

Report for: ACTION
Item Number: 8



Contains Confidential or Exempt Information	No – Part I
Title	Approval of the Council’s Pay Policy Statement 2014/15
Responsible Officer(s)	Head of HR
Contact officer, job title and phone number	Terry Baldwin, Head of HR 01628 796992
Member reporting	David Burbage
For Consideration By	Council
Date to be Considered	25 February 2014
Implementation Date if Not Called In	1 April 2014
Affected Wards	None
Keywords/Index	Pay Policy Statement, senior managers pay, staff remuneration

<p>Report Summary</p> <ol style="list-style-type: none"> 1. This report deals with the approval of the council’s Pay Policy Statement 2014/15 as required by the Localism Act 2011. 2. It recommends that the council approve the Pay Policy Statement 2014/15 (Appendix1) 3. These recommendations are being made because the council is required to review, approve and publish a Pay Policy Statement by 31 March annually. 4. If adopted, there are no new key additional financial implications for the council.
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If recommendations are adopted, how will residents benefit?	
Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. The Pay Policy Statement enables residents to understand the council’s pay policy for senior staff and how it relates to the salaries of the lowest paid. It provides transparency and enables residents to assess whether salaries paid represent value for money.	On going

1. Details of Recommendations

RECOMMENDATION: That Council approve the Pay Policy Statement 2014/15 and publishes it on its website by 31 March 2014.

2. Reason for Recommendation(s) and Options Considered

On 28 February 2013 full Council approved an updated Pay Policy Statement for 2013/14 as required by the Localism Act 2011.

The Localism Act requires the council to review the statement annually and publish an updated statement for 2014/15 by 31 March 2014.

The Statement has been updated to reflect:

- Changes to post titles included in the definition of Chief Officer, section 2.1.
- Updated remuneration figures and ratios, section 4.
- Updated staff numbers and salary bands, section 11
- The 2014 annual pay review decision made by Employment Panel on 21 January 2014, sections 2.2.3 c, 2.5.2 and 3.5.3

Employment Panel (EP) considered and agreed the updated statement at their meeting on 21 January 2014.

Option	Comments
Approve the Pay Policy Statement 2014/15 <u>Recommended option</u>	In accordance with the Localism Act any changes to the Pay Policy Statement have to be approved by full Council.
Amend the revised Pay Policy Statement 2014/15	The updated Statement has been approved by EP.
Reject the Pay Policy Statement 2014/15	Council has to approve and publish a revised Pay Policy Statement.

3. Key Implications

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Approve and publish statement by 31 March 2014	Statement not approved and not published by 31 March 2014	Statement approved and published by 31 March 2014	Statement published by 1 March 2014	Statement published within 2 working days of the meeting	31 March 2014

4. Financial Details

a) **Financial impact on the budget**

The statement contains current policy in relation to pay and reward and therefore there are no financial implications.

5. Legal Implications

The Pay Policy Statement 2014/15 meets the requirements of the Localism Act 2011.

The council was required by Sections 38-39 of the Localism Act 2011 to approve and publish its first pay policy statement by 31 March 2012 for the financial year 2012-13 and annually thereafter. Any changes during the year have to be approved by full Council. Failure to do so would be contrary to the council's statutory duty under the Localism Act and could result in legal action being taken against the council requiring it to do so.

6. Value For Money

All HR policies and procedures are regularly reviewed and updated to reflect legislation, best practice and changes in the organisation.

7. Sustainability Impact Appraisal

None

8. Risk Management

Risks	Uncontrolled Risk	Controls	Controlled Risk
Failure to approve the revised Pay Policy Statement at Council on 25 February 2014	Council do not approve the statement on 25 February 2014	Statement approved at Council 25 February 2014	Council meets its legal obligations

9. Links to Strategic Objectives

The Pay Policy Statement supports all of the council's strategic objectives as it facilitates the council recruiting and retaining the calibre of staff it requires to deliver its services.

Our Strategic Objectives are:

<p>Residents First</p> <ul style="list-style-type: none"> • Support Children and Young People • Encourage Healthy People and Lifestyles • Improve the Environment, Economy and Transport • Work for safer and stronger communities 	<p>Delivering Together</p> <ul style="list-style-type: none"> • Enhanced Customer Services • Deliver Effective Services • Strengthen Partnerships
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Value for Money <ul style="list-style-type: none"> • Deliver Economic Services • Improve the use of technology • Increase non-Council Tax Revenue • Invest in the future 	Equipping Ourselves for the Future <ul style="list-style-type: none"> • Equipping Our Workforce • Developing Our systems and Structures • Changing Our Culture
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10. Equalities, Human Rights and Community Cohesion

The original EQIA was reviewed and no changes were made.

