

# Pay Policy Statement 2024-25

## 1. Introduction and purpose

Under section 112 of the Local Government Act 1972, local authorities have the power to appoint officers on such reasonable terms and conditions as the authority thinks fit. This Pay Policy Statement (the 'statement') sets out Westmorland and Furness Council's approach to pay policy in accordance with the requirements of section 38 of the Localism Act 2011 and will be considered for approval by Full Council in February 2024. In preparing this Pay Policy Statement regard has been given to the guidance issued by the Department for Communities and Local Government in February 2012 (and the supplementary guidance issued in February 2013) in accordance with section 40(1) of the Act.

The purpose of the statement is to provide transparency with regard to the council's approach to setting the pay of its employees (excluding staff 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 employees i.e. 'chief officers', as defined by the relevant legislation;
- the detail and level of remuneration of its lowest-paid employees; and
- the Committee or Panel responsible for ensuring the provisions set out in this statement are applied consistently throughout the council.

Once approved by the Full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31 March each year.

## 2. Local Government Reorganisation

This is the first full Pay Policy Statement for Westmorland and Furness Council following Local Government Re-organisation with effect from 1<sup>st</sup> April 2023. The Council brought together employees from the former Cumbria County Council and the former District Councils of Barrow Borough Council, Eden District Council and South Lakeland District Council. The employees of these 'legacy' councils have transferred to Westmorland and Furness Council on their existing pay structures and terms and conditions, which were protected under the TUPE regulations.

Any new starters to Westmorland and Furness Council are employed on Westmorland and Furness Council's pay structure and terms and conditions. The council has adopted the former Cumbria County Council pay structure and terms and conditions subject to review in due course.

### 3. Pay structure and decisions on pay

In determining the pay and remuneration of all of its employees, the council will comply with all relevant employment legislation.

The council participates in the national pay bargaining arrangements using the national pay frameworks as the basis for its local pay structure, and the national pay review process to determine its annual increases.

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 machinery. The majority of council employees are employed under national 'Green Book'/NJC for Local Government Services arrangements with some local variation of terms and conditions. The remaining numbers of employees are employed under national arrangements for other groups of local government staff.

Where national pay frameworks are either not adopted, or not specified e.g. for Chief Officers, the council as an organisation makes the final decisions in determining the remuneration levels in accordance with the Council's Constitution. Such determination takes into account 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 can make the council an effective and efficient organisation that delivers the best possible services for the people of Westmorland and Furness within its available resources.

There may be occasions when it is difficult to resource particular posts within the council that it becomes necessary to take account of the external pay levels in the labour market. In these circumstances and in order to attract and retain employees with particular experience, skills and capacity, the Council where necessary will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Subject to approval and in accordance with the council's Market Supplement Scheme a market supplement to the salary scale for the grade may be considered.

There may also be occasions where it is necessary to engage the services of agency or externally provided workers on a temporary basis within key posts. Such appointments exist where there is a specific skill shortage either within the council, or difficulty to recruit from within the local labour market. Any such appointment requires the prior approval of the relevant Director or Assistant Director, in consultation with the Assistant Director of HR/OD. For 'chief officer' posts the appointment requires the approval of the Staffing Committee.

To meet specific operational requirements, it may be necessary for an employee to temporarily take on additional duties to their identified role. Where these duties form either part or the whole of the duties of another job a Responsibility Allowance or Acting Up Allowance is payable respectively, reflecting the job evaluated rate for those additional duties.

Where it is intended to recognise exceptional effort or contribution a one-off lump sum payment, or Honoraria may be paid. Honoraria are paid in arrears and are subject to the approval of the relevant Director for the service area and/or Director of Enabler Services, in accordance with the delegations from the Council's Constitution.

#### 4. Senior Management ('Chief Officer') Remuneration

For the purposes of this statement, senior management means 'chief officers' as defined under s.43 of Localism Act as (a) the head of paid service under section 4(1) of the Local Government and Housing Act 1989; (b) its monitoring officer under section 5(1) of that Act;(c) a statutory chief officer in section 2(6) of that Act;(d) a non-statutory chief officer in section 2(7) of that Act;(e) a deputy chief officer mentioned in section 2(8) of that Act.

