

## Pay Policy Statement 2022/23

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## 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 paid staff are not unnecessarily large.

## Decision Making

2. Whilst full Council sets the pay policy, it delegates to the Appointments Committee the setting of the Chief Executive and Directors' pay. The Appointments Committee is politically proportionate in that it represents 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 23.*

**'National Living Wage'** – *the national living wage is determined by Government and sets minimum pay rates for everyone who is 23 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: £11.05 in London, £9.90 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 £10.50 and is reviewed annually. 'Lowest paid employees' – for the purposes of this Statement, these are defined as:*

*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 21 (below). From October 2013 no Oxford City Council employee has been paid at a rate below grade 3, except those identified at paragraph 21 (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 of the 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 engaged through the Temporary Agency Worker contracts earns less than £10.50 per hour. The lowest Council employee rate (except for those employees identified in paragraph 21 below) is £10.60 per hour.
- A new two year pay deal has been agreed with effect from 1<sup>st</sup> April 2022. Under this agreement:-
  - a) There will be a cost of living increase of 2% with effect from 1<sup>st</sup> April 2022 and 2.5% with effect from 1<sup>st</sup> April 2023.
  - b) There will be no incremental progression during this period.
  - c) No home working allowance will be paid. Only those with protected rights, currently receiving the allowance as at 31<sup>st</sup> March 2022 will continue to receive it.
- Various allowances are 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.
  - 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 pursue a Zero Carbon Oxford. Where the use of private vehicles is necessary mileage is paid at the current HMRC approved rates. It should be noted that normally no claim may be made in respect of journeys from or to an employee's home for the sole purpose of going to or returning from a place of duty during normal working hours.
10. There are a range of benefits such as flexible working, leisure concessions, cycle scheme, employee assistance programme and various discounts on high street goods and services.

### 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 Head of People. The schemes in more detail are as follows:

**Scheme 1** – the principal scheme was introduced as a result of the nationally agreed scheme on local government 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 into 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)

Appointments to roles on the Service Manager+ through to Head of Service are to a fixed or 'spot' salary point on taking up the role, with subsequent increases

to the salary point subject to the same terms as those for Grades 3 to 11 under Scheme 1 detailed in 7 a) above. Chief Executive and Executive Directors' salaries are set by the Appointments Committee on taking up the role (as set out in paragraph 2) with subsequent increases to the salary point also subject to the same terms as those for Grades 3 to 11 under Scheme 1.

### Returning Officer

14. The Council's appointed Returning Officer and its Deputy Returning Officers for elections and referenda are entitled to receive and retain the personal fees arising from performing such duties, in addition to normal salary in accordance with the prescribed fee for each election.

Fees for national polls are set by the Cabinet Office, under a Statutory Instrument and fees for local government elections are determined in accordance with the scale of fees agreed by Oxfordshire County Council each year and adopted by the Returning Officer under a delegation granted by the Council.

The Council's Returning Officer also acts as Deputy Returning for Oxfordshire County Council elections, fees for which are determined by Oxfordshire County Council. These appointments are independent of the Council.

### 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 Officers including the Chief Executive, S151 Officer and Monitoring Officer. In cases where the severance package exceeds £100,000 they are also subject to the approval of full Council.
19. 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.
20. The same arrangements apply to ex-employees seeking engagement through an agency or under a contract for services.

### Lowest Paid Employees

21. The Council adopted an 'Oxford Living Wage' in 2009 which is currently £10.50 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 £10.60 per hour.

*\* No agency worker employed through the Temporary Agency Worker contract with Reed will be paid less than the prevailing Oxford Living Wage (the hourly rate calculation can include payment in lieu of holiday pay)*

### Pay Multiple

22. As at 30 November 2021 the highest paid officer receives £161,499 per annum including all elements of pay. The bottom point of Grade 3 is the lowest rate paid by the Council (except for apprentices) which is £20,061 per annum. The Council's current median salary is £35783 per annum. This makes Oxford City Council's pay multiple 1:4.5.

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

### Equal Pay

23. Gender Pay Gap information will be reported annually in compliance with legislation and the organisation will also publish Ethnicity and Disability Pay Gap information.

### 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. This policy statement will come into effect on 1<sup>st</sup> April 2022, superseding the 2021/22 statement and will continue to be reviewed on an annual basis.