

Council Report

Report of Head of Corporate Services

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To: Council

DATE: 21 February 2024

Pay policy statement 2024/25

Recommendation

That Council approve the attached statement of pay policy for 2024/25.

Implications (further detail within the report)	Financial	Legal	Climate and Ecological	Equality and diversity
	Yes	Yes	No	Yes
Signing off officer	Maggie Xu	Pat Connell	N/A	Abi Witting

Purpose of Report

1. This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and is updated annually from April each year. This pay policy statement sets out Vale of White Horse District Council's policies relating to the pay of its workforce for the financial year 2024/25, in particular:
 - a) the remuneration of its Chief Officers
 - b) the remuneration of its "lowest paid employees"
 - c) the relationship between
 - the remuneration of its Chief Officers and
 - the remuneration of its employees who are not Chief Officers

Strategic Objectives

2. It is a statutory requirement to publish this information annually. This report also supports the council's Corporate Plan priority of "Working in an open and inclusive way." This report helps meet our ambition to apply good governance and transparency in all our working and decision making.

Background

3. The purpose of the pay policy statement is to promote transparency on public sector pay, particularly in relation to remuneration of senior officers. Comparisons are also made with the remuneration of the lowest paid employees and with average salaries.
4. The pay policy statement must be approved by 31 March each year, by a meeting of Full Council. The pay policy statement may be amended during the year by further resolution of the Council.
5. Once approved, the pay policy statement must be published on the council's website and by any other means that the council sees fit.
6. Officers of each council (South Oxfordshire and Vale of White Horse) are placed at the disposal of the other and their costs are shared, as such, the pay policy statement attached has been drafted jointly between the councils.

Climate and ecological impact implications

7. This report is a statutory requirement and does not have any climate or ecological implications.

Financial Implications

8. Any council decision that has financial implications must be made with the knowledge of the council's overarching financial position. For Vale, the position reflected in the council's medium-term financial plan (MTFP) as reported to full Council in February 2023 showed that the council was able to set a balanced budget for 2023/24, but that there is expected to be a budget gap in future years. However, there is great uncertainty over this caused by a lack of clarity from government.
9. The future funding gap is predicted to increase to over £7.8 million by 2027/28, based on current cautious officer estimates of future funding levels. Whilst it is anticipated that overall funding for the council will remain relatively unchanged in 2024/25, the lack of certainty on future local government funding from 2025/26 onwards means the level of funding, and the resulting estimated funding gap, could be significantly different from current officer estimates in either a positive or negative way. Every financial decision, particularly those involving medium-term funding commitments (i.e., those beyond 2024/25), needs to be cognisant of the potential for significant funding gaps in future years.
10. All figures in this statement reflect the agreed pay award for 2023/24 which is 3.25% for the Chief Executive and 6.5% for staff.

Legal Implications

11. This report is a statutory requirement as required by the Localism Act 2011.

Risks

12. None identified.

Other Implications

13. None identified.

Recommendation

14. Council is asked to approve the council's pay policy statement for 2024/25.

Background Papers

15. None

Pay Policy Statement for 2024/25

Introduction

1. This is a joint statement of South Oxfordshire and Vale of White Horse District Councils.
2. The Localism Act 2011 requires each council to produce and publish annually a pay policy statement. The statement which relates to the forthcoming financial year, must be approved by 31 March each year by a meeting of the Full Council, and must then be published on the council's website. The pay policy statement may be amended during the year by further resolution of the council.
3. 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.
4. For the purposes of the Localism Act 2011 and this statement, the term "Chief Officers" is defined by Section 2 of the Local Government and Housing Act 1989. For the councils, the term "chief officers" refers to the Chief Executive (Head of Paid Service), Deputy Chief Executives, Heads of Service, Service Managers, the Monitoring Officer, and the Chief Finance (S151) Officer.
5. Chief Officers may be employed by either council and are placed at the disposal of the other by means of an agreement made under Section 113 of the Local Government Act 1972.
6. "Lowest paid employees" refers to those staff employed within grade 1 of the councils' pay framework as this is the lowest grade on the councils' pay framework.

Organisation Structure

7. On 2 January 2024, a management restructure commenced. The proposed changes focussed on two principal areas.
8. Firstly, that of the 5 Council's Partnership and the work involved in renewing or dissolving the arrangements.
9. Secondly, recognition that there was an increasing demand for community focused activity and the requirement of a communities focused service area to ensure improved coordination and resilience. This included the creation of two new roles including Head of Service Communities and a Community Arts Manager.
10. These changes also presented an opportunity to realign some teams and activities into different service areas.
11. Recruitment for vacant positions will continue in 2024/25.

