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NOTICE OF MEETING



EMPLOYMENT PANEL

will meet on

THURSDAY, 21ST JANUARY, 2016

At 5.30 pm

in

ASCOT AND BRAY - TOWN HALL, MAIDENHEAD

TO: MEMBERS OF THE EMPLOYMENT PANEL

COUNCILLORS DAVID BURBAGE (CHAIRMAN), PHILLIP BICKNELL (VICE-CHAIRMAN), PAUL BRIMACOMBE, SIMON DUDLEY, DR LILLY EVANS, LYNNE JONES AND MJ SAUNDERS

SUBSTITUTE MEMBERS

COUNCILLORS CHRISTINE BATESON, MALCOLM BEER, DAVID HILTON, JACK RANKIN, JOHN STORY, LISA TARGOWSKA, SIMON WERNER AND EDWARD WILSON

Karen Shepherd - Democratic Services Manager - Issued: Wednesday, 13 January 2016

Members of the Press and Public are welcome to attend Part I of this meeting. The agenda is available on the Council's web site at www.rbwm.gov.uk or contact the Panel Administrator **Karen Shepherd** 01628 796529

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AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES FOR ABSENCE</u> To receive any apologies for absence	
2.	<u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest	5 - 6
3.	<u>MINUTES</u> To consider the Part I minutes of the meeting held on 17 December 2015	7 - 10
4.	<u>IMPLEMENTATION OF THE NATIONAL LIVING WAGE (NLW) AND REVIEW OF PAY RATE FOR APPRENTICES</u> To consider the above report	11 - 20
5.	<u>APPROVAL OF THE UPDATED PAY POLICY STATEMENT FOR 2016/17</u> To consider the above report	21 - 34
6.	<u>LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC</u> To consider passing the following resolution:- "That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes 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"	

PRIVATE MEETING

7.	<u>MINUTES</u> To consider the Part II minutes of the meeting held on 17 December 2015 <i>(Not for publication by virtue of Paragraph 2, 4 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>	35 - 40
8.	<u>EFFICIENCY SAVINGS - REDUNDANCY</u> To consider the above report <i>(Not for publication by virtue of Paragraph 2, 4 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>	41 - 50
9.	<u>HEAD OF FINANCE RECRUITMENT</u> To consider the above report <i>(Not for publication by virtue of Paragraph 2, 4 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>	To Follow

MEMBERS' GUIDANCE NOTE

DECLARING INTERESTS IN MEETINGS

DISCLOSABLE PECUNIARY INTERESTS (DPIs)

DPIs include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any license to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where
 - a) that body has a piece of business or land in the area of the relevant authority, and
 - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

PREJUDICIAL INTERESTS

This is an interest which a reasonable fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs your ability to judge the public interest. That is, your decision making is influenced by your interest that you are not able to impartially consider only relevant issues.

DECLARING INTERESTS

If you have not disclosed your interest in the register, you **must make** the declaration of interest at the beginning of the meeting, or as soon as you are aware that you have a DPI or Prejudicial Interest. If you have already disclosed the interest in your Register of Interests you are still required to disclose this in the meeting if it relates to the matter being discussed. A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in discussion or vote at a meeting.** The term 'discussion' has been taken to mean a discussion by the members of the committee or other body determining the issue. You should notify Democratic Services before the meeting of your intention to speak. In order to avoid any accusations of taking part in the discussion or vote, you must move to the public area, having made your representations.

If you have any queries then you should obtain advice from the Legal or Democratic Services Officer before participating in the meeting.

If the interest declared has not been entered on to your Register of Interests, you must notify the Monitoring Officer in writing within the next 28 days following the meeting.

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Agenda Item 3

EMPLOYMENT PANEL

THURSDAY, 17 DECEMBER 2015

PRESENT: Councillors David Burbage (Chairman), Phillip Bicknell (Vice-Chairman), Paul Brimacombe, Lynne Jones, MJ Saunders and Christine Bateson

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

APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Dudley.

DECLARATIONS OF INTEREST

None received

MINUTES

RESOLVED UNANIMOUSLY: That the Part I minutes of the meeting held on 7 December 2015 be approved.

