



## **Oxfordshire County Council Pay Policy Statement**

This policy statement has been reviewed by the Remuneration Committee and has been approved by the Council. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective. It is effective from 1<sup>st</sup> April 2023

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## **1. Introduction, Overview and Purpose**

Under Section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38-43 of the Localism Act 2011 and has been drafted with due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013, the Local Government Transparency Code 2015, and the Statutory Guidance on Special Severance Payments issued under section 26 of the Local Government Act 1999.

The purpose of this statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees, excluding teaching staff, employees working in local authority schools and academies and alternative service delivery models.

This statement details the methods by which salaries for all roles are determined. This statement will be published on the Council’s public website and will be available in other formats upon request.

Procedural and approval requirements set down in the Council’s Constitution will be applied as required.

In determining the pay and remuneration of all its employees, the Council takes account of the need to ensure value for money in respect of the use of public expenditure.

The Council also aims to develop and implement rewards systems and structures which meet the following requirements.

- Allow the Council to recruit and retain high calibre employees to provide high quality services
- Maintain levels of pay which are in line with the Council’s financial policies and provide value for money
- Are open, transparent and accountable
- Are fair and consistent

Once approved, this policy statement will come into effect on the 1<sup>st</sup> April 2023 for the next financial year and will supersede the 2022/23 statement and will continue to be reviewed on an annual basis.

## **2. Definitions**

To support the transparency of the Pay Policy Statement, below are definitions for common words/phrases that are used throughout.

## **2.1. Remuneration**

For the purposes of this statement 'remuneration' includes three elements – basic salary, pension and all other allowances arising from employment.

## **2.2. Chief Officers**

The definition of Chief Officers is defined as the officer designated as the Head of the Authority's Paid Service; a statutory chief officer – which under the Local Government and Housing Act 1989 means Corporate Director of Children's Services, Corporate Director of Adult Social Care, Corporate Director of Public Health and Community Safety, Section 151 Officer and Monitoring Officer.

The definition of a non-statutory chief officer which under section 2 (7) of the 1989 Act means direct reports of the Head of Paid Service (HOPS), a person for whom the HOPS is directly responsible; a person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to the head of the authority's paid service; and any person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority.

In the case of the Council these posts are:

- Chief Executive (Head of Paid Service)

### Statutory Chief Officers

- Corporate Director of Children's Services (Children, Education and Families)
- Corporate Director of Adult Social Care
- Corporate Director of Public Health and Community Safety
- Director of Finance and Section 151 Officer
- Director of Law and Governance and Monitoring Officer

### Non-Statutory Chief Officers

- Corporate Director of Customers, Organisational Development and Resources
- Corporate Director of Environment and Place

## **2.3. Lowest Paid Employees**

The lowest paid persons employed under a contract of employment with the Council are employed on full time [37 hours] equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. According to the pay scales, the lowest pay that employees receive is at Grade 1, Spinal Point 1 which is the lowest standard pay point.

The salary on this grade is currently payable to staff carrying out cleaning roles. As at 1 January 2023, this is £20,258 per annum (see section 3 below regarding the application of the UK Living Wage, the Real Living Wage and the Oxford Living Wage).

Lowest paid employees exclude apprentices due to their trainee status and exclude staff who transferred into the Council under TUPE protected rates.

## **2.4. Pay Multiples**

The pay multiple is the relationship between two different pay amounts, showing the number of times one value is contained within another value. The relationships will be shown between:

- the highest paid taxable earnings (including base salary, variable pay, bonuses, allowances and cash value of any benefits in kind) and the lowest paid taxable earnings.
- the highest paid taxable earnings (including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind) and the median earnings figure of the whole workforce.
- the average median salary of Chief Officers and the median earnings figure of the whole workforce.

## **3. Pay Strategy**

We undertake a review of the remuneration of all staff each year, taking into consideration hourly pay rates and other significant benefits such as annual leave above the statutory requirements, employer pension contributions and training and development. We believe that taking a holistic view to remuneration ensures that our staff are rewarded fairly and encourages us all to think of total reward packages rather than a single component such as base pay.

As at 1 January 2023, when annual leave above the statutory minimum requirements and employer pensions contributions are added to our lowest pay rates, the hourly rate equates to £12.77 this is currently 22.55% above the April 2023 rates for UK Living Wage of £10.42, 17.16% above the Real Living Wage of £10.90 and 12.51% more than the Oxford Living Wage of £11.35. However, it is important to note that negotiations for the 23/24 pay award have not yet commenced.