11. Staffing/Workforce and Accommodation implications:

None

12. Property and Assets

None

13. Any other implications:

None

14. Consultation

- a) No comments were received from the Trade Unions.
- b) The Employment Panel on 21 January 2014 approved the updated document.

15. Timetable for Implementation

The statement will be published by 31 March 2014.

16. Appendices

Appendix 1 –Pay Policy Statement 2014/15.

17. Background Information

Report to Employment Panel on 21 January 2014.

18. Consultation (Mandatory)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Burbage	Leader of the Council	21/1/14	21/1/14	Approved as part of EP process
Andrew Brooker	Head of Finance	12/11/13	26/11/13	None
Jennifer Lee	Lawyer, Shared Legal services	12/11/13	15/11/13	None
CMT		3/12/13	11/12/13	None
External				
None				

Report History

Decision type:	Urgency item - no
Non key	No

Full name of report author	Job title	Full contact no:
Karin Zussman-Ward	HR Consultant	01628 796211

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

Pay Policy Statement for the year 2014/15

1. Introduction

1.1 Under sections 38 to 43 of the Localism Act 2011, we are required to prepare, approve by full Council (as a Part 1 item) and publish on our website, a pay policy statement by 31 March 2014, for the financial year 2014/15.

1.2 This statement must be reviewed, updated, approved by full Council and published by 31 March annually for the immediately following financial year.

1.3 We may amend this statement during the financial year in which it is effective; however any change must be approved by full Council. Any amended statement will be published on our website within 10 working days of the meeting.

1.4 In drawing up this statement, we have taken into account the guidance issued by the Department of Communities and Local Government and the advice supplied jointly by the Local Government Association and the Association of Local Authority Chief Executives (ALACE).

[CLG Guidance](#)

[CLG Supplementary Guidance](#)

(links to external website)

1.5 This statement does not include staff based in our schools as this is outside the scope of the legislation.

1.6 This updated statement was approved by full Council on 25 February 2014.

1.7 We fully endorse and support the requirement to be open and honest about the reward packages of our senior staff.

2. Remuneration of Chief Officers

2.1 Under the current structure of the Council, the following posts are included in the definition of 'Chief Officer':

Managing Director

Deputy Managing Director and Strategic Director of Adult & Community Services

Strategic Director of Children's Services
Strategic Director of Operations

Heads of HR, Legal, Finance, Central Services,
Education, Strategy and Commissioning, Early Help and Safeguarding
Leisure Services, Libraries, Arts & Heritage, Operations, Public Protection,
Policy & Performance, Planning, Technology & Change Delivery.

Regeneration and Economic Development Director

2.2 Salaries

2.2.1 For the Managing Director, the Council operates a salary band of £108,952 to £141,572.

2.2.2 For Directors there are 2 bands:

Strategic Director A: £95,950 to £121,200.
Strategic Director B: £95,950 to £131,300.

The following posts are within Strategic Director Band B:

Director of Children's Services
Deputy Managing Director and Director of Adult & Community Services

Strategic Director Band A:

Director of Operations

Placement within the band is determined by market comparability.

2.2.3 For Heads of Service there are 3 levels, dependent upon responsibility as determined by the council's job evaluation scheme:

Band A: £65,650 to £80,800
Band B: £65,650 to £90,900
Band C: £65,650 to £90,900 (For those Heads of Service, who are part of the Corporate Management Team.

a) When these bands were introduced in 2008, individual placement within the band was determined by a market comparability exercise.

b) Salary levels within the bands are normally determined through a bi-annual market comparability exercise. RBWM aims to pay within 10% of the top of the market. Appointments are therefore made on a market benchmarked 'spot salary' and there is no increase within the band other than following further market benchmarking.

c) Due to the decision not to award an annual pay increase to this category of staff since 2009 the market comparability exercise has been deferred.

2.3 Other payments

2.3.1 Since 26 June 2012 the Head of Legal has undertaken the role of the Council's Returning Officer, appointed for this role under the Representation of the People Act 1983. The Returning Officer is eligible for fees linked to duties undertaken for running national, European or local elections/referenda. These fees are determined by the number of electors registered in the borough/parliamentary constituency and are determined by a formula operated by the Government for determining fees to all Returning Officers across the country. The amount paid is published on the website:

[Pay & benefits of senior staff](#)

2.3.2 There are no other regular payments made to this group of staff, unless they are listed in other sections.

2.4 Honoraria

2.4.1 A revised Honorarium Scheme applicable to all employees was approved by Employment Panel on 4 March 2012.

2.5 Salary review

2.5.1 The annual pay review for this group of staff is undertaken by RBWM and any pay award is determined by the Employment Panel. The annual pay review date is 1 April.

