



To: Members of the Remuneration Committee

Notice of a Meeting of the Remuneration Committee

Tuesday, 9 September 2014 at 4.00 pm

Room 3 - County Hall, New Road, Oxford OX1 1ND

Peter G. Clark.

Peter G. Clark
County Solicitor

August 2014

Contact Officer: **Sue Whitehead**
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Membership

Chairman – Councillor Ian Hudspeth
Deputy Chairman - Councillor Zoé Patrick

Councillors

Charles Mathew
Rodney Rose

Gillian Sanders
David Williams

David Wilmshurst

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines.

<http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/>

or contact Rachel Dunn on (01865) 815279 or Rachel.dunn@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. **Apologies for Absence and Temporary Appointments**
2. **Declarations of Interest - see guidance note**
3. **Minutes (Pages 1 - 4)**

To approve the minutes of the meeting held on 11 February 2014 (RC3) and to receive information arising from them.

4. **Petitions and Public Address**

EXEMPT ITEMS

It is RECOMMENDED that the public be excluded for the duration of item RC5, RC6 and RC7 since it is likely that if they were present during that item there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified below in relation to those items and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

THE REPORT AND ANNEXES TO THE ITEM HAVE NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS 'CONFIDENTIAL' BY MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

THIS ALSO MEANS THAT THE CONTENTS SHOULD NOT BE DISCUSSED WITH OTHERS AND NO COPIES SHOULD BE MADE.

5. **Extension of Grade for Corporate Advisors (Pages 5 - 10)**

This report proposes the introduction of additional spinal column points and the placing of the posts of Chief Human Resources Officer, Chief Finance Officer and Chief Legal Officer onto these from 1 April 2014 in recognition of additional duties and responsibilities undertaken due to the loss of the two Assistant Chief Executive posts.

The information contained in the report is exempt in that it falls within the following prescribed category:

- 1 *Information relating to any individual;*
- 3 *Information relating to the financial or business affairs of any particular person (including the authority holding that information);*
- 4 *Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority*

It is considered that in this case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would be contrary to the authority's duties as a fair employer.

6. Chief Fire Officer and Deputy Chief Fire Officers (Pages 11 - 14)

Pay arrangements for the Chief Fire Officer were excluded from the Senior Pay Review 2013 report taken by Remuneration Committee on 23 October 2013. The Chief Fire Officer undertakes a full, corporate role on the County Council Management Team and this report provides some benchmarking information which supports proposals to increase the salary of the Chief Fire Officer and that of the Deputy Chief Fire Officer.

The information contained in the report is exempt in that it falls within the following prescribed category:

- 1 *Information relating to any individual;*
- 3 *Information relating to the financial or business affairs of any particular person (including the authority holding that information);*
- 4 *Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority*

It is considered that in this case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would be contrary to the authority's duties as a fair employer.

7. CCMT - Performance Appraisal Review (Pages 15 - 18)

This report provides feedback from the 2013/14 CCMT Performance Appraisal Review and the link to the grading structure that is in place for the Chief Executive, Chief Officers, Deputy Chief Officers and related staff, in accordance with the County Council's Pay Policy Statement February 2014.

The information contained in the report is exempt in that it falls within the following prescribed category:

- 1 *Information relating to any individual;*
- 3 *Information relating to the financial or business affairs of any particular person (including the authority holding that information);*
- 4 *Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority*

It is considered that in this case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would be contrary to the authority's duties as a fair employer.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

8. Local Authority Transparency Code 2014 (Pages 19 - 22)

The Local Authority Transparency Code 2014 is expected to come into force in Autumn 2014. The Code requires local authorities to publish a varied range of information on a variety of topics. These requirements will mean changes to the information published by the Council on senior jobs and organisational structure and on trade union facility arrangements. This report is to ensure Remuneration Committee are aware of the new requirements and are satisfied that the Council is fulfilling its obligations satisfactorily.