The posts falling within the statutory definition and their basic salary as of 31 March 2024 are:-

Position	FTE	Salary Range	
		Min	Max
Chief Executive	1	£177,942	£177,942
Assistant Chief Executive	1	£110,667	£124,122
Director of Enabler Services	1	£131,367	£146,892
Director of Resources (S151 Officer)	1	£131,367	£146,892
Director of Thriving Places	1	£131,367	£146,892
Director of Thriving Communities	1	£131,367	£146,892
Director of Adult Social Care	1	£131,367	£146,892
Director of Children's Services	1	£131,367	£146,892
Director of Public Health	1	£110,667	£124,122
Chief Legal Officer and Monitoring Officer	1	£110,667	£124,122
Assistant Director of HR/OD	1	£93,072	£103,422
Assistant Director of ICT	1	£93,072	£103,422
Assistant Director of Customer and Digital	1	£93,072	£103,422
Assistant Director of Finance	1	£93,072	£103,422
Assistant Director of Commissioning and Procurement	1	£93,072	£103,422
Assistant Director of Corporate Assets, Fleet and Capital Programme	1	£93,072	£103,422
Assistant Director of Inclusive and Green Growth	1	£93,072	£103,422
Assistant Director of Sustainable Transport and Highways	1	£93,072	£103,422
Assistant Director of Waste and Environmental Services	1	£77,547	£85,827
Assistant Director of Climate and Natural Environment	1	£77,547	£85,827
Assistant Director of Housing	1	£93,072	£103,422
Assistant Director of Safe and Strong Communities	1	£77,547	£85,827
Assistant Director of Community Infrastructure	1	£77,547	£85,827
Assistant Director of Operations (Adult Social Care)	1	£93,072	£103,422
Assistant Director of Care Services	1	£93,072	£103,422
Assistant Director of Quality, Resources and Transformation (Adult Social Care)	1	£77,547	£85,827
Assistant Director of Education and Inclusion	1	£93,072	£103,422
Assistant Director of Children and Families	1	£93,072	£103,422
Assistant Director of Quality, Resources and Transformation (Children's Services)	1	£93,072	£103,422

## 5. Other terms and conditions paid to Senior Management (‘Chief Officers’)

For the purposes of this statement, policies relating to other terms and conditions paid, including the amounts applying to each member of the senior management team, are set out below.

Annual Leave Entitlement	32 days (In addition to statutory and other public holidays but inclusive of any long service leave, extra statutory and local holidays)
Sick Pay Entitlement	Standard Local Government Terms: <ul style="list-style-type: none"> <li>• During first four months service - One month full pay</li> <li>• After first four months’ service, within the first year of service - One month full and two months’ half pay</li> <li>• During the second year of service - Two months full pay and two months half pay</li> <li>• During third year of service - Four months’ full pay and four months’ half pay</li> <li>• During the fourth and fifth years of service - Five months’ full pay and five months’ half pay</li> <li>• After five years’ service - Six months’ full pay and six months’ half pay</li> </ul>
Notice Period	3 months
Relocation	Where relocation would be of benefit to both employer and employee in the fulfilment of their duties, this will be provided in full accordance with HMRC guidelines and limited to the current £8,000 threshold. The entitlement to relocation payments will be decided at the discretion of the relevant member committee.
Performance Related pay for Chief Officers	The Council does not provide performance related pay for Chief Officers.
Bonuses for Chief Officers	The Council does not provide bonuses for Chief Officers.

## 6. Lower paid staff remuneration

The Council defines low paid workers as those on the lowest pay grade used by the Council for substantive roles.

At the time of publication of 31 March 2024, the minimum pay for employees within this group is £22,366 per annum which is a ratio of 1:8.0 in comparison with the salary of the Chief Executive.

The UK Government’s ‘National Living Wage’ as at 31 March 2024 is £10.42 per hour for employees aged 23 and over. The Council’s minimum pay of £11.59 per hour for all employees (not just those aged 23 and over) is higher than this amount. The majority of Council employees on the lower pay ranges also receive an additional supplement based on the ‘UK Living Wage’.