2.5.2 Since 2009 the Employment Panel has not awarded a pay increase to the Managing Director, Directors and Heads of Service.

2.6 Expenses and Benefits

2.6.1 The Council has a comprehensive Expenses policy, which applies to all of our staff.

2.6.2 The Council will pay for one annual membership of a professional body, where the membership/qualification is required for the post held.

2.6.3 All other benefits are available to all staff and identified in section 3.6 below.

2.7 Remuneration on appointment

2.7.1 In the event of a vacancy the market levels for the post (see 2.2 above) may be reassessed and any appointment would be made in accordance with the market comparability evidence.

2.8 Termination payments

2.8.1 We do not treat the Managing Director, Directors and Heads of Service differently to other Council employees in relation to termination payments. See section 6 below.

2.9 Other terms and conditions

2.9.1 Since 1 March 2013 the terms and conditions for this group of staff have been fully locally determined and set out in the RBWM Pay and Conditions of Employment handbook.

2.9.2 All staff receive 28 days annual leave plus 8 bank holidays.

2.10 Use of Interim Managers in senior roles

We would not normally appoint a consultant to a permanent post.

There may be occasions when RBWM has a short term need for an interim senior manager, for example pending a permanent appointment or for maternity cover etc. In these cases we may use a consultant appointed via our temporary worker agency or a direct consultancy agreement, both routes being in accordance with our Contract Rules.

We would consider appointing a senior manager via our agency or on a consultancy contract for a fixed period where we have been unable to recruit to the post. Such appointments would be in accordance with our Contract Rules. In addition they will be approved by the Employment Panel and reviewed every six months.

3. Definition and remuneration of our lowest paid employees

3.1 Definition of our lowest paid employees

3.1.1 The simplest definition to use is that of the lowest pay point that the Council uses.

3.2 Our reasons for adopting this definition

3.2.1 We chose this as it was recommended by the JNC for Chief Executives in their guidance to local authorities.

3.3 Salaries

3.3.1 The hourly rate of the lowest paid employee is £6.98, which equates to an annual salary of £13,485

3.3.2 The council operates grades with lower pay levels; however at the point this statement was updated, the salary quoted in 3.3.1 was the lowest being paid to an employee.

3.4 Other payments

3.4.1 It is unlikely that this particular pay level would receive any additional payments. The Council's Pay and Benefits policy sets out our policy on additional payments such as overtime; stand by etc.

3.5 Salary review and increments

3.5.1 Since 2010, the annual pay review for this group of staff has been undertaken by RBWM and any pay award is determined by the Employment Panel. The pay review date is 1 April.

3.5.2 In April 2011, the salaries of those earning less than £21,000 per annum were increased by £250.

3.5.3 In April 2012 no pay award was made.

3.5.4 For those employees, up to and including Scale 6, not eligible for an increment a 1% consolidated pay increase in April 2013 was applied.

3.5.5 For April 2014, Employment Panel on 21 January 2014 approved: an increase of at least 2.5% (including incremental progression) for scales 2 and 3 and a 2% increase for those at the top of scales 4 and 5.

3.6 Benefits

3.6.1 The Council offers a range of benefits to its staff:

Advantage card – for those staff who are non residents (residents automatically qualify)

Bike Lease Scheme via salary sacrifice

Buy and sell annual leave

Car Lease Scheme via salary sacrifice

Childcare Vouchers via salary sacrifice

Contributory pension scheme (employee contribution rates from 5.5% to 7.5% and employer contribution rate of 15.05%)

Employee Assistance Programme (EAP)

Eye care vouchers for designated DSE users

Car parking at work

Physiotherapy – subject to criteria

Season ticket loan

3.7 Relationship to the minimum wage

3.7.1 Our lowest paid employees are above the minimum wage rate, currently £6.31 (over 21 rate as at 1 October 2013).

4. Relationship between the remuneration of our Chief Officers and our lowest paid staff

4.1 Using the information we have already published on the website, the total remuneration package for the Managing Director as at 30 June 2013, was £144,467. This is a salary of £129,000, plus employer's pension contributions and expenses and allowances. [Pay & benefits of senior staff](#)

4.2 The remuneration of our lowest paid employee was £13,485, which represents solely basic salary as no other allowances are payable. Employer's pension contributions for a full time employee at this level would increase the total remuneration to £15,238.