The Remuneration Committee is RECOMMENDED to:

- (a) note and adopt the changes to the Transparency Code; and***
- (b) indicate whether they wish to comply with the optional elements of the Code.***

9. Changes to Delegated Decisions on Extending Half Sick Pay and Unpaid Leave (Pages 23 - 24)

Currently under the Constitution the Chief Executive and Chief Officers have the delegated authority to decide on any requests to approve extension of half sick pay (for a period not exceeding the equivalent period of half pay already received) and to grant unpaid leave up to twelve months. It is not proposed to change this arrangement.

Where requests are received which go beyond these parameters currently a report is required for Remuneration Committee approval.

The current report seeks to change this delegated authority so that in cases which seek to go beyond the delegation set down in the Constitution the decision no longer rests with Remuneration Committee but will fall to the relevant Strategic Director, Chief HR Officer and Chief Finance Officer.

The Remuneration Committee is RECOMMENDED to ask the Solicitor to the Council to amend the Constitution at the next opportunity to delegate to the relevant Strategic Director, Chief HR Officer and Chief Finance Officer the authority to decide on requests from employees to extend half sick pay (for a period not exceeding the equivalent period of half pay already received) and to extend unpaid leave beyond twelve months.

10. Oxfordshire Local Agreement and Living Wage - Latest Developments (Pages 25 - 32)

The Remuneration Committee agreed to the introduction of the Oxfordshire Local Agreement (OLA) in February 2014 and this was implemented with effect from 1 April 2014 for all ex-Green Book employees, including support staff in county schools.

This report updates the Committee on the progress of the OLA and particularly refers to the position in schools and academies in Oxfordshire and the likely implications of the national pay negotiations, which are currently the subject of national disputes.

The Remuneration Committee is RECOMMENDED to:

- (a) receive, note and comment on this report;***
- (b) adopt the Procedure for Negotiating Changes to Terms and Conditions under the OLA at Annex 3; and***
- (c) agree to review their position on the Living Wage when the national pay settlement is reached.***

REMUNERATION COMMITTEE

MINUTES of the meeting held on Tuesday, 11 February 2014 commencing at 2.00 pm and finishing at 3.10 am.

Present:

Voting Members: Councillor Rodney Rose – in the Chair

Councillor Zoé Patrick (Deputy Chairman)
Councillor Charles Mathew
Councillor Rodney Rose
Councillor Gill Sanders
Councillor David Williams
Councillor David Wilmshurst

Officers: Sue Corrigan, Strategic HR Manager, Steve Munn, Head of HR, Deborah Miller (Law & Culture).

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

6/13 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies for absence were submitted on behalf of Councillor Ian Hudspeth. Councillor Rose took the Chair for the meeting.

7/13 MINUTES

(Agenda No. 3)

The Minutes of the meeting held on 27 January 2014 were approved and signed.

8/13 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

Mrs Carole Thompson, Chair of the Schools Forum spoke on behalf of members of the forum against the proposal to introduce a local agreement on negotiation of pay and terms and conditions of employment for Green Book employees on the basis that there were currently very good working relationships, that the change was not in anyone's best interest either as employee or as employer to have tribunals; consideration should be given to academies; changes to defined pension scheme; schools would be very reluctant to move away from the County Council but would be more reluctant to have a difference between maintained and academes and the

possibility of a split system – the majority would stick to National arrangements not two tier arrangements.

Mrs Kate Curtiss spoke on behalf of Secondary Head teachers

9/13 EXEMPT ITEMS

(Agenda No.)

RESOLVED: that the public be excluded for the duration of item 6 and 7 since it is likely that if they were present during that item there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified below in relation to those items and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PUBLIC SUMMARY OF PROCEEDINGS HELD IN PRIVATE

10/13 CONSULTATION FEEDBACK ON THE INTRODUCTION OF LOCAL TERMS AND CONDITIONS FOR GREEN BOOK EMPLOYEES

(Agenda No. 5)

It was considered that in this case the public interest in maintaining the exemption outweighed the public interest in disclosing the information, in that and since it was considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, in that such disclosure would be contrary to the authority's duties as a fair employer.

