

Pay Policy Statement for 2012-13

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 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 these councils, the term "chief officers" refers to the chief executive, strategic directors, and heads of service.
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.

REMUNERATION OF CHIEF OFFICERS

6. Chief officers are paid a spot salary which is determined by the Joint Cabinet Board. The spot salaries for 2012-13 are unchanged from 2011-12, and are as follows:
 - chief executive: £129,092
 - strategic directors: £98,544
 - heads of service: £73,824.
7. Where heads of service have previously received additional allowances for the responsibilities of monitoring officer or Section 151 officer, their total salaries may be protected at a higher level.

8. Chief officers do not receive any performance-related pay or bonuses. There will be no salary increases for chief officers during 2012-13.
9. A chief officer may act as returning officer or may otherwise assist with elections and electoral duties, and may receive additional remuneration in respect of those duties. Fees payable for district and parish council elections have been 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.
10. Chief officers do not receive essential car user allowances, overtime, on-call or stand-by payments.
11. On recruitment of a new strategic director or head of service, the gross base salary on recruitment will be the spot salary stated in paragraph 6.
12. On recruitment of a new chief executive, the gross base salary will be recommended by the Joint Cabinet Board and put to the vote at each full council.
13. 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 council's managing organisational change policy. Other than any pension to which they are 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.
14. Chief officers' contributions to the Local Government Pension Scheme (LGPS) are determined by their salary and by the rules of the scheme. For those who are members of the LGPS, heads of service in 2011-12 paid 7.2% of their salary into the scheme, while directors and the chief executive paid 7.5%. These rates are expected to remain unaltered in 2012-13 but may change in future as the LGPS is updated and reformed.
15. 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 Audit and Corporate Governance Committee (South) or Personnel Committee (Vale).
16. The councils will not re-employ a chief officer who has left their employment and is now drawing a local government pension, unless there are exceptional circumstances.

LOWEST-PAID EMPLOYEES

17. The lowest points on the councils' pay scales at 1 April 2012 (increased by 2.0 per cent from 2011-12) are:
 - South: £13,559
 - Vale: £12,643

South

18. For South, the lowest salary paid on recruitment would be the bottom of the scale, that is £13,559. For the purpose of this statement the term "lowest-paid employee" for South means the lowest point on the pay scale at 1 April 2012.
19. The ratio of the chief executive's salary to the salary of the lowest-paid member of staff is thus £129,092 / £13,559, that is 9.52.

Vale

20. For Vale, a steady migration towards South's pay scales makes it extremely unlikely that anybody will be recruited on a salary below the lowest on the South scale. For the purpose of this statement the term "lowest-paid employee" therefore means the employee with the lowest salary at 1 April 2012, this figure falling below the lowest point on the South scale.
21. The lowest salary paid for 2012-13 to staff currently on the payroll will be £13,298. The ratio of the chief executive's salary to the salary of the lowest-paid member of staff is thus £129,092 / £13,298, that is 9.71.

REMUNERATION OF CHIEF OFFICERS COMPARED WITH OTHER OFFICERS

22. Employees who are not chief officers are paid according to locally agreed pay scales, with annual increments paid until the employee reaches the top of the scale. These pay scales will increase by 2.0 per cent with effect from 1 April 2012.
23. The pay scales at the two councils are not the same, though there has been a gradual move over the past two years towards the pay scales used at South, with the result that most members of staff are now paid according to South's pay scales.
24. During 2012-13 the councils intend to adopt a harmonised pay and grading scheme which will remove the differences in pay scales.
25. The Department for Communities and Local Government (DCLG) published in September 2011 a code of recommended practice for local authorities on data transparency. This code of practice recommends publishing the "pay multiple", the ratio between the highest paid salary and the median average salary of the whole of the authority's workforce. For these councils the median salary during 2012-13 will be £29,822 (based on current data). The pay multiple defined above is thus 4.33.
26. Other DCLG sources have recommended use of the mean (rather than the median) as a comparator for pay multiples. For these councils the mean salary during 2012-13 will be £31,798 (based on current data). With this definition, the pay multiple is 4.06.