ONLY

Res/HR/BAC: Prepared 25 January 2012

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CEU/HR/BAC: Updated 16 January 2020

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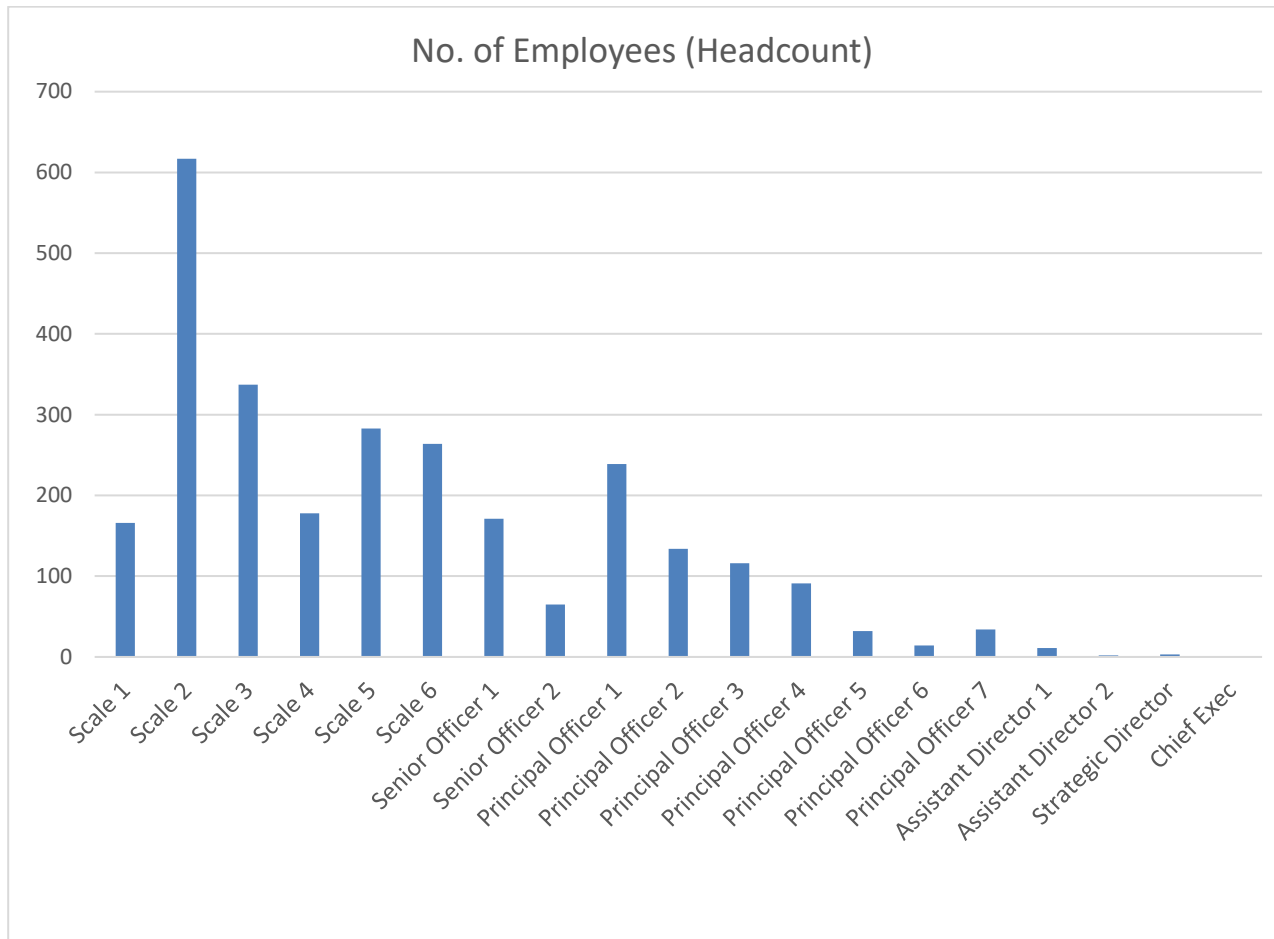
Approved by Council 18 February 2021
CEU/HR/JL: Updated 4 January 2022
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CEU/HR/GL: Updated 13 January 2023
Approved by Council

