

To: Council
Date: 20 March 2023
Report of: Head of Business Improvement
Title of Report: Pay Policy Statement 2023/24

Summary and recommendations	
Purpose of report:	To approve the Annual Pay Policy Statement
Key decision:	No
Cabinet Member with responsibility:	Councillor Nigel Chapman, Cabinet Member for Citizen Focused Services
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendation(s): That Council resolves to:	
1. Approve the Annual Pay Policy Statement 2023/24 as attached at Appendix 1.	

Appendices	
Appendix 1	Annual Pay Policy Statement 2023/24
Appendix 2	Risk Register

Introduction and background

1. The Council is required by legislation to approve and publish a Pay Policy Statement annually.

Overview

2. The Pay Policy Statement attached at Appendix 1 reflects the Council's current agreements and arrangements with regard to pay.
3. The Council has completed union negotiations with Unison and Unite to agree a two year pay arrangement providing a cost of living pay award of 2% with effect from 1st April 2022 and 2.5% with effect from 1st April 2023. The arrangements in the local pay agreement for the period from 1st April 2022 to 31st March 2024 are reflected in the Pay Policy Statement 2023/24.
4. The current pay agreement includes a commitment to undertake a full review of pay, grading and progression looking ahead from 1st April 2024 onwards.

5. As a consequence of the rising rate of inflation and cost of living the Living Wage Foundation announced early increases to the voluntary London and National Living Wages of over 10%.
6. The Oxford Living Wage is set at 95% of the London Living Wage. The impact of the increase was that the Council had to adjust the pay of staff on the lowest pay grade (Grade 3). This was done on 1st November 2022, so that the minimum salary point is currently £11.64 per hour. Living Wage increases are normally announced in November and are implemented by the Council on the following 1st April.
7. In addition, the Council has responded to the cost of living crisis in two ways. Firstly by paying all staff a one-off non-consolidated payment of £500. The payment was made to staff in November 2022 unless they declined to receive the payment or opted for payment by instalments. Secondly all salary points will be increased by £500 with effect from 1st February 2023 (backdated), at the time of writing this is subject to no call-in being received for the decision taken by the Chief Executive on 09 March 2023 in accordance with Part 5.16 of the Council's Constitution. This will be a permanent increase in pay and the 2.5% increase in pay rates which is due on 1st April 2023 will be applied to the salary amounts that were implemented on 1st February 2023.
8. Following the revocation of the Public Sector Exit Payment Cap Regulations 2020 on 12 February 2021 the Government launched a consultation on Statutory Guidance on the making and disclosure of Special Severance Payments by local authorities which closed on 13th August 2021. The outcome of this consultation was the publication of Statutory Guidance on the making and disclosure of Special Severance Payments by local authorities in England in May 2022. The purpose of the guidance is to ensure that local authorities apply robust procedures when considering making exit payments to employees, particularly in relation to discretionary payments (called Special Severance Payments) to ensure that the course of action represents good value for money. The guidance does not, however, alter the discretions that employers may use. We have refined our procedures for considering exit payments to ensure compliance with the guidance as it currently stands, however, some aspects of the guidance are not very clear and we are still waiting for some further clarifications following representations made to Government by the Local Government Employers Association. The main procedural change is the requirement for exit payment in excess of £20,000 to be approved by the Leader of the Council.
9. Legislation on the recovery of exit payments for senior officers who return to work in the public sector within twelve months of receipt of an exit payment is still expected. There have not, however, been any developments since 2015 in relation to this and the legislation is therefore still pending. If the legislation is finalised, the Council will review and implement the new legislation.

Financial implications

10. The financial implications of this Pay Policy Statement and the two year pay agreement have been included within the Council's Medium Term Financial Strategy. The additional payment of £500 on all salary points referred to in paragraph 7 will be consolidated. The estimated cost of this is around £1million including national insurance and superannuation per annum. This cost will need to be taken into account against the current pay assumptions made in the Council's 4 year medium term financial plan.

11. It is worth noting that the Council includes the requirement for the Government's National Minimum wage to be taken into account in its standard procurement terms and conditions by any supplier, contractor or sub-contractor. The Oxford Living Wage is incorporated into the Council's contracts for temporary agency workers, and the requirement to pay the Oxford Living Wage as a minimum also covers its Leisure Services partner and both Oxford Direct Services Ltd and Oxford City Housing Limited, which are a Council owned companies.

Legal issues

12. The Council has a legal obligation to produce and publish a pay policy statement annually. In accordance with the Localism Act 2011, the Council is required to approve its Annual Pay Policy Statement by 31 March each year and to publish its Annual Pay Policy Statement as soon as reasonably practicable after it has been approved.

Level of risk

13. A risk register can be found at Appendix 2.

Equalities impact

14. All changes to pay arrangements are and will continue will be subject to consultation, appropriate approvals and equalities impact assessments.

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Background Papers: None

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