Looking forward, taking into consideration the increased annual leave day awarded in 22/23 pay award that comes into effect from 1<sup>st</sup> April 2023, when the annual leave above the statutory minimum requirements and employer pensions contributions are added to our lowest pay rates, the hourly rate equates to £12.82 this is currently 23.03% above the April 2023 rates for UK Living Wage of £10.42, 17.61% above the Real Living Wage of £10.90 and 12.95% more than the Oxford

Living Wage of £11.35. However, it is important to note that negotiations for the 23/24 pay award have not yet commenced.

## 4. Pay Design

There are 8 pay schemes in operation in agreement with trade unions. These are:

- Joint Negotiating Committee for Chief Officers
- Green Book (majority of Council employees)
- Gold Book (National Joint Council for Chief and Assistant Chief Fire Officers)
- Grey Book (Firefighters)
- Blue Book (Soulbury Committee covering Educational Psychologists)
- Burgundy Book (Teachers)
- National Joint Council for Coroners
- Public Health (NHS)

The Council ensures that all pay arrangements can be objectively justified through the use of Job Evaluation methods. These are:

- National Joint Council job evaluation scheme up to Grade 18.
- Roles above Grade 18 are subject to a separate Local Government Association approved Senior Manager job evaluation scheme.
- All Chief Officer and Deputy Chief Officer roles were subject to a comprehensive external and independent review in 2022.
- External benchmarking. The new Chief Executive salary was determined following a process of external benchmarking.

Grading structures for all groups of employees are implemented in line with agreed published pay scales and agreed relevant national terms and conditions of employment.

## 5. Appointments

The Remuneration Committee is the appointing body for all Statutory and non-statutory Chief Officer appointments.

<b>Post</b>	<b>Regulatory Description</b>	<b>Appointment under Constitution</b>
Head of Paid Service	Head of Paid Service	Remuneration Committee with recommendation to Full Council
Corporate Director of Children's Services (Children, Education & Families)	Statutory Chief Officer	Remuneration Committee

Corporate Director of Adult Social Care	Statutory Chief Officer	Remuneration Committee
Corporate Director of Public Health and Community Safety	Statutory Chief Officer	Remuneration Committee
(s151 Officer) Director of Finance	Statutory Chief Officer	Remuneration Committee with recommendation to Full Council
Monitoring Officer Director of Law and Governance	Statutory Chief Officer	Remuneration Committee with recommendation to Full Council
Corporate Director Customers, Organisational Development and Resources	Non-statutory Chief Officer	Remuneration Committee
Corporate Director of Environment and Place	Non-statutory Chief Officer	Remuneration Committee

The Cabinet consultation procedure would be utilised as required by regulations for Chief Officer posts.

Any pay or grading changes for Chief Officers are reviewed by Remuneration Committee and, if agreed, approved by Full Council.

Salary packages for new posts in excess of £100,000 per annum will be subject to formal approval by Full Council.

## 7. Pay Structures

### 7.1. Pay Grades and Progression

Most jobs have a grade with at least four incremental points and some grades have six points. When an employee is appointed to a new role it is typically at the bottom of the grade, unless they have significant experience in a similar role.

Annually and usually with effect from 1<sup>st</sup> April (Green Book, Chief Officers, Public Health (NHS), Coroners), 1<sup>st</sup> July (Fire and Rescue), 1<sup>st</sup> September (Soulbury, Teachers) and 1<sup>st</sup> January (Chief and Assistant Chief Fire Officers), pay awards are implemented in line with national negotiations. Employees progress to the next incremental point as long as they have been on their existing pay point for six months or more. This system recognises their

increasing experience and performance progression continues until they reach the top of the grade.

High levels of performance are expected from all employees and where standards are non-satisfactory prompt managerial action will be taken to improve performance. This may include disciplinary/capability action in accordance with agreed procedures.

