

PAY POLICY STATEMENT 2016

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PAY POLICY STATEMENT

Aim

1. To ensure the Council can be competitive in the local labour market and attract and retain employees with high levels of capability, capacity, motivation and who are a good fit with the Council's values. In doing so we need to:
 - Ensure value for money
 - Be transparent
 - Be fair, free from bias or discrimination
 - Ensure the differences in pay between the lowest and highest are not unnecessarily large.

Decision Making

2. Full Council sets the pay policy, it delegates to the Appointments Committee setting the Chief Executive and Directors pay. The Appointments Committee is politically proportionate in representing all party groups on the Council. The Chief Executive as Head of Paid Service has delegated authority in respect of all other pay decisions.

Scope

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

Definitions

4. This statement makes reference to the following:

'National Minimum Wage' – the national minimum wage is determined by Government and sets minimum hourly pay rates for everyone under the age of 25.

'National Living Wage' – the national living wage (new from April 2016) is determined by Government and sets minimum pay rates for everyone who is 25 or over.

'Voluntary Living Wage' – the voluntary living wage is a voluntary higher pay rate, that employers are encouraged to pay everyone over the age of 18. The Government has determined two rates: £9.40 in London, £8.25 in the rest of the UK.

'Oxford Living Wage' – Oxford City Council has adopted a voluntary 'Oxford Living Wage' which is set at 95% of the Voluntary Living Wage in London which is currently £8.93.

'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 19 (below). From October 2013 no Oxford City Council employee is paid at a rate below grade 3, except those identified at paragraph 19 (below).

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

‘Remuneration’ – includes all pay elements and also severance payments.

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

- Chief Executive
- Directors
- Heads of Service

Legislation

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

6. 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

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

- Salary – the Council has adopted an ‘Oxford Living Wage’. No employee or agency worker earns less than £8.93 per hour. The lowest Council employee rate (except for those employees identified in paragraph 19 below) is £9.21 per hour.
- From April 2013 a new 5-year pay deal was agreed which introduced a 1.5% cost of living award each year, re-introduced increments (for those on the lowest spinal column point in each grade and subject to an assessment of performance and attendance) and continued the partnership payment.
- Partnership Payment - payable to all staff who achieve an acceptable level of attendance and appraisal on the basis that the Council achieves its budget requirements. The Chief Executive and Directors have voluntarily withdrawn from the payment.
- Various allowances payable where additional duties are undertaken and payment for which is not included through normal salary e.g. standby and overtime. There are various rules regarding these payments such as earnings limits over which certain items cannot be claimed.
- A travel concession for all staff travelling to work by public transport and purchasing a season ticket – at a rate of 20% of the cost of the ticket or £150 per year, whichever is lower.
- Other payments and allowances as appropriate in accordance with the conditions for the particular payment include:
 - Honoraria/Acting Up Allowances – where an employee has taken on additional duties or responsibilities for a defined period of time
 - Market Supplements – used in exceptional circumstances to supplement pay where market conditions do not enable the

organisation to recruit at its normal pay grades. Any such payment is for a defined period and subject to review

- Pay protection – where an employee has had a reduction in pay due to a change in responsibilities, or a new role through the Council's Organisational Change process. The employee receives stepped pay protection over a 3 year period following the change.
- Working from home allowance – paid to employees who work more than 2 days a week from home to recognise the additional expenses they incur.

8. All staff are eligible to join the Local Government Pension Scheme. They are automatically enrolled and are required to specifically opt out should they so wish unless their contract is for less than three months when they must opt to join.
9. Expenses such as work travel costs are reimbursed. The Council seeks to minimise the use of private vehicles for work purposes through encouraging the use of public transport, pool cars and bicycles. As well as reducing the cost to the Council, use of alternatives supports the organisation's corporate priority to be a Clean and Green Oxford. Where the use of private vehicles is necessary mileage is paid at the rate of 40p per mile.
10. There are a range of benefits such as flexible working, leisure concessions, childcare vouchers, car scheme, cycle scheme, employee assistance programme and various discounts on high street goods and services. Some are available through approved salary sacrifice schemes.