In January 2014 Remuneration Committee agreed in principle that Oxfordshire County Council would move from national to local negotiations for staff employed under the National Joint Council for Local Government Services known as the 'Green Book', subject to receiving further information.

The Committee had before them further feedback from the consultation process and the outcome of the Unison ballot in relation to moving towards local negotiations.

Representatives from the School Forum and OASSH also gave their views to the Committee under Agenda Item 4.

RESOLVED: (by 5 votes to 1, (Councillor David Williams having asked that his vote against be recorded) to confirm its decision to introduce the local agreement on negotiation of pay and terms and conditions of employment for Green Book employees from 1 April 2014, subject to final agreement with UNISON and 2 Year matching with the National Pay Settlement.

11/13 LOCAL NEGOTIATION OF PAY AND TERMS AND CONDITIONS OF EMPLOYMENT FOR SENIOR STAFF

(Agenda No. 6)

It was considered that in this case the public interest in maintaining the exemption outweighed the public interest in disclosing the information, in that and since it was

considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, in that such disclosure would be contrary to the authority's duties as a fair employer.

In January 2014 Remuneration Committee had agreed in principle that Oxfordshire County Council would move from national to local negotiations for staff employed under the National Joint Council for Local Government Services known as the 'Green Book', subject to receiving further information.

The Committee had before them a report (RC6) which sought to bring senior staff employed under the Joint National Councils for Chief Executives and Chief Officers and related staff, as amended by local negotiated agreements, under a similar local agreement. The report included a proposed local agreement between the Council and senior staff which set out the proposed terms of this agreement following local negotiations and consultations.

RESOLVED: the recommendations set out in the Exempt report were agreed.

12/13 FIREFIGHTER PENSION SCHEME AMENDMENTS (FPS 1992 & NFPS 2006)

(Agenda No. 7)

The Committee had before them a report (RC7) which set out Oxfordshire County Council's policy/position statement following the DCLG response to the 'Amendments to the Firefighters' Pension Scheme (1992) and New Firefighters' Pension Scheme (2006): summary of responses.

Simon Furlong, in introducing the report, outlined the three discretions which needed to be agreed upon and then communicated to all FRS staff.

The first discretion was that employers now had the discretion to permit those 1992 scheme members who retired aged over 50 but under 55 with less than 30 years' pensionable service to raise the commutation limit from the current limit of 2.5 times the accrued pension so that they could commute up to the maximum of a quarter of their annual pension for a lump sum on their retirement. Under the new provision, the employer must fully consider the economical, effective and efficient management of their functions and the costs likely to be incurred in each case as should authorities wish to exercise this discretion and raise the commutation limit, they (as the employer) were liable to pay the increased lump sum costs associated.

The amendment to the 1992 scheme widens the employer's discretion to abate a pension paid to a member who is re-employed by a fire and rescue authority. It would also require the employer to pay into the pension fund the amount of paid pension that could have been subject to abatement. The requirement for the employer to be liable for the costs where they do not exercise the discretion to abate a member's pension would apply to both the 1992 and 2006 schemes. This would only apply to the 1992 scheme to new instances of re-employment since 25 September 2009. The New Firefighters' Pension Scheme 2006 already provides for this discretion.

The amendment order provided Employers with the discretion to determine whether the following allowances were pensionable. The allowances were:

- (i) any allowance or supplement to reward additional skills and responsibilities that are applied and maintained outside the requirements of the firefighter's duties under the contract of employment but are within the wider functions of the job;
- (ii) the amount (if any) paid in respect of a firefighter's continual professional development;
- (iii) the difference between the firefighter's basic pay in their day to day role and any pay received whilst on temporary promotion or where he is temporarily required to undertake the duties of a higher role;
- (iv) any performance related payment which is not consolidated into his standard pay.