REVIEW OF THE HONORARIA SCHEME

Members considered a review of the Honoraria scheme. Members noted that the scheme was introduced in 2012. Since then 255 nominations had been made with a total of £157,503 paid out. Members noted the breakdown of payments by directorate as detailed in the report. A review had been undertaken and had identified the following issues:

- Timescales – there could be up to 6 months between an event taking place that resulted in a nomination and the payment of an award.
- Payments were capped at £1000, however the actual value could be amended a number of times throughout the process.
- Only 9.8% of nominations were in the category ‘producing an innovative idea’.
- There needed to be a focus on nominations for staff in grades 1-7.
- The Pay and Reward scheme introduced in 2014/15 looked at achievement of objectives and recognised where they were exceeded.

As a result of the issues as detailed above, a number of recommendations were made as detailed in paragraph 2.10 of the report.

Councillor Brimacombe commented that he felt it was harder for those on a lower grade to do an exceptional piece of work in the context of the whole organisation. He believed smaller payments should be made with a lower bar. Councillor Saunders commented that it was good to see the higher profile of ‘innovation and change’ but he was disappointed by the terminology in the box that Members were being asked to approve. He suggested it should read ‘can be nominated for initiating, facilitating or embedding a change’. It was important that the ability to push something through the change curve against resistance was recognised. The Managing Director commented that an idea could come from a member of staff at any level, that would then be driven through by a senior manager. It would be important to recognise both individuals.

Councillor Saunders responded that most change was undertaken 'at the coal face,' particularly attitudinal change, and this was often overlooked. The scheme should make it overtly clear that 'walking your own path and walking where the answer lied' would be recognised and rewarded, which may be different to the person who made the initial suggestion.

Members agreed that section 5 of paragraph 2.10 should be amended to include reference to 'initiate, facilitate and embed.'

RESOLVED UNANIMOUSLY: That the Employment Panel review the content of the paper, which has been endorsed by CMT, and agree the five recommendations made by CMT in 2.10, subject to additional wording in section 5 to refer to 'initiate, facilitate and embed'.

PROGRESS OF CORPORATE SERVICES' PILOT MENTORING PROGRAMME

Members received an update on the pilot mentoring programme that had been taking place across Corporate Services, including feedback from participants. The pilot, launched in September 2015, had originally included 9 people, although one had since left the organisation. Up to three meetings had been held between mentor and mentee. Members noted the overall feedback as detailed in paragraph 2.4 of the report. A further report on progress would be presented to the Panel in March 2016.

Councillor Saunders highlighted that mentors had stated that they felt fully trained and informed, yet the pie charts showed that they were not mentoring as effectively as they could. There was a material gap between the mentors' view on whether clear objectives had been set and the mentees' view on this. Councillor Saunders therefore asked who would be adjusting the training for mentors to deal with the issue? The Head of HR commented that in some cases the mentor and mentee had discussed the purpose of the relationship but had not yet set specific objectives other than overcoming a particular problem. Over time further objectives would be discussed. Councillor Saunders highlighted that 35% of mentors believed that specific objectives had been set but only 25% of mentees were of the same opinion. The Head of HR explained that the mentor group would be meeting to review the survey outcomes. Training was available for all mentors, which would be reviewed and refreshed.

The Chairman agreed there was a different perspective but pointed out that the numbers were small. It would be worth speaking to each mentor and mentee to see if the process was occurring as they wished it to. Councillor Brimacombe suggested that the scheme needed a framework to ensure it did not drift. The Managing Director commented that the mentoring was meant to be for a specific purpose and therefore would be time limited and focussed.

RESOLVED UNANIMOUSLY: That EP reviews the progress of the pilot mentoring programme and identifies further options where relevant.

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 meeting whilst discussion took place on items 7-10 on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 4 of Part I of Schedule 12A of the Act.

The meeting, which began at 9.00 am, finished at 10.03 am

CHAIRMAN.....

DATE.....

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Report for:
ACTION



Contains Confidential or Exempt Information	NO – Part I
Title	Implementation of the National Living Wage (NLW) and Review of Pay Rate for Apprentices
Responsible Officer(s)	Terry Baldwin, Head of HR
Contact officer, job title and phone number	Terry Baldwin, Head of HR, 01628 79662
Member reporting	Cllr David Burbage
For Consideration By	Employment Panel
Date to be Considered	21 January 2016
Implementation Date if Not Called In	1 April 2016
Affected Wards	None

REPORT SUMMARY

1. This report proposes 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. These recommendations are being made because the council is required to meet its statutory obligations. If adopted, the key financial implications for the Council are negligible in relation to the NLW and an increase in the costs for apprentices of £1,900.