Variations in remuneration

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

Current Pay Schemes

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

- 1) National Joint Council (NJC) for Local Government Services. Grades 3 – 11 using a set of salary 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 biennial executive pay review (Scheme 3)

13. Staff are appointed at the bottom of the grade unless there are exceptional circumstances which must be agreed by the Human Resources and Payroll Manager. 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 9 grades and was based on the national spinal column points at the point the Council entered a local pay agreement. It is based on an analytical job evaluation scheme with a pay line set at broadly median market rate. Those employees on the bottom of each grade are eligible for biennial progression

based on an assessment of performance and attendance up to the mid point of the grade. In sales related jobs, there is a documented bonus scheme in place payable as a result of new business opportunities realised.

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 level of competence needs 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 and service managers who have very wide remits and responsibilities. Whilst the NJC job evaluation scheme represents good 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 service and programme delivery, etc. Senior Officer pay is reviewed every 2 years by independent external review and the recommendations considered by the Chief Executive or Appointments Committee as appropriate. In 2014 the Hay grades were brought in line with the regular pay scheme whereby defined increments were established in grades with progression on the same basis as all other staff. Therefore the usual 2 year review of Senior Officer pay is due again during 2016.

There are separate grades for senior officers as follows:

- Chief Executive
- Executive Directors
- Heads of Service (2 different grades according to level of responsibilities and market factors)
- Business Lead (in corporate leadership roles or areas of major staff and budget responsibilities)
- Service Manager + (in Housing to reflect increased responsibilities over grade 11 but less than Business Lead)

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 2.

For all 3 schemes (except for Directors and the Chief Executive) an annual Partnership Payment is payable to eligible staff (i.e. those not receiving an increment) subject to the Council achieving its budget and an acceptable level of individual performance and attendance.

Returning Officer

14. 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.

Pensions and Severance Payments

15. The Council's Pensions and Retirement Options Statement, including the Council's policy in relation to the Local Government Pension Scheme Regulations, applies to all staff. In accordance with this policy the Council does not augment pensions.
16. Severance payments are made in accordance with the Council's Organisational Change Policy which details the Council's redundancy scheme.
17. All payments are subject to an authorisation process involving Senior Officer approvals. In cases where the severance package exceeds £100,000 they are also subject to the approval of full Council. The Council will also apply the Public Sector Exit Payment Recovery Regulations (expected to be introduced in April 2016) as appropriate.
18. In accordance with the Council's normal arrangements regarding termination and severance payments, no employee leaving under a settlement agreement with a redundancy payment can be re-employed by the Council within a period of 36 months.
19. The same arrangements apply to ex-employees seeking engagement through an agency or under a contract for services.

Lowest Paid Employees

20. The Council adopted an 'Oxford Living Wage' in 2009 which is currently £8.93 per hour. No Council employee* will be paid less than this, apart from the Council's apprentices who commence their apprenticeship below the Oxford Living Wage but rapidly progress to rates in excess of it. The 2013 – 2018 pay deal gives further attention to the lowest paid by increasing the lowest spinal column point to £9.35 per hour from April 2016 (for Council staff only).

** 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. As at April 2016 the highest paid officer currently receives £122,633 per annum (full time equivalent £153,292) including all elements of pay. The bottom point of Grade 3 is the lowest rate paid by the Council which is £18,038 per annum. The Council's current median salary is £28,711 per annum. This makes Oxford City Council's pay multiple 1:5.

The highest paid salary is 1:8 times more than the lowest paid salary.

Equal Pay

22. The Council will periodically undertake an equal pay review in agreement with trade unions.
23. The gender pay gap at the Council (as per the Equality & Human Rights Commission methodology) is as follows:

Full time gender pay gap = -2.65% (so on average women get paid more than men)

Part time gender pay gap (i.e. part time women compared with full time men which is the Commission methodology) = 5.26% (so on average part time women's hourly rate is less than full time men's hourly rate)

New legislation regarding gender pay gap reporting is expected in the autumn. We will comply with the new reporting requirements in future statements.

Communication & Data Publication

24. The Council will publish its Annual Pay Policy Statement on its website as soon as possible in each financial year following the first meeting of Council for the current financial year.
25. 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 revision.
26. 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.
27. The following information is available on the Council's Website:-
 - Senior Officer Pay information
 - Pay scales for all schemes
 - Severance pay information contained in the Annual Statement of Accounts

Monitoring/Review

28. 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.

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