Some additional skills allowances and short periods of temporary promotion were not currently treated as pensionable and officers were currently seeking guidance from the OCC legal team following recent high court judgements and Queen's Council advice to other fire authorities.

Under the new provision the Authority may exercise their discretion as to whether they continue to be/or are treated as pensionable benefits. Any pensionable benefits for any payments commencing on or after 1 July 2013 falling within these categories would be treated as an additional pension benefit (APB) and would not contribute to the final salary calculation on the pension scheme.

The Committee expressed concern that there was no member involvement in the discretion to Permit the Maximum Payment. Sue Corrigan confirmed that this decision could go to the Pensions Benefits Sub-Committee along with other pension's issues. Accordingly, it was agreed to change recommendation (a) to reflect this.

RESOLVED: that:

- (a) the discretion to Permit the Maximum Payment be adopted, but individual proposals be examined on a case by case basis depending on the needs of the Service and agreed by the ~~Chief Fire Officer~~ Pension Benefits Sub-Committee on advice from the Chief Fire Officer, Chief Finance Officer and the Head of Human Resources;
- (b) abatement will apply in all cases of reemployment of members of the 1992 and 2006 schemes with any Fire & Rescue Authority in any capacity or is employed by any employing public sector organisation without going through an open competition;
- (c) the Fire Authority determines that all of the salary benefits listed are treated as pensionable benefits and attract an Additional Pension Benefit as detailed in the FPS 1992 and the NFPS 2006.

..... in the Chair

Date of signing

2014

Agenda Item 5

By virtue of paragraph(s) 1, 3, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Division(s):

REMUNERATION COMMITTEE – 9 SEPTEMBER 2014

Local Authority Transparency Code 2014

Report by Chief Human Resources Officer

Introduction

1. The Local Authority Transparency Code 2014 is expected to come into force in Autumn 2014. This report focuses on the staff related requirements of the Code (although the Code brings other requirements too), and it aims to keep Remuneration Committee informed of the changes which will be required in published information on senior jobs and organisational structures and trade union facilities.
2. **Requirements of the Local Authority Transparency Code 2014.**

The Code requires the following information to be published annually:

Organisation Chart.

*(Paragraph 30.) Local authorities must publish an organisation chart covering staff in **the top three levels** of the organisation. (This should exclude staff whose salary does not exceed £50,000.)*

*The following information must be included for **each member of staff** included in the chart:*

- *grade*
- *job title*
- *local authority department and team*
- *whether permanent or temporary staff*
- *contact details*
- *salary in £5,000 brackets, consistent with the details published under paragraph 34, and*
- *salary ceiling (the maximum salary for the grade).*

Currently information on remuneration is published for those employees earning over £52,800 p.a.

Senior salaries.

(Paragraph 34.) Local authorities are already required to publish, under the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817)22:

- *the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000*
- *details of remuneration and job title of certain senior employees whose salary is at least £50,000, and*
- *employees whose salaries are £150,000 or more must also be identified by name.*

(Paragraph 22.) These Regulations are to be replaced by Regulations made under the Local Accountability and Audit Act 2014. 16

*(Paragraph 35.) In addition to this requirement, local authorities must place a link on their website to these published data or place the data itself on its website, **together with a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff)** and details of bonuses and 'benefits-in-kind', for all employees whose salary exceeds £50,000.*

The key differences between the requirements under this Code and the Regulations referred to above is the addition of a list of responsibilities, the inclusion of bonus details for all senior employees whose salary exceeds £50,000 and publication of the data on the authority's website.

Pay multiple.

(Paragraph 37.) Section 38 of the Localism Act 2011 requires local authorities to produce Pay Policy Statements, which should include the authority's policy on pay dispersion – the relationship between remuneration of chief officers and the remuneration of other staff. Guidance produced under section 40 of that Act, recommends that the pay multiple is included in these statements as a way of illustrating the authority's approach to pay dispersion.

