

COUNTY COUNCIL – 11 FEBRUARY 2020

ANNUAL REPORT OF THE REMUNERATION COMMITTEE TO OXFORDSHIRE COUNTY COUNCIL ON THE COUNCIL'S PAY POLICY STATEMENT AND GENDER PAY GAP DATA SUMMARY

Report by Director of Human Resources

RECOMMENDATIONS

The Council is **RECOMMENDED** to:

- (a) receive the report of the Remuneration Committee;
- (b) approve the revised Pay Policy Statement at Annex 1 to this report;
- (c) approve the Gender Pay Gap Data Summary at Annex 2 to this report.

Executive Summary

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 for the Remuneration Committee for 2020-21.
2. The Localism Act 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.
4. Full details, as required by the Act and Code of Practice, will be published on the Council's website and will be available on request.

Background

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. 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 at Annex 1 must as a minimum include details of how the Council sets its pay including the appropriate policies and parameters. It must also identify the relationship between the remuneration of its chief officers and its lowest paid officers.

7. The Pay Policy Statement at Annex 1 contains the remuneration information as of 1 January 2020.
8. At the meeting of the Remuneration Committee on the 30 January 2020, the Committee approved the Pay Policy Statement as set out in Annex 1.
9. At Annex 2 is the Data Summary which will form the basis of the annual Gender Pay Gap Report which is required to be published by 30 March.
10. At the meeting of the Remuneration Committee on the 30 January 2020, the Committee approved the Gender Pay Data Summary as set out in Annex 2.

Pay Policy Statement

11. The Pay Policy Statement at Annex 1 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.
12. Local Government (Green Book) employees and Senior Managers received a 2 per cent increase in 2019, with additional increases to scale points within Grades 1-6.
13. The implementation of the new pay spine in 2019 has introduced an even increment of 2% between the new scale points 1 to 22. The new pay spine will also be able to withstand annual changes to the National Living Wage rate without the need for regular and fundamental reviews of pay structures.
14. Oxfordshire continues to have a low rate of unemployment, as such, it is important that the Council remains competitive in the levels of pay and terms and conditions it offers in order to recruit and retain good quality staff.
15. As per 2019-20, the Pay Policy Statement has no Annexes, includes our position to the Living Wage, includes greater detail on the Pay Supplements that are in use and details of the different pay schemes that are in operation.

The relationship between the remuneration of Chief Officers and other Officers

16. Bearing in mind the above mentioned shared pay arrangements for senior management, the following tables show the pay multiples and medians of all salaries paid by the council firstly in Table 1 **excluding** and secondly **in** Table 2 **including** the jointly funded posts.

Table 1: Data based on salaries paid **only** by the County Council. With effect from 1 October 2018, the council entered into partnership working arrangements with Cherwell District Council. The salary detailed for 2019 and 2020 relates to the highest salary paid by the council to a Strategic or Corporate Director.

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	2018	2019	2020
Highest Paid	£183,585	£144,228	£147,113
Lowest Paid	£15,014	£16,394	£17,364
Pay Multiple between the lowest paid and the highest paid	1 : 12.3	1 : 8.8	1 : 8.47
Median Salary	£29,638	£29,055	£29,636
Pay Multiple between median and highest paid	1 : 6.1	1 : 4.96	1 : 4.94

Table 2: The highest paid salary detailed in 2020 **includes** the Chief Executive. The role of Chief Executive is a joint role which is jointly shared with 69% of the salary paid by the council and the remaining 31% paid by Cherwell District Council. The lowest paid and median salary data refers to county council staff only.

	2018	2019	2020
Highest Paid	£183,585	£183,585	£194,560 (of which £134,246 is paid by the county council with the remaining £60,314 paid by Cherwell District Council)
Lowest Paid	£15,014	£16,394	£17,364
Pay Multiple between the lowest paid and the highest paid	1 : 12.3	1 : 8.8	1 : 11.2
Median Salary	£29,638	£29,055	£29,636
Pay Multiple between median and highest paid	1 : 6.1	1 : 6.31	1 : 6.56

17. The Pay Policy Statement has been revised slightly to focus on how pay is set within the Council. Details of salaries and individuals posts remuneration can be found on the Council's website.

