

OXFORD CITY COUNCIL
PAY POLICY STATEMENT
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OXFORD CITY COUNCIL

PAY POLICY STATEMENT

AIM

1. Oxford City Council (the Council) makes decisions on pay which are appropriate to local circumstances (such as cost of living in Oxford, the need to compete for talent in the market in challenging areas, etc.) and which deliver value for money for the community. In publishing this statement the Council wishes to give assurance and transparency in its pay decision making processes and overall policy.

2. The Council is committed to the procedures which determine the pay and conditions of employment in that they are fair, free from bias and do not discriminate unlawfully. This includes ensuring that the differences in pay between the lowest and the highest paid employees are not unduly disparate.

3. The Council also seeks to operate a pay system that is transparent and based on objective criteria.

4. The Chief Executive has delegated authority in respect of pay, in accordance with national or local pay award/review schemes other than the Chief Executive's own pay and that of any Directors. Decisions in respect of the pay of the Chief Executive and Directors are made by the Appointments Committee, which is a politically proportionate Committee of Council.

SCOPE

5. The Council's Pay Policy Statement covers all employees

DEFINITIONS

6. This statement makes reference to the following:

'Lowest paid employees' – for the purposes of this Statement, these are defined as:

those employees paid at the prevailing Oxford Living Wage rate (on the basis these are the Council's lowest paid staff) with the exception of those identified at paragraph 11 (below)

'Pay multiple' - the ratio between the highest paid employee and the median earnings calculated across the whole Council

'Remuneration' – includes salary, expenses, bonuses, performance related pay as well as severance payments

'Senior staff / most senior staff'– either directly employed or hire under a contract for services, which can mean self-employed or via an agency). Specifically these are:

- *Head of Paid Service (Chief Executive)*
- *Monitoring Officer (Head of Law and Governance)*
- *Chief Finance Officer (Director of Finance and Efficiency)*
- *Heads of Service(as non-statutory deputy Chief Officers)*
- *Directors (as non-statutory Chief Officers)*
- *Any other officer not included in the above but would be included under the Code of Recommended Practice for Local Authorities on Data Transparency (why would we include these ?)*

LEGISLATION

7. The Council is required by the Localism Act 2011 to prepare, approve and publish a pay policy statement.

8. The Council must also have regard to the Code of Recommended Practice for Local Authorities on Data Transparency which makes a commitment to follow three principles when publishing data: responding to public demand; releasing data in open formats available for re-use; and, releasing data in a timely way. This includes data on senior salaries and the structure of the workforce.

PRINCIPLES

Remuneration

9. The City Council currently remunerates all staff through the following elements:

- Salary – the Council has adopted a Living Wage were no employees earns less than £8.01 per hour (reviewable annually in line with cost of living increase)
- Partnership payment* (currently in place until 31/03/2013). The Partnership Payment is payable to all staff who achieve an acceptable level of attendance and appraisal on the assumption the Council achieves its budget requirements. The Chief Executive and Directors have voluntarily withdrawn from the payment but are nonetheless committed to its provision.
- Various allowances payable where additional duties are undertaken and payment for which is not included through normal salary ((e.g. standby, overtime). There are various rules regarding these payments such as earnings limits over which certain items cannot be claimed.

10. All staff are eligible to join the Local Government Pension Scheme.

11. There are a range of other benefits such as flexible working, leisure concessions and childcare vouchers. The Council does not provide any benefits in kind to any staff member (such as company cars). Where required, equipment may be provided in order to assist in the performance of duties, such as a laptop, but any such items are to be returned to the Council on cessation of employment.

Variations in remuneration

12. Apart from the differences identified in paragraphs 13 & 14, there are no other distinctions made in terms of remuneration. No bonuses are payable to any employees. Severance payments are made in accordance with the Council's Organisational Change Policy which applies to all staff.