(Paragraph 38.) Local authorities must, under this Code, publish the pay multiple on their website, defined as the ratio between the highest paid salary and the median salary of the whole of the authority's workforce. The measure must:

- *cover all elements of remuneration that can be valued (e.g. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)*

- *use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year, and*
- *exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.*

Oxfordshire already publishes the pay multiple, however, this method of calculation is different.

Trade union facility time.

(Paragraph 31.)

- *total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)*
- *total number (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union duties*
- *names of all trade unions represented in the local authority*
- *a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill).*

Oxfordshire does not publish this information currently although it is in the public domain through numerous FOI requests.

The following are **recommendations** only under the Code, to be published annually:

Organisation chart

(Paragraph 50.) *It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish:*

- *charts including all employees of the local authority whose salary exceeds £50,000*
- *the salary band for each employee included in the chart(s), and*
- *information about current vacant posts, or signpost vacancies that are going to be advertised in the future*

Financial and Staff Implications

3. No direct implications.

Equalities Implications

4. No direct implications.

RECOMMENDATION

5. **The Remuneration Committee is RECOMMENDED to:**
 - (a) note and adopt the changes to the Transparency Code; and**
 - (b) indicate whether they wish to comply with the optional elements of the Code.**

STEVE MUNN
Chief H.R. Officer

Background papers: Local Authority Transparency Code 2014

Contact Officer: Sue Corrigan, County Human Resources Manager. Tel 01865 810280, email sue.corrigan@oxfordshire.gov.uk

September 2014

Division(s): NA

REMUNERATION COMMITTEE – 9 SEPTEMBER 2014.

CHANGES TO DELEGATED DECISIONS ON EXTENDING HALF SICK PAY AND UNPAID LEAVE.

Report by Chief Human Resources Officer

Introduction

1. Currently under the Constitution the Chief Executive and Chief Officers have the delegated authority to decide on any requests to approve extension of half sick pay (for a period not exceeding the equivalent period of half pay already received) and to grant unpaid leave up to twelve months. It is not proposed to change this arrangement.
2. Where requests are received which go beyond these parameters currently a report is required for Remuneration Committee approval.
3. The current report seeks to change this delegated authority so that in cases which seek to go beyond the delegation set down in the Constitution the decision no longer rests with Remuneration Committee but will fall to the relevant Strategic Director, Chief HR Officer and Chief Finance Officer.

Reasons for Change.

4. Requests for extensions to half sick pay and extended unpaid leave are relatively unusual. Records show that since January 2012 there have been two agreements to unpaid leave in excess of one year, and one agreement to extend half sick pay (excludes schools).
5. However, when requests are received a response is often required quite promptly – either because a sick employee needs to know where they stand financially or because an employee needs to confirm arrangements, for example, in enrolling for a qualification course. When there is no Remuneration Committee planned due to lack of pressing business a meeting has to be convened specially to deal with such requests, or we pursue the option of using delegated powers of the Leader of the Council and the Chief Executive.
6. Neither convening a special meeting nor referral of individual cases to the Leader and Chief Executive seem to be proportionate methods of dealing with this type of request.
7. It is, therefore, proposed to revise the Constitution at the next opportunity to delegate these decisions to be agreed by the relevant Strategic Director, Chief HR Officer and Chief Finance Officer.

8. Elected members could, if they wish, seek to receive a regular report on the decisions taken under the new delegated powers to monitor how these powers are being operated.

Financial and Staff Implications

9. There are no financial implications arising directly from this proposal.

Equalities Implications

10. There are no equality implications arising directly from this proposal. The inclusion of the Chief HR Officer and Chief Finance Officer will ensure consistency of approach.

RECOMMENDATION

11. **The Remuneration Committee is RECOMMENDED to ask the Solicitor to the Council to amend the Constitution at the next opportunity to delegate to the relevant Strategic Director, Chief HR Officer and Chief Finance Officer the authority to decide on requests from employees to extend half sick pay (for a period not exceeding the equivalent period of half pay already received) and to extend unpaid leave beyond twelve months.**

**STEVE MUNN
CHIEF H.R. OFFICER**

Background papers: The Council's Constitution Part 7.3, Section 4.2.