The UK Living Wage is voluntary and is set by the Living Wage Foundation. The current rate effective from 24 October 2023 is £12.00 per hour. This increases the minimum pay to £23,151 per annum, which is a ratio of 1:7.7 in comparison with the salary of the Chief Executive.

Below are further comparisons to illustrate the relationship of pay between the Chief Executive and other staff within the Council: -

- The median average full time equivalent salary of the whole workforce is £30,296 per annum, which in comparison with the salary of the Chief Executive is a ratio of 1:5.9 (the median average is the mid-point between the lowest and highest salary paid, across the full range of salaries for 3,514 positions. i.e. the salary of the person at position 1,757 when all salaries are sorted into descending numerical order).
- The mean average full time equivalent salary of the whole workforce is £33,144 per annum, which in comparison with the salary of the Chief Executive is a ratio of 1:5.4.

The Council continues to review these ratios where possible while recognising that this will be balanced by our obligations under the Equality Act of the need to maintain pay equity through an objective job evaluation scheme.

The Council employs Apprentices who are not considered within the definition of 'lowest paid employees'. The rates of pay for Apprentices are determined by the Government rates.

## **7. Recruitment of Senior Management ('Chief Officers')**

When recruiting to all posts, the Council takes full and proper account of all provisions of relevant employment law and its own recruitment policies and procedures.

The determination of the remuneration to be offered to any newly appointed Chief Executive, Director, or Statutory Officer is determined by the Staffing Committee which has delegated authority to act on behalf of Full Council not only to set the remuneration but to appoint to any such vacant posts (NB there are specific arrangements for the appointment of the Director of Public Health).

Salary levels for the Chief Executive, Directors, Assistant Directors and Statutory Officers are determined using the Hay job evaluation methodology using external support from Korn Ferry (formerly Hay Group). At the point of recruitment to the position, pay will be set individually, based on the following components:

- The size of the job as determined by Job Evaluation
- The benchmark data for the market and sector rate for the post
- The assessed quality of the applicant, including skills and experience balanced against candidate expectations.
- Scarcity of the required skills

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service'.

These will be sourced through a relevant procurement process and in such circumstances the Council is not required to make either pension or national insurance contributions for such individuals. Where authority for appointment to the equivalent permanent role is delegated to the Staffing Committee, that Committee will approve all proposed interim appointments.

## **8. Pension Contributions**

The Local Government Pension Scheme is open to all employees, apart from teaching staff who have their own pension scheme.

Employees who are members of the Local Government Pension Scheme (LGPS) pay contributions from their salary dependent on earnings and the Council makes a contribution on their behalf in accordance with the LGPS Regulations.

A number of employees have transferred to the Council under a specific staff transfer arrangement which allowed them to continue membership of the NHS pension scheme. Employees and the Council both make contributions in accordance with the regulations of the NHS scheme.

## **9. Payments on Termination**

The Council's Redundancy and Early Release Policy applies to all employees covered by the NJC for Local Government Services and to all other employees of the County Council for whom there is no other specific redundancy and early release provisions or policy and procedures laid down in national or local conditions of service. The Council may also exercise its discretion to enter into legally binding settlement agreements.

The Council does not normally re-employ employees who have received either a statutory or discretionary payment upon termination of employment. Any re-employment must be approved in accordance with the Redundancy and Early Release procedure. The Council will not normally engage such an individual under a contract for services.

## **10. Publication**

Following approval by Full Council, this statement will be published on the Council website.

The Council is also required to include information in the Annual Statement of Accounts in relation to the remuneration of higher paid officers of the Council. The information to be published is determined by local authority accounting requirements, revised every year, underpinned by statutory regulations. The information required to be included in the audited Statement of Annual Accounts relates to three disclosures, which are termed 'Notes' as follows:

- Figures for the number of officers whose remuneration was £50,000 or more, grouped in £5,000 bands (Banding Note)
- The individual remuneration of senior employees, which includes salary, fees, and allowances receivable. (Senior Employees Note)
- Exit packages agreed during the year, which includes termination benefits and all redundancy costs from both compulsory and voluntary redundancy costs (Exit Packages Note).