Current Pay Schemes

13. Three pay schemes* are operated (in agreement with trade unions) as follows:

- 1) National Joint Council (NJC) for Administrative, Professional, Technical & Clerical Services. Grades 1 – 11 using NJC SCP points. This covers the majority of staff (Scheme 1)
- 2) Joint National Council (JNC) for Craft & Associated Employees. Grades. This covers approximately 150 employees (Scheme 2)
- 3) Hay grades for certain senior positions as indicated in the bi-annual executive pay review (Scheme 3)

** the Council is reviewing its Reward Strategy in 2012*

Current Pay Schemes – more detail

14. Staff are appointed at the bottom of the grade unless there are exceptional circumstances which must be agreed by the Head of People & Equalities. The schemes in more detail are as follows:

Scheme 1 – the principal scheme which is appropriate for the majority of staff and introduced as a result of Single Status and by agreement with trade unions. It consists of 11 grades and adopts the national spinal column points and pay award mechanism, and is based on an analytical job evaluation scheme with a pay line set at broadly median market rate. Progression is based on an assessment of competency and performance

Scheme 2 – the Council has an agreement with trade unions whereby it adopts the national scheme for skilled craft workers with a productivity element determining progression. The scheme recognises the nature of progression through apprenticeships and then once skilled, the reasonably high yet static level of competence needing to be maintained to perform safely and effectively.

Scheme 3 – like many other public sector organisations, the Council uses the Hay job evaluation scheme and industry leading independent consultants to recommend pay for the Chief Executive, Directors, Heads of Service, and a small number of key corporate roles. Whilst the NJC job evaluation scheme represents best practice in determining relativities between posts for the majority of staff, the scheme does not include the appropriate breadth to include the responsibility factors of senior posts such as corporate leadership, reputation management, major programme delivery, etc. Other than for the Chief Executive and Directors (that process being outlined in paragraph 4 above), senior officer pay is reviewed every 2 years by independent external review and the recommendations considered by the Chief Executive.

There are separate grades for senior officers as follows:

- Chief Executive
- Executive Directors
- Corporate Directors
- Heads of Service (4 different grades according to level of responsibilities and market factors)
- Corporate Lead Officers

Progression is based on an assessment of competency and performance. The manager in each case determines progression within grades apart from the Chief Executive and Directors which is as set out in paragraph 4.

Local Elections Returning Officer

15. The Council's Returning Officer (for the purposes of elections) is paid a separate fee in addition to normal salary in accordance with the prescribed fee for each election

Leavers, Re-engagement, Pensions

16. In accordance with the Council's normal arrangements regarding termination and severance payments, no employee leaving under a compromise agreement with a redundancy payment can be re-employed by the Council within a period of 36 months.

17. The same arrangements apply to ex-employees seeking engagement as Chief Officers under a contract for services.

18. The Council will apply the agreed approach on abatement (as outlined in its Discretionary Payments Policy) relating to pensions for all employees working for the authority and already in receipt of a local government pension

19. In accordance with the Council's Discretionary Payments Policy, the Council does not augment pensionable service for leavers.

Lowest Paid Employees

20. The Council adopted a Living Wage in 2009. In January 2012 the London Living Wage is £8.30, the National Living Wage is £7.20, the Oxford Living Wage is £8.01. No Council employee* will be paid less than this, apart from JNC Craft Worker apprentices (who are paid in accordance with the JNC Craft and Associated Employees scheme) who initially commence their apprenticeship below the Oxford Living Wage but rapidly progress to rates well in excess of it.

** No agency worker will be paid less than the prevailing Oxford Living Wage (the hourly rate calculation can include payment in lieu of holiday pay)*

Pay Multiple

21. The Oxford City Council pay multiple is 1:7 which is considered to be appropriate in the context of achieving a reasonable balance between increasing the standard of living for the lowest paid employees (and their having to meet the expense of living in Oxford), and ensuring we attract and retain the skills and experience required at the most senior level to meet the challenges the City faces.

Equal Pay

22. The Council will periodically undertake an equal pay review in agreement with trade unions

COMMUNICATION & DATA PUBLICATION

23. The Council will publish its annual pay policy statement on its website on or before 31 March each year for the following financial year.

24. Any changes to the pay policy statement may be made by resolution of the Council (including during the financial year to which it relates). Any changes will be publicised on the Council's website as soon as possible after agreement

25. The Council will also publish data annually relating to senior officer remuneration as outlined in the Code of Recommended Practice for Local Authorities on Data Transparency.

MONITORING/REVIEW

26. The Chief Executive, as the Head of Paid Service, has overall responsibility for employees and therefore annual publication of the pay policy statement and pay data produced in relation to it