## **7.2. Pay Supplements**

From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract where specific circumstances require this and where it can be justified in accordance with the Council policies. Such allowances are determined by Council policy. The Council uses the following:

- Market Supplements in order to attract and retain employees with particular experience, skills and capacity, for example when there are skills shortages locally or nationally. Market supplements must be agreed by the Job Evaluation Moderation Panel which is responsible for the local determination of job grades.
- Honoraria may be paid where an employee has taken on additional duties and responsibilities for a defined period, for example covering a vacancy or taking on a special project.
- A Golden Hello of up to £3,500 is used to encourage experienced children's social workers into the following teams; Family Support Plus, (FSP) Multi-Agency Safeguarding Hub (MASH), Youth Justice and Exploitation Service (YJES) and Children We Care For (CWCF) and other Statutory Social Work appointments.
- On Call Allowances to compensate employees for their requirement to be available with limited notice. Rates are agreed on an individual role basis.
- Car Allowances are only applicable in a minority of circumstances such as when staff have transferred into the Council under TUPE regulations.
- Certain roles also attract shift allowances for working evenings, weekends and/or bank holidays. Night shift premiums and allowances for waking nights are also applicable in certain roles. These allowances are in line with the national pay schemes applicable to the role (as identified in paragraph 4).

The Council will ensure that the requirement for an additional allowance or supplement is objectively justified by reference to clear and transparent evidence and where market supplements are considered, this is with reference to data available from within and outside the Local Government sector.

Pay Supplements are subject to reviews as appropriate



## **8. Other Employment Related Arrangements**

### **8.1. Local Government Pension Scheme (LGPS)**

Subject to qualifying conditions, employees have a right to belong to the LGPS.

The Employee contribution rates which are defined by statute, currently range between 5.5% and 12.5% of pensionable pay depending on actual salary levels.

The Employer contribution rates are set by actuaries and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current employer contribution rate is 19.9%.

The Council will not at any time augment the pension or membership of employees nor award or fund additional pension to employees unless required to do so by the LGPS Regulations.

### **8.2. Fire Brigade Pension Schemes**

Subject to qualifying conditions, employees have a right to belong to the Firefighters' Pension Scheme.

The employee contribution rates currently range between 11% and 14.5% of pensionable pay.

The Employer contribution is a fixed rate of 28.8 until March 2024.

### **8.3. Benefits Schemes**

As part of the Reward Strategy to recruit and retain high calibre employees, the Council provides a wide range of benefits including Cycle to Work, Childcare Vouchers (for staff in post prior to 4 October 2018 as this scheme was withdrawn by the Government with effect from this date), and Electric Vehicle salary sacrifice schemes as well as a range of employee discounts to support the local economy.

OCC launched Salary Finance in November 2022 which are a leading financial wellbeing provider in the UK. A key driver for this service is to support staff to develop good money habits, reduce the need and likelihood to access payday loans which have the potential to be more frequently accessed as the cost of living crisis deepens. Salary Finance are fully regulated and have been accredited as an ethical lender.

Our new Vivup benefits platform was successfully launched in October 2022 as part of our wider work to support staff during the cost of living crisis.

Employees now have access to hundreds of discounts from big brand supermarkets to broadband and utilities.

We are also looking to introduce an Additional Voluntary Contributions (AVCs) salary sacrifice scheme for LGPS Pension Fund Members.

#### 8.4. Expenses

Expenses are based on nationally agreed levels except car mileage which is based on the HM Revenue & Customs approved rate, currently 45 pence per mile, falling to 25 pence for miles travelled in excess of 10,000 per annum.

### 9. Pay Arrangements for Senior Management

9.1. Pay scales are reviewed annually by the Joint Negotiating Committee for Chief Executives, Joint Negotiating Committee for Chief Officers and the National Joint Council for Chief and Assistant Chief Fire Officers (as applicable) and changes usually take effect from 1<sup>st</sup> April (1<sup>st</sup> January for Chief Fire Officers).

The Council does not apply any bonuses or performance related pay to its Chief or Deputy Chief Officers.

Where the Chief Executive or other officer receives election fees these will be shown separately to salary. These fees are set annually by the Council's Audit and Governance Committee. In addition, a comprehensive review of election fees is undertaken by the Audit and Governance Committee every four years in readiness for the County quadrennial elections.

### 10. Pay Multiples and Medians as at 1<sup>st</sup> January 2023

10.1 The County Council is required to report on the pay multiples between its lowest and highest paid members of staff.

**Table 1** shows the ratio between the lowest paid and the highest paid role and the ratio between the median salary of the workforce and the highest paid. This includes figures as at 1<sup>st</sup> January 2023 and revised rates following the new Chief Executive appointment in March 2023.