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. Improved opportunities for apprenticeships with the council.	On going

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION: 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 of 45p until the minimum pay rate reaches £9 in 2020, unless the nationally agreed annual increases applied to the National Living Wage exceed 45p.
- 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.

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 In July 2015, the government announced a national living wage (NLW) of £7.20 for those aged 25 or over and that the NLW would be increased to £9.00 by 2020. This equates to an annual salary of £13,891 rising by £3,472 to £17,363 in 2020. The Low Pay Commission will be responsible for recommending the progression pay increases from 2017 to 2020. However, the difference of £1.80 per hour, equates to 45 pence per hour per year over the four years.

2.2 The council operates a pay scale for centrally employed staff and a separate pay scale for school based support staff. Tables 1, 2 and 3 in Appendix 1 show the current pay scales and the potential impact of the NLW. In identifying the potential impact it has been assumed that:

- for centrally employed staff there will be no annual pay award.
- for school based staff the national pay award will be 1%.
- the progression pay increases to £9 per hour are even, giving an annual increase of 45 pence per hour.

Summary of the impact

2.3 For centrally employed staff, the increase to £7.20 per hour from April 2016 affects the bottom two pay points of Grade 1A. (See Table 1 in Appendix 1). This affects 11 individuals, in posts supported by the Ways into Work service.

2.4 Following recent national pay awards, School support staff are already paid at a rate higher than £7.20 per hour and therefore there is no immediate impact on this group. If there is a national pay award in 2016 any impact on School support staff is delayed until at least 2018. If there is no pay award in 2016, which at this stage appears unlikely as there is an overall 1% offer each year for the next two years, there is no impact until 2017. (See Tables 2 and 3 in Appendix 1).

Options considered:

2.5 Make £7.26 per hour, the council's minimum pay rate. Analysis of those affected indicates 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 is £450 per annum including on costs. This increases to £875 per annum if £7.26 pay point 3 is 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 is recommended that the current pay point 3, £7.26 per hour is applied as the council's minimum pay rate.

2.6 NLW and age.

The council's minimum pay rate will apply regardless of age. Analysis of those impacted by this indicates that we currently have one centrally employed individual under 25 (excluding apprentices). Although the impact of the NLW does not impact on schools until at least 2017 and more probably 2018, there are currently around 590 employees in schools (including casuals) that will be affected by the application of the NLW. Of those only six will be under 25 on the appropriate date.

2.7 Increase in NLW to £9 per hour by 2020

At this stage we do not know what approach the Low Pay Commission will take with regard to the progression to £9 per hour in 2020. As the difference between £7.20 and £9 is £1.80, it could be assumed that progression will be evenly applied as an annual increase of 45p per hour. This assumption has been applied to the table in Appendix 1, to identify the potential impact.

2.8 It is recommended that the council apply an annual increase of 45p until the minimum pay rate reaches £9 in 2020, unless the annual increase applied to the NLW exceeds 45p. Table one below shows the application of a 45p increase from 2017 to 2020 to the council's pay point 3 and the NLW.

Table 1

	01/04/16	01/04/17	01/04/18	01/04/19	01/04/20
Hourly rate RBWM, pay point 3	£7.26	£7.71	£8.16	£8.61	£9.06
Hourly rate NLW	£7.20	£7.65	£8.10	£8.55	£9.00

2.9 The application of the £9 per hour NLW by 2020 will impact on job evaluation and the grading structures that the council currently uses as it will impact on pay differentials. In addition, the Local Government Employers (LGE) is considering the issue in relation to pay structures, job evaluation and pay differentials. They are suggesting that the NLW will actually be £9.36 by 2020. Any local and national pay awards will also impact on the application of the NLW.

2.10 It is proposed to bring a further report to Employment Panel later in 2016, once we know the position on national and local pay awards and advice from the LGE is available in order to inform any changes required to the council's pay scales in order to maintain pay differentials.