4.3 Using a remuneration figure for the Managing Director (until 1/1/13 Chief Executive) of £129,110 (£144,467 minus the Employers pension contribution) and a remuneration figure of £13,485 for our lowest paid employee, the pay multiple is 9.6. The previous pay multiple at RBWM was 11.3 and therefore the latest figure represents a decrease.

4.4 The ratio between our highest paid employee, our Managing Director and the average pay of all our employees is 1:4.54 and the median pay of all our employees is 1:5.03.

4.5 The Hutton Review of Fair Pay in the public sector, published in March 2011, did not recommend a defined pay multiple, but instead recommended that the public sector should publish, track and explain their pay multiples over time.

4.6 The reduction of the pay multiple is due to the reduction in the pay for the Managing Director post, (new appointee with effect from 1 January 2013)

4.7 Our policy regarding the pay of our senior staff aims to ensure that we can recruit and retain the calibre of staff that we need to deliver continuous improvement in service delivery. We use market comparability to determine pay levels to ensure that we are not over or underpaying for these key roles.

5. Re-employment of those in receipt of severance pay or retirement pension

5.1 If an individual is in receipt of a severance payment or retirement pension from another local authority or RBWM, that would not be taken into account in our decision as to whether or not to employ them.

5.2 Under Regulation 70 of the Local Government Pension Scheme (LGPS) (Administration) Regulations 2008, the Berkshire Pension Fund is required to determine its approach to the abatement of pensions in the event that the recipient re-enters Local Government employment. The Pension Fund Panel determined on 20 October 2003 (under the previous LGPS Regulation 109) that no abatement would be exercised for those returning to local government employment within the Berkshire fund area.

6. Policies on redundancy and pension enhancement

6.1 Redundancy

6.1.1 Our Policy and Procedure for Redundancy, Early Retirements on the Grounds of Efficiency of the Service and Ill Health defines how we will approach redundancy including redundancy pay

6.1.2 We use our discretionary powers to calculate redundancy pay using the individual's actual weekly salary.

6.1.3 We do not enhance the number of statutory week's redundancy pay an individual is entitled to under the Employment Rights Act 1996.

6.2 Pension enhancement

6.2.1 The LGPS contains provision for employers to enhance pension payments. Employers are required to determine how they will use these discretionary provisions. We have determined not to use our discretion to enhance pension payments by either additional years or additional pension.

6.3 Early retirement or flexible retirement

6.3.1 In certain circumstances, eligible employees may request early retirement or flexible retirement. (Flexible retirement gives access to accrued pension, whilst allowing the scheme member to continue working). In both these cases, there must be sufficient financial or other benefit to RBWM for such retirements to be approved.

7. Approval of salary packages over £100,000.

7.1 Under the terms of the Constitution the appointment of the Managing Director is approved by full Council following a recommendation by the Employment Panel.

7.2 For Directors and Heads of Service and for posts attracting a remuneration package exceeding £100,000, the terms of recruitment for and appointments of, these posts will be made by the Employment Panel.

8. How decisions on pay and reward policies are made

8.1 All of our pay and reward policies are approved by the Employment Panel.

8.2 All of our policies are reviewed regularly and updated to reflect legislation, best practice and organisational changes.

9. Publication and access to information on remuneration of Chief Officers

9.1 In accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Recommended Practice for Local Authorities on Data Transparency, we publish annually the remuneration of our Managing Director and Directors on our website. [Pay & benefits of senior staff](#)

10. Other relevant Council documents

Expenses policy
Flexible retirement
Honoraria
Pay & benefits policy
[Pay & benefits of senior staff](#)
Pension abatement policy
Pension's discretion policy
Policy and procedure for redundancy, early retirements on the grounds of efficiency of the service and ill health

11. Number of staff and salary bands

11.1 This table shows the number of staff within specified pay bands.

Pay band*	Number of staff*
<15,000	38
>15,000 <25,000	704
>25,000<35,000	418
>35,000<45,000	301
>45,000<55,000	68
>55,000<65,000	35
>65,000<80,000	14
>80,000<100,000	9
>100,000	3
Total	1590

* Excludes casual workers. Multiple job holders counted individually. All data based on Full Time Equivalent salary and permanent allowances only. Overall staff numbers have been reduced.