Contact Officer: Sue Corrigan, County H.R. Officer; Tel: (01865) 810280

September 2014

Division(s):

REMUNERATION COMMITTEE – 9 SEPTEMBER 2014

THE OXFORDSHIRE LOCAL AGREEMENT AND THE LIVING WAGE – LATEST DEVELOPMENTS

Report by Chief Human Resources Officer

Introduction

1. The OLA was successfully introduced into all ex-Green Book contracts of employment with effect from 1 April 2014. (See Annex 1 for a copy of the agreement.) The agreement covers all relevant employees in county schools, but not academies.
2. The OLA includes a commitment by the Council to 'work towards the introduction of the payment of the Living Wage as its minimum hourly rate by 1 April 2017'. Representatives from Schools Forum attended the Remuneration Committee on 11 February 2014 to voice the concerns of both county schools and academies about the implications of the OLA, especially the potential costs of introducing the Living Wage, which would fall primarily to their budgets. These comments were taken into account by the Committee in making their decision to adopt the agreement. These concerns continue to be raised. (See Annex 2 for current details on the Living Wage)
3. Schools and academies have also voiced concerns about the consultation process for any future changes which might arise from the OLA.

Summary of the Current Position with Regards to County Schools and Academies.

4. Officers have attended the Schools Forum on a number of occasions since February and have also been invited to address the Oxfordshire Secondary Head Teachers Association on the implications of the OLA. Schools' Forum specifically asks the Committee to consider the full costs to schools before introducing the Living Wage.
5. County Schools – Estimates of the cost of implementing the Living Wage have been made available to county schools. Schools view this as another potential additional cost on their budgets, following other unavoidable costs such as increases in employer pension contributions and changes to the calculation of annual leave for part-time term-time only staff. They indicate that, while they are in principle in favour of the introduction of the Living Wage, they would struggle to fund this. They do not consider that there is any market pressure to pay this increased rate of pay and they are fearful of the consequential implications on the pay of other employees who will lose their differentials if the Living Wage is implemented.
6. Academies – In Oxfordshire academies have retained national terms and conditions of employment. Some have considered whether to change from this and to adopt the OLA. Legal advice has been received on the potential

implications of the OLA for academies. One multi-academy trust has opted to introduce its own local agreement (similar in most respects to the OLA, other than the degree of commitment to the introduction of the Living Wage) in order to harmonise their original staff with those recently joining the group who are now employed on the OLA. However, generally academies have indicated that they will wait to see how developments unfold before making any change to their current contracts.

Impact of the National Pay Negotiations.

7. The current national annual pay award negotiations have broken down and trade unions are planning strike action. This action will not apply in Oxfordshire, in the main, as the OLA has been introduced. However, the outcome of these negotiations is significant to Oxfordshire because the OLA states that the Council will match the national agreement for the first two years, 2014-15 and 2015-16.
8. The national employers' final offer is set out below.
 - £580 (4.66%) on SCP5 with effect from 1 April 2014
 - £550 (4.36%) on SCP6 with effect from 1 April 2014
 - £400 (3.10%) on SCP7 with effect from 1 April 2014
 - £275 (2.06%) on SCP8 with effect from 1 April 2014
 - £200 (1.46%) on SCP9 with effect from 1 April 2014
 - £175 (1.25%) on SCP10 with effect from 1 April 2014
 - 1.0% on SCPs 11 and above with effect from 1 April 2014.

Although this was rejected by unions, it implies that any settlement which is eventually reached is likely to be at least as generous as this offer. The Council and county schools will be obliged to match this and will increase the pay of those below the Living Wage in line with the settlement. The effect of this will be to bring those employees currently below the Living Wage closer to this level, irrespective of any local moves to introduce the Living Wage under the OLA. The Living Wage is currently £7.65 per hour which is equivalent to just below SCP 11 after the 1% rise has been applied. In effect, some of the costs of introducing the Living Wage will become costs associated with the pay award. If this trend of favouring the lower paid continues in the national negotiations for 2015-16 another step will be taken in bringing pay in line with the Living Wage and it is possible that by 2017, when the OLA aims to implement the Living Wage, there will be relatively little to catch up.