18. Furthermore, the 2019 Pay Policy Statement required Full Council approval of salary packages relating to new posts where remuneration was over and above £100k. This has been amended. It is still a requirement of salary packages to be approved but it is considered that this should ordinarily be approved by the Remuneration Committee. This accords with arrangements within Cherwell District Council and it is considered appropriate to align the arrangements given that many of the new posts relate to joint positions within the Council.

GENDER PAY GAP REPORT

19. The gender pay gap shows the difference between the average (mean and median) earnings of *all* male employees and *all* female employees. This is expressed as a percentage of *all* male employee's earnings.
20. The aim of Gender Pay Gap reporting legislation is to help employers to identify the gaps in their organisations and to take action to close their gender pay gap. Since 1970, employers must give men and women equal treatment in the terms and conditions of their employment contract (including pay) if they are employed to do:
 - 'like work' - work that is the same or broadly similar
 - work rated as equivalent under a job evaluation study
 - work found to be of equal value in terms of effort, skill or decision making.
21. Employees can compare any terms in the contract of employment with the equivalent terms in the contract of an employee of the opposite sex, doing like work of equal value (the comparator). However, an employer may defend a claim if they show the reason for the difference is due to a genuine factor and not based on the sex of the employee.

Equal Pay and Job Evaluation

22. Oxfordshire County Council does not have any Equal Pay Concerns. This is because the Job Evaluation scheme that we have in place (which is nationally recognised) allows us to fairly assess the value/worth of council jobs, in relation to others in the organisation and set the grade and pay. We can therefore establish a fair and rational pay structure for the role – regardless of the incumbent - and meet our commitment to equal pay.

Gender Pay Gap vs Equal Pay

23. “The gender pay gap differs from equal pay as it is concerned with the differences in the average pay between men and women over a period of time no matter what their role is. Equal pay deals with the pay differences between men and women who carry out the same or similar jobs¹.”

Requirements

¹ <http://www.acas.org.uk/index.aspx?articleid=1811>

24. There are six calculations that must be made to meet our Gender Pay Gap reporting obligations. These are calculated based on data from the snapshot date of 31 March 2018. These calculations are:
1. **Mean gender pay gap:** the mean average involves adding up all the numbers and dividing the result by how many numbers were in the list. To calculate the mean gender pay gap, the mean hourly rate of pay for all female full-pay relevant employees is deducted from the mean hourly rate of pay for all male full-pay relevant employees, divided by the mean hourly rate of pay for all male full-pay relevant employees and multiplied by 100.
 2. **Median gender pay gap:** the median average involves listing all the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers. To calculate the median gender pay gap, the median hourly rate of pay for all female full-pay relevant employees is deducted from the median hourly rate of pay for all male full-pay relevant employees, divided by the median hourly rate of pay for all male full-pay relevant employees and multiplied by 100.
 3. **Mean bonus gender pay gap:** the mean average involves adding up all the numbers and dividing the result by how many numbers were in the list. To calculate the mean bonus gender pay gap, the same steps are taken as the calculation for the mean gender pay gap, but with the mean hourly rate changed to the mean bonus pay of the relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date.
 4. **Median bonus gender pay gap:** the median average involves listing all the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers. To calculate the median bonus gender pay gap, the same steps are taken as the calculation for the median gender pay gap, but with the median hourly rate changed to the median bonus pay of the relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date.
 5. For the results of the first four calculations, a positive percentage figure reveals that typically, or overall, female employees have lower pay or bonuses than male employees. A negative percentage figure reveals that typically or overall, male employees have lower pay or bonuses than female employees.
 6. **The proportion of males receiving a bonus payment and the proportion of females receiving a bonus payment** are calculated by the number of male/female relevant employees who were paid bonus pay during the 12 month period ending with the snapshot date, divided by the number of male/female relevant employees and multiplied by 100.
 7. **Proportion of males and females in each quartile pay band:** This is calculated by ranking all the male and female full-pay relevant employees from the lowest hourly rate of pay to the highest hourly rate of pay. This list is then divided into four sections (quartiles) and the proportion of male and females in

each quartile is recorded. This is calculated by dividing the number of male full-pay relevant employees in the quartile by the total number of employees in the quartile multiplied by 100 and the number of female full-pay relevant employees in the quartile by the total number of employees in the quartile multiplied by 100.

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January 2020