Appendix

Table 2: Other main salary grades from April 2022* based on 37-hour full time equivalent (35-hour full time equivalent shown in brackets)

| Grade | Pay range minimum | Pay range maximum | National Pay spine Points |
|---------------------|-------------------|-------------------|---------------------------|
| Scale 1 | £20,258 (£19,163) | £20,441 (£19,337) | 1 – 2 |
| Scale 2 | £20,812 (£19,687) | £21,189 (£20,044) | 3 – 4 |
| Scale 3 | £21,575 (£20,409) | £21,968 (£20,780) | 5 – 6 |
| Scale 4 | £22,369 (£21,159) | £24,054 (£22,753) | 7 – 11 |
| Scale 5 | £24,496 (£23,172) | £26,845 (£25,394) | 12 – 17 |
| Scale 6 | £27,344 (£25,866) | £29,439 (£27,848) | 18 – 22 |
| Senior Officer 1 | £30,151 (£28,522) | £32,020 (£30,289) | 23 – 25 |
| Senior Officer 2 | £32,909 (£31,130) | £34,723 (£32,846) | 26 – 28 |
| Principal Officer 1 | £34,723 (£32,846) | £37,261 (£35,247) | 28 – 31 |
| Principal Officer 2 | £38,296 (£36,226) | £41,496 (£39,253) | 32 – 35 |
| Principal Officer 3 | £42,503 (£40,205) | £45,495 (£43,036) | 36 – 39 |
| Principal Officer 4 | £48,333 (£45,721) | £51,972 (£49,162) | 40 – 43 |
| Principal Officer 5 | £53,529 (£50,635) | £56,795 (£53,725) | 44 – 47 |
| Principal Officer 6 | £53,725 (£56,278) | £62,920 (£59,519) | 48 – 51 |
| Principal Officer 7 | £65,861 (£62,301) | £69,773 (£66,001) | 52 – 55 |

Chart 1: Staff Distribution Across Grades



Notes:

Chart 1 above refers to the staffing count as at 1st December 2022 which includes all permanent, temporary and relief/casual/sessional (as/when required) employees excluding maintained Schools. Table 3 overleaf shows a breakdown of the staffing numbers with percentages per grade.

Table 3: Staff distribution across grades⁴

| Grade | No. of Employees (Headcount) | Percentage (%) |
|-----------------------------|---|-----------------------|
| Scale 1 | 166 | 6.02% |
| Scale 2 | 617 | 22.37% |
| Scale 3 | 337 | 12.22% |
| Scale 4 | 178 | 6.45% |
| Scale 5 | 283 | 10.26% |
| Scale 6 | 264 | 9.57% |
| Senior Officer 1 | 171 | 6.20% |
| Senior Officer 2 | 65 | 2.36% |
| Principal Officer 1 | 239 | 8.67% |
| Principal Officer 2 | 134 | 4.86% |
| Principal Officer 3 | 116 | 4.21% |
| Principal Officer 4 | 91 | 3.30% |
| Principal Officer 5 | 32 | 1.16% |
| Principal Officer 6 | 14 | 0.51% |
| Principal Officer 7 | 34 | 1.23% |
| Assistant Director 1 | 11 | 0.40% |
| Assistant Director 2 | 2 | 0.07% |
| Strategic Director | 3 | 0.11% |
| Chief Exec | 1 | 0.04% |
| Grand Total | 2758 | 100% |

⁴ Refers to the staffing count as at 1 December 2022 which includes all permanent, temporary and relief/casual/sessional (as/when required) employees excluding Schools