Proposed Procedure for Negotiating Changes to Terms and Conditions under the OLA.

9. Both county schools and academies have expressed a desire to be formally consulted when changes are planned regarding employment conditions under the OLA. Currently, the Council generally uses the Schools Forum for such consultations and a Cabinet member attends the Forum. The Forum would welcome a more formal arrangement to be agreed. A draft procedure has been prepared at Annex 3 which would give structure to future consultations

and bring confidence to schools, and any relevant academies should they seek to adopt the OLA in the future, that they will be formally consulted on any proposed changes under the OLA, especially where these impact directly on their budgets.

Financial and Staff Implications

10. There are no direct financial and staff implications arising from this report.

RECOMMENDATION

11. **The Remuneration Committee is RECOMMENDED to:**
 - (a) Receive, note and comment on this report;**
 - (b) Adopt the Procedure for Negotiating Changes to Terms and Conditions under the OLA at Annex 3; and**
 - (c) Agree to review their position on the Living Wage when the national pay settlement is reached.**

Steve Munn
Chief Human Resources Officer

Background papers: None

Contact Officer: Sue Corrigan, County HR Manager, Tel: (01865) 810280

September 2014

Annex 1.

Agreement between Oxfordshire County Council and Oxfordshire Unison.

Following consultations and negotiations, Oxfordshire County Council (the Council) and Unison have entered into this legally binding agreement to make changes to employees' terms and conditions of employment.

This agreement will cover all employees who were previously employed under the National Agreement on Pay and Conditions of Service for Local Government Services (the Green Book). The agreement will be incorporated into contracts of employment for all relevant employees and will be known as '**The Oxfordshire Local Agreement**'.

This agreement will take effect on 1 April 2014 (unless otherwise specified below) and will apply for three years, ending on 31 March 2017. Further local negotiations will take place to come to future agreement from 1 April 2017.

For the avoidance of doubt, the Council and Unison enter into this agreement so that all and any general changes to pay or terms and conditions will only be implemented following a negotiated settlement under the terms of this agreement.

Unison agrees not to pursue any legal claims against the Council in relation to these changes.

Introduction of Local Negotiations for Pay and Terms and Conditions of Employment from 1 April 2014.

The Council will cease to apply the Green Book terms and conditions and pay awards and will undertake annual local negotiations which will cover major changes to pay and other terms and conditions of employment.

The national and local pay and conditions of service which are in place on 31 March 2014 will continue to apply until they are changed by locally negotiated agreement.

Minor or limited changes to pay or terms and conditions may be agreed through negotiation with Unison separately throughout the year as required.

The Council guarantees to make an annual cost of living pay award of at least 1 % on 1 April each year to all spinal column points for each year of this agreement. The Council guarantees to match the Green Book cost of living pay award if this is in excess of 1% in 2014-15 and 2015-16. The Council will consider but does not guarantee to apply any other aspects of the Green Book settlement for 2014-15 and 2015-16.

Agreed Changes to Local Terms and Conditions.

Pay Protection.

The Council's agreed Pay Protection Policy will be amended to limit the amount of protection given to employees whose redeployment will avoid a dismissal due to redundancy or ill-health. Pay protection will be given up to one grade for one year in duration in these cases.

Disturbance Travel Allowance.

The Council will limit the reimbursement of excess travel costs payable when an employee's place of work is changed. Reimbursement will be given for up to one year from the change of work location.

Living Wage.

The Council undertakes to work towards the introduction of the payment of the Living Wage as its minimum hourly rate by 1 April 2017.

Annual Leave Entitlement for Grades 6 and below.