Pay Multiples	1 <sup>st</sup> Jan 2023	1 <sup>st</sup> March 2023
Highest Paid – Interim Chief Executive (Oxfordshire County Council) New Chief Executive appointment includes the role of Returning Officer and commences in March 2023	£189,700	£225,000
Lowest Paid	£20,258	£20,258

Pay Multiple between the lowest paid and the highest paid	1:9.36	1:11.11
Median Salary	£33,820	£33,820
Pay Multiple between median and highest paid	1:5.6	1:6.5

**Table 2** shows the ratio between the median salary of the workforce and the average salary of its Chief Officers.

Pay Multiples using the <b>average</b> salary of Chief Officers	1 <sup>st</sup> Jan 2023	1 <sup>st</sup> March 2023
Average Salary of Chief Officers	£145,839	£150,251
Lowest Paid	£20,258	£20,258
Pay Multiple between the lowest paid and the Average Salary of Chief Officers	1:7.2	1:7.42
Median Salary	£33,820	£33,820
Pay Multiple between median salary and average salary of Chief Officers	1:4.31	1:4.44

## 11. Legislative framework

In determining pay the Council will comply with all relevant employment legislation. The Council is also bound by collective agreements and contractual arrangements which cannot be unilaterally altered. Relevant legislation includes the Employment Rights Act 1996, Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended), Agency Workers Regulations 2010, and the Children & Families Act 2014. The Council has taken steps to ensure there is no discrimination within its pay structures and that all pay differentials can be objectively justified. Where relevant, legislative obligation will supersede the approach and principles outlined in this statement, for example where terms and conditions are preserved as a result of contracts of employment transferring under TUPE.

## 12. Election Fees

The Council is required to provide funding to the Returning Officer to discharge statutory functions relating to the administration of local government elections. The Returning Officer will make payments to those officers who undertake specific duties in relation to the elections (including to chief officers) in accordance with their role.

The Chief Executive does receive additional payment for the role of Returning Officer for Local Government elections.

### **13. Payments on Termination of Employment**

The Council's approach to statutory and discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out in its policy statement made in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

The Oxfordshire County Council Redundancy Scheme applies to all employees and is currently one and half times statutory entitlement based on actual pay. It will apply where employment is terminated on redundancy grounds and redundancy payments are due.

All employees who have received a redundancy payment in relation to the termination of their contracts of employment will be subject to the provisions of the Redundancy Modification Order and will be subject to Local Government Pension Scheme (LGPS) Regulations or other pensions scheme regulations where applicable.

Severance payments for all employees will comply with the Council's Pensions and Retirement Policy, where the circumstances in which severance takes place falls within the terms of the policy. This sets out that early retirement may be granted for employees aged 55 years and over with at least two years membership of the LGPS.

The Council has regard to the Statutory Guidance dated 12 May 2022 on the making and disclosure of Special Severance Payments by local authorities in England and earlier Statutory Guidance on severance payments published in February 2013. Special severance payments, which are payments exceeding an employee's statutory and contractual entitlements on termination of employment, are determined on a case by case basis.

Payments of £100,000 and above are subject to a formal decision made by Full Council, unless there is a good reason for departing from the Statutory Guidance; and payments below £100,000 are subject to a formal decision of either:

- relevant elected members with delegated authority to approve such payments (currently the Remuneration Committee); or
- a suitable authorised officer.

## 14. Gender Pay Gap Report

The Council complies with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 in publicly reporting on average pay differences between their male and female employees. This report is available in a separate document.

## 15. Publication of Senior Salaries Statement

In accordance with publication requirements, there are two tables published on the Council's website. The first showing information on the number of employees earning above £50,000 and the second showing the individual remuneration details for each senior employee, defined by regulations as the Chief Officers listed above, whose salary is more than £50,000 per year. All allowances and other payments will be shown. Only those employees whose salary is above £150,000 are disclosed by name, all remaining senior officers are disclosed by post title.

The current salaries for Chief Officer posts (as at 1<sup>st</sup> January 2023) are as follows:

Post	Salary Grade	Salary
Interim Chief Executive and Head of Paid Service	Chief Executive	£189,700
New Chief Executive appointment includes the role of Returning Officer and commences in March 2023	Chief Executive	£225,000
Corporate Director of Children's Services (Children, Education and Families)	Corporate Adviser	£136,406
Corporate Director of Adult Social Care	Director for Adults	£139,250
Corporate Director of Public Health and Community Safety	Corporate Adviser	£125,201-£136,406
(s151 Officer) Director of Finance	Corporate Adviser	£125,201-£136,406
(Monitoring Officer) Director of Law and Governance	Corporate Adviser	£125,201-£136,406

Corporate Director Customers, Organisational Development and Resources	Corporate Advisor	£125,201-£136,406
Corporate Director of Environment and Place	Director for Environment & Place	£155,730

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