

## EMPLOYMENT PANEL

THURSDAY, 21 JANUARY 2016

PRESENT: Councillors David Burbage (Chairman), Paul Brimacombe, Lynne Jones, MJ Saunders and Jack Rankin

Officers: Alison Alexander, Simon Fletcher, Terry Baldwin and Karen Shepherd

### APOLOGIES FOR ABSENCE

Apologies for Absence were received from Councillors Bicknell, Dudley and Dr Evans.

### DECLARATIONS OF INTEREST

None received

### MINUTES

**RESOLVED UNANIMOUSLY: That the Part I minutes of the meeting held on 17 December 2015 be approved.**

### IMPLEMENTATION OF THE NATIONAL LIVING WAGE (NLW) AND REVIEW OF PAY RATE FOR APPRENTICES

Members considered changes to the council's pay scales as a result of the introduction of the National Living Wage (NLW) and a change to the rate of pay for apprentices. Members noted that the NLW would come into force from April 2016. The report therefore proposed changes to pay scales, the financial implications of which were considered negligible. For centrally employed staff the increase to £7.20 per hour affected the bottom two pay points of Grade 1A, which affected 11 individuals in posts supported by the Ways into Work service. There was no immediate impact on schools.

Councillor Saunders arrived at 5.34pm.

Analysis of those affected indicated an additional cost of £425 per annum to apply £7.26 per hour rather than the NLW rate of £7.20. The cost of applying £7.20 per hour was £450 per annum including on costs. This increased to £875 per annum if £7.26 pay point 3 was set as the minimum pay rate. In line with the council's desire to invest in the lowest paid staff and the minimal additional cost involved, it was recommended that the current pay point 3, £7.26 per hour was applied as the council's minimum pay rate. It was also recommended that an annual increase of 45p be applied until the minimum pay rate reached £9 in 2020, unless the annual increase applied to the NLW exceeded 45p.

In relation to apprentices it was noted that the council currently employed three apprentices, with plans to recruit another four early in 2016. The council applied the national apprentice pay rates. Members considered the pay rates for other Berkshire local authorities which paid higher rates for apprentices. The council had struggled to attract apprentices aged 16-18. This, combined with the council's wish to improve the

position of those on low pay, had resulted in a recommendation to increase the rate for its apprentices to £3.85 per hour. The additional salary costs for the four apprenticeships in 2016 would be around £5,150.

The Chairman commented that he did not believe he had had discussions with the Grow Our Own team on the principle of increasing the budget for this area, as stated in paragraph 4.3 of the report, however he did not believe it would be a fundamental problem.

The Head of HR confirmed that as yet he did not have figures for the likely impact of the NLW on contract agreements, however Procurement were of the view that costs would increase. Further research would be necessary. The Chairman welcomed this as although there would be a minimal impact on staff employed directly by the borough, the impact on contracts was likely to be greater.

Councillor Brimacombe commented that Bracknell Forest had three grades of apprentice whereas the borough only had one grade. He felt that apprentices could provide a valuable contribution and receive valuable work experience if they were given meaningful work that took away less complex jobs from those more expensively paid. The Head of HR commented on an apprentice in the HR team who had done well and later joined the council on the lowest career grade. He explained that the Bracknell Forest approach was not a progressive one based on length of service; pay grades were determined by the role undertaken.

Councillor Rankin raised a concern about a bunching effect at the bottom of the pay grades. The Head of HR agreed that officers would need to look at pay differentials if bunching occurred; this would be kept under review.

Councillor Saunders questioned why the increase of 45p per year was only one-way adjusted. Members agreed to amend the second recommendation to address this point.

**RESOLVED UNANIMOUSLY: That Employment Panel:**

- i. Pay points 1 and 2 of Grade 1A are deleted with effect from 1 April 2016 and staff on those pay points are moved to point 3.**
- ii. Apply an annual increase to meet or exceed the nationally agreed rate until the minimum pay rate reaches £9 in 2020.**
- iii. The minimum pay rate for apprentices is set at £3.85 per hour from 1 February 2016 and is kept under review.**
- iv. Authority is delegated to the managing director and Head of HR to make further adjustments to the salary levels for apprentices where needed.**
- v. Employment Panel receive a further report later in 2016 regarding the implications of the National Living Wage on council pay scales.**

**APPROVAL OF THE UPDATED PAY POLICY STATEMENT FOR 2016/17**

Members considered approval of an updated Pay Policy Statement for 2016/17 as required by the Localism Act 2011. Members noted the changes as detailed in the report:

- The new structure of the Council agreed on 7 December 2015 – section 2.1

- The change to the lowest salary paid by the council as a result of the introduction of the national living wage from April 2016 – section 3.4
- The updating of pay ratios - section 4.
- Updating of staff numbers – section 11.1

It was noted that there was a typographical error at paragraph 4.3 of the appendix, which should refer to the Managing Director.

Councillor Saunders suggested paragraph 3.4 of the appendix should read:

‘RBWM’s lowest paid employees are *at or above* the national living wage rate, £7.20 per hour from April 2016’.

The Chairman asked whether section 3.6-3.11 would be included and added to on an ongoing basis, or there was a cut-off date. The Head of HR agreed to check if there was a need to refer to all the historical information each year.

**RESOLVED UNANIMOUSLY: That Employment Panel:**

**i. Approve the Pay Policy Statement 2016/17 and recommend the updated statement to Council for approval on 23 February 2016, with the following minor amendments:**

- Paragraph 4.3 to read ‘Using a remuneration figure for the Managing *Director* of £129,000 and a remuneration figure of £14,018 for the lowest paid employee, the pay multiple is 9.2.’
- Paragraph 3.4 to read: **RBWM’s lowest paid employees are *at or above* the national living wage rate, £7.20 per hour from April 2016**

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

**RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion took place on items 7-9 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act"**

The meeting, which began at 5.30 pm, finished at 6.18 pm

CHAIRMAN.....

DATE.....