Remuneration of Chief Officers

12. Chief officers are paid a spot salary. The spot salaries which apply from 1 April 2024 are as follows:

- Chief executive: £ 184,577
- Deputy Chief Executives £ 139,579
- Head of Finance £ 122,475
- Head of Legal £ 122,475
- Heads of Service: £ 114,814

13. Service Managers will be paid on the joint councils' pay scale at grade 11 or a spot salary where required. Service Manager salaries range between £ 70,571 to £80,145.

14. Chief Officers do not receive any performance-related pay or bonuses.

15. The Chief Executive has been designated as the councils' Head of Paid Service. No additional remuneration is payable for that designation.

16. The Head of Finance has been designated as the councils' Chief Finance (section 151) Officer and therefore annual salary reflects that designation.

17. The Head of Legal and Democratic has been designated as the councils' Monitoring Officer and therefore annual salary reflects that designation.

18. The Chief Executive has been appointed as the councils' Returning Officer. In this role they are entitled to receive additional remuneration. However, the Chief Executive has chosen to waive their entitlement to such payment. They may also employ and remunerate other officers (including chief officers) to support them in their work as Returning Officer. Fees payable for district and parish council elections are agreed by each council. Fees for other types of election are agreed and payable by the government or other bodies such as Oxfordshire County Council.

19. Chief Officers do not receive overtime, on-call, or stand-by payments, and do not receive additional payment for attendance at evening meetings. The Chief Executive, at their discretion, may make additional responsibility payments as required.

20. On recruitment of a new Head of Service within the current management structure, the gross base salary on recruitment will be the spot salary stated in paragraph 8, though this may vary if an interim appointment is made.

21. On recruitment of a new Chief Executive, the gross base salary will be determined by the Joint Staff Committee.

22. In the event of a Chief Officer's post becoming redundant, any severance payment will be made on the same basis as to any other employee, according to the councils' organisational change policy. Other than any pension to which they are contractually

and / or statutorily entitled, no other payments will be made to Chief Officers on their ceasing to be employees of the council unless in settlement of any dispute.

23. Chief Officers' contributions to the Local Government Pension Scheme (LGPS) are determined by their salary and by the rules of the scheme.

24. For those who are members of the LGPS and paying contributions on the whole of their salary contributions for 2024/25 are:

- Chief Executive – 11.4 per cent
- Deputy Chief Executives - 11.4 per cent
- Heads of Service - 10.5 per cent
- Service Managers (who earn more than £74,701) – 9.9 per cent
- Service Managers (who earn less than £74,700) - 8.5 per cent

25. No enhancements will normally be paid to Chief Officers' pensions other than in the event of a Chief Officer being offered early retirement on efficiency grounds, and only then with the approval of the Joint Audit and Governance Committee.

26. The councils will not usually re-employ a Chief Officer who has left their employment and is now drawing a local government pension unless there are exceptional circumstances. Any decision to re-employ a Chief Officer already drawing a pension is at the discretion of the Chief Executive. If the role is Chief Executive, JAGC would approve.

Lowest paid employees

27. The councils are committed to paying the real living wage of £12 per hour (as defined by The Living Wage Foundation), the lowest-paid employees (including apprentices) are employed on full time 37 hours equivalent salaries except for staff who have TUPE'd into the councils who work 40 hours per week. From 1 April 2024, the lowest paid members of staff will receive £ 24.657 per annum. The Chief Executive's Salary is thus 7.49 times the salary of the lowest-paid member of staff. Any uplift in the real living wage will be implemented on 1 April each year as part of the annual pay negotiations.

Remuneration of Chief Officers compared with other officers

28. Employees who are not Chief Officers are paid according to locally agreed pay scales, with annual increments paid subject to performance until the employee reaches the top of the scale.

29. Pay for all employees is collectively determined by negotiation between UNISON and the senior management team.

30. The details within this report include a 3.25% pay increase for the Chief Executive and 6.5% increase for staff effective from 1 April 2024.

31. The Ministry of Housing, Communities and Local Government (MHCLG) published in February 2015 a code of recommended practice for local authorities on data transparency. This code of practice recommends publishing the "pay multiple," that is the ratio between the highest paid salary and the median average salary of the

whole of the authority's workforce. For our councils, the median salary during 2024/25 is £43,783 The pay multiple defined above is thus 4.22

The remuneration of Chief Officers will be published on the data hub on the councils website at <https://www.whitehorsedc.gov.uk/vale-of-white-horse-district-council/about-the-council/council-finances/pay-policy-statements/>