

# **ANNUAL REPORT OF THE REMUNERATION COMMITTEE TO OXFORDSHIRE COUNTY COUNCIL ON THE COUNCIL'S PAY POLICY STATEMENT**

## **Report by Director of Human Resources**

### **Introduction**

1. In 2012 a stand-alone Remuneration Committee was set up to report each year directly to full Council and to make recommendations regarding the Council's Pay Policy Statement. This is the updated report of the Remuneration Committee for 2017-18.

### **Context**

2. The Localism Act 2011 required all councils to agree and publish a pay policy statement every financial year. The Act lays down requirements on the content of the statement. This requirement is supplemented by detailed guidance from the Department for Communities and Local Government entitled 'Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act'.
3. In addition, the Code of Recommended Practice for Local Authorities on Data Transparency (updated in 2014) requires that Councils publish prescribed information on senior pay, jobs and organisational structures. The definition of senior pay under the Code is wider than the top management team and includes senior managers earning more than £50,000 per annum. Employees whose salary exceeds £150,000 p.a. must be named. Some of this information is already published each year in the Council's Statement of Accounts.
4. Full details, as required by the Act and Code of Practice, will be published on the Council's web site and will be available on request.
5. The Council has for many years managed its pay by adopting balanced terms and conditions of employment and by exercising a range of effective managerial rules and processes which have allowed services to operate efficiently within the budgetary constraints which apply. Benchmarking information is available at Annex 1. The Council welcomes this opportunity to be open and accountable about the management of pay and seeks to publish a Pay Policy Statement which embraces the spirit and the letter of the legislation and guidance.
6. In summary the pay policy statement must as a minimum include details of the Council's policy on:
  - The remuneration of its Chief Officers

- The remuneration of its lowest paid employees
- The relationship between the remuneration of its Chief Officers and other officers

### **Revised Pay Policy Statement**

7. The Pay Policy Statement at Annex 2 fulfils the requirements set down by the relevant legislation, codes etc. This Pay Policy Statement will be reviewed by the Council annually. All general changes to pay will be subject to agreement by Remuneration Committee. Changes to grades of senior officers are approved by Remuneration Committee.
8. A three year local agreement, known as the 'Oxfordshire Local Agreement', has been negotiated with Unison effective from 2014-15 to 2016-17. This agreement introduced local negotiations for pay and terms and conditions for Green Book employees. The agreement included a guarantee to match the NJC pay award in 2014-15 and 2015-16 should this be more beneficial. Consequently, the Council has brought pay in line with the national agreement which covered both of these years and has awarded 2.2% to most relevant employees, plus limited more detailed arrangements in line with the NJC agreement. The Council has agreed with Unison to match the national agreement again from 2016-17.
9. Senior managers are paid on four point grades using appropriate job evaluation systems. A similar three year local agreement was introduced in April 2014 for senior employees, known as the Oxfordshire Senior Staff Local Agreement. Employees covered by this agreement have received a 1% pay rise in 2014-15, in 2015-16 and 2016-17.
10. From April 2017 the national agreement for local government officers will apply.
11. A senior management review has been carried out across the Council during 2016 and a new senior structure has been put in place from January 2017. Any pay changes for senior officers in this population are considered and, if agreed, approved by Remuneration Committee at the appropriate time. Details of these posts are shown at Appendix 1 of the Council's Pay Policy Statement
12. Although Oxfordshire is subject to the difficult national economic situation it remains a relatively prosperous employment market and the Council must remain competitive in the levels of pay and terms and conditions of employment it offers in order to recruit and retain good quality staff.
13. Benchmarking data on pay and severance is attached at Annex 1. Oxfordshire's severance arrangements are shown to be in line with other Councils and relatively modest in terms of redundancy payment calculator.

### **Future Pay Policies**

14. The implementation of the National Living Wage was incorporated into the national pay negotiations and adopted by the Council.
15. The pay policy statement must be reviewed and re-published every year. Information published in accordance with the Data Transparency Code will be updated and improved regularly.
16. Relevant trade unions will be consulted fully on changes to the Pay Policy Statement.

### **RECOMMENDATIONS**

17. **The Council is RECOMMENDED to:**
  - (a) **receive the report of the Remuneration Committee;**
  - (b) **approve the revised Pay Policy Statement at Annex 2 to this report.**

**STEVE MUNN**  
**Director of Human Resources**

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Background Papers: None

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**Benchmark Information****Senior Pay**

<b>Post</b>	<b>Oxfordshire County Council Salary £</b>	<b>Average for County Councils £</b>
Chief Executive	<b>175,000</b>	<b>177,806</b>
Strategic Director for People	<b>Post held by Director of Public Health (salary details at Appendix 1)</b>	<b>138,963</b>
Strategic Director for Communities	<b>140,000</b>	<b>136,775</b>
Strategic Director for Resources	<b>Post covered by the Chief Executive (salary details above)</b>	<b>137,500</b>

**Source: Salary Benchmarking carried out as part of the Senior Management Review – Penna, May 2016.**

**Early Retirement and Redundancy Compensation 2013 [Latest information available from LGE]  
How redundancy pay is calculated**

<b>Method of calculation</b>	<b>Oxfordshire County Council</b>	<b>% of authorities</b>
Using actual salary	Yes	89%
Using statutory maximum figure	No	4%
Other	No	6%

**Lump sum compensation for redundancy**

<b>Method of calculation</b>	<b>Oxfordshire County Council</b>	<b>% of authorities</b>
X 1.5	1.5	28%
X 2		23%
X 2.5		4%
X 3		1%
Using other formula		43%

**Augmented membership under the Local Government Pension Scheme for redundancy**

<b>Method of calculation</b>	<b>Oxfordshire County Council</b>	<b>% of authorities</b>
No	No	89%
Yes in some cases		8%
Yes in all cases		2%

**Augmented membership under the Local Government Pension Scheme for efficiency of the service retirements**

<b>Method of calculation</b>	<b>Oxfordshire County Council</b>	<b>% of authorities</b>
No	No	88%
Yes in some cases		10%
Yes in all cases		2%

**Source: Local Government Group Report of the Early Retirement and Redundancy Compensation Survey 2013**

Footnote: Figures are for non-schools staff

