

## Human Resources

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## PAY POLICY STATEMENT 2018/19

## TABLE OF CONTENTS

Aim.....	2
Decision Making .....	2
Scope.....	2
Definitions .....	2
Legislation.....	3
Principles .....	3
Remuneration.....	3
Variations in Remuneration .....	4
Current Pay Schemes .....	4
Returning Officer .....	5
Pensions and Severance Payments .....	5
Lowest Paid Employees .....	5
Pay Multiple .....	6
Equal Pay .....	6
Communication & Data Publication .....	6
Monitoring/Review .....	6

## 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 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 Living Wage Foundation has determined two rates: £10.20 in London, £8.75 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. This is currently £9.69.

*'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 20 (below). From October 2013 no Oxford City Council employee has been paid at a rate below grade 3, except those identified at paragraph 20 (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.*

## Legislation

5. The Council is required by the Section 38-43 Localism Act 2011 having due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013 to prepare, approve and publish a Pay Policy Statement.
6. The Council must also have due 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 organisational structure.

## 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 £9.69 per hour. The lowest Council employee rate (except for those employees identified in paragraph 20 below) is £9.79 per hour.
  - A new 3 year pay deal has been agreed with effect from 1<sup>st</sup> April 2018. Under this agreement:-
    - A cost of living pay award will be made on the 1<sup>st</sup> April each year. Each incremental point on the pay scale will increase by 1.25% or the sum of £575, whichever is the greater on 1<sup>st</sup> April 2018. On 1<sup>st</sup> April 2019 and 2020 the increase will be 1.25% or the sum of £500, whichever is the greater.
    - The next incremental progression will be 1<sup>st</sup> October 2019 subject to satisfactory performance and attendance. The bottom point of each grade will be removed at 1 October 2019, leaving two spinal column points in each grade.
  - 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 including:
    - 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.
  - Weekend working enhancements for staff who are required to work on Saturdays and Sundays as part of their normal working week.
  - Relocation expenses.
  - Reimbursement of professional fees.
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 current HMRC approved rates.
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. Two 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) Senior Management Grades for certain senior positions (Scheme 2)

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 was introduced as a result of Single Status and in 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.

Scheme 2 - 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.

### **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 approval. 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 soon) 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 £9.69 per hour. No Council employee\* is 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 lowest spinal column point for Council staff is £9.79 per hour.

*\* 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 1 April 2018 the highest paid officer receives £157,536 per annum including all elements of pay. The bottom point of Grade 3 is the lowest rate paid by the Council which is £18,883 per annum. The Council's current median salary is £29,717 per annum. This makes Oxford City Council's pay multiple 1:5.

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

### **Equal Pay**

22. The Council has undertaken an equal pay review in agreement with trade unions.

23. Gender Pay Gap information will be reported annually in compliance with legislation.

### **Communication & Data Publication**

24. The Council will publish its Annual Pay Policy Statement on its website as soon as reasonably practicable following approval.

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.

29. Once approved by Council, this policy statement will come into immediate effect, superseding the 2017/18 statement and will continue to be reviewed on an annual basis.