The Council will increase the annual leave entitlement of employees paid on Grade 6 and below who have completed 10 years' continuous service to 30 days per annum.

Time off in Lieu of Work Outside the Flexitime Scheme.

Where employees undertake work outside the hours covered by the Flexitime Scheme, or where the scheme does not apply, they will be entitled, by prior agreement with their manager, to take an equivalent amount of time off from normal working hours, usually within two months of undertaking the work.

Standards of Office Lay-out for Agile Working.

The Council will agree with Unison on basic standards of office equipment and lay-out where Agile Working is implemented.

Unison Representation in Academy Schools.

The Council will seek an arrangement whereby Unison time spent on trade union duties in academies is funded by the academies.

Date: March 2014

Annex 2.

The Living Wage – Briefing Note.

Main Points for Information.

General:

- Currently the Living Wage is £7.65 per hour outside London.
- Living Wage is set by the Centre for Research for Social Policy at Loughborough University.
- Some local employers pay the Living Wage, e.g. Oxford City Council.
- Oxford City Council reports that they require their contractors to pay the Living Wage.

Oxfordshire County Council:

- OCC's lowest pay equates to £6.53 per hour, paid to some cleaners in schools.
- Living wage equates to £14,718 p.a. which is just under Spinal Column Point 11 (£15,029 p.a.).
- Employees paid on Grade 3 and below include cleaners, catering assistants, lowest grade administrators, teaching assistants, customer service advisers and apprentices.
- Directorate and Schools employees are legally part of the same employment and the same pay and grading systems must apply.
- OCC currently employs 92 employees below the Living Wage in Directorates.
- Cost to the Council to pay all employees in Directorates the Living Wage = £33,416 p.a. (approx. max.)
- Schools currently employ 1462 employees below the Living Wage.

ANNEX 3

Procedure for Negotiating Changes to Terms and Conditions under the Oxfordshire Local Agreement.

Preamble.

The Oxfordshire Local Agreement (OLA) came into effect on 1 April 2014. The agreement sets down the introduction to Oxfordshire County Council of local negotiations on pay and terms and conditions for Green Book employees. This document sets down the procedure for undertaking these local negotiations.

The Council and Unison acknowledge the need to fully consult schools and those academies who decide to adopt the OLA in reaching agreements on changes to pay or terms and conditions.

Unison are responsible for consulting and obtaining agreement from their membership on proposals as appropriate. The council will consult managers, schools, academies, and employees as appropriate.

Procedure.

1. The Council and Unison undertake to maintain full and open informal discussions in order to preserve the most productive possible negotiating relations and to avoid difficulties of timing.
2. When the Council or Unison seeks to open negotiations under the OLA they will produce a draft written proposal in good time which will be shared by both sides.
3. When a draft written proposal has been lodged under the OLA the Council will consult Schools Forum on the proposal, including giving potential costs and implications for schools. This will include the opportunity to discuss the proposal at a full meeting of the Forum. Schools Forum will provide comments on the proposal and these will be taken into account in the negotiations and decision making process.
4. Formal negotiations on draft proposals will take place between the Council and Unison with a view to reaching a mutually acceptable draft agreement.
5. Once a draft agreement has been reached this will be communicated to Schools Forum.
6. The draft agreement will be considered by Remuneration Committee and a formal resolution will be made. Schools Forum may submit written representations or send representatives to Remuneration Committee and their views will be taken into account in the decision making process.
7. Once changes to pay or terms and conditions have been approved by Remuneration Committee the Council will communicate this to Schools Forum and employees and will give notice of the change where necessary. Unison will inform their membership.
8. It is anticipated that the cost of living pay award will be negotiated annually through this procedure.

Disputes.

Changes to pay and terms and conditions will only take place through this procedure under the OLA unless agreement to vary the procedure has been reached. Both parties undertake to maintain constructive negotiating relationships with a view to mutual agreement. However, where disputes arise these will be referred to the Employees Consultative Committee for discussion and resolution.

July 2014.