Apprentices

2.11 The council currently has only three apprentices. However there are plans to recruit four apprentices early in 2016. The council applies the national apprentice pay rates. Table two below shows the hourly rates for the national minimum wage, the national rate for apprentices, and the rates paid by the council and by the other unitary council's in Berkshire.

Table 2

Age range	16-18*	<18	18-20	21+
National minimum wage - per hour		£3.87	£5.30	£6.70
Apprentices - national minimum	£3.30		£5.30	£6.70
Apprentices - RBWM 1	£3.30		£5.30	£6.70
Apprentices - Bracknell Forest BC 1	£3.38		£5.30	£6.70
Apprentices - Bracknell Forest BC 2	£3.92		£5.30	£6.70
Apprentices - Bracknell Forest BC 3	£4.19		£5.30	£6.70

Apprentices - Reading	£3.30		£5.30	£6.70
Apprentices - Slough BC	£3.85		£5.30	£6.70
Apprentices - West Berks	£3.30		£5.30	£6.70
Apprentices - Wokingham	£3.30		£5.30	£6.70

*plus those 19 and over in their first year

2.12 Only Bracknell and Slough pay their apprentices under 18 more than the national minimum. All Berkshire authorities pay the national minimum for older apprentices.

2.13 The council has struggled to attract apprentices aged 16-18. This combined with the council's wish to improve the position of those on low pay, leads us to recommend that the council increases the rate for its apprentices to £3.85 per hour. The government recently announced that to support its target of 3 million apprenticeships by 2020, all large public sector employers (over 250 employees) will be set an apprenticeship target of 2.3% of the workforce.

Option	Comments
<p>Delete points 1 and 2 from Grade 1A with effect from 1 April 2016. Move all staff on the deleted pay points to point 3.</p> <p>This is the recommended option</p>	<p>Given the small number of staff and cost involved, this is the recommended option.</p>
<p>Delete point 1 from Grade 1A with effect from 1 April 2016. Move all staff on the deleted pay point to point 2 and increase point 2 to £7.20.</p> <p>This is not recommended</p>	<p>See comments above. This option also only delays the deletion of point 2 until 2017.</p>
<p>Apply the NLW to all staff regardless of age.</p> <p>This is the recommended option</p>	<p>Given the small number of staff and limited cost involved, this is the recommended option.</p>
<p>Only apply the NLW to those aged 25 or older.</p> <p>This is not recommended</p>	<p>See comments above.</p>
<p>Apply an annual increase of at least 45p per annum until the minimum pay rate reaches £9 per hour.</p> <p>This is the recommended option</p>	<p>This is a minimum increase that the council would apply. In the event that the national increase to the NLW is higher than 45p, the national increase will apply.</p>
<p>Apply the nationally agreed increases to the NLW.</p> <p>This is not recommended</p>	<p>See comments above.</p>
<p>Increase the pay of apprentices to £3.85 per hour from 1 February 2016.</p> <p>This is the recommended option</p>	<p>It is hoped that increasing the pay of apprentices will help the council attract higher quality candidates.</p>
<p>Make no changes to the pay rates for apprentices.</p>	<p>See comments above.</p>

This is not recommended	
A further report be presented to Employment Panel in 2016, once further information is available in order to inform the approach regarding maintaining pay differentials. This is the recommended option	Proposals for action beyond 2016 are not sensible in the absence of further information.

3. KEY IMPLICATIONS

3.1

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
The council meets its statutory obligations by implementing the NLW	n/a	1 April 2016	n/a	n/a	1 April 2016

4. FINANCIAL DETAILS

Financial impact on the budget

- 4.1 The financial impact of the application of pay point 3 as the minimum pay point for the 11 staff identified is negligible. The cost of applying £7.20 per hour is £450 including on costs. This increases to £875 if £7.26 pay point 3 is set as the minimum pay rate. Based on current data the additional cost of moving to £9 by 2020 will incrementally increase from £3,000 to £7,500 in the final year, totalling approximately £20,000 over four years including on costs.

Table three shows the cost of increasing apprentice pay to £3.85 per hour.

Table 3

	16-18*	18-20	21+
Apprentices - national minimum PA	£6,367	£10,225	£12,926
RBWM	£7,428	£10,225	£12,926
Difference in pay	£1061	N/a	N/a
Annual cost per apprentice including on costs	£1,284		

* plus those 19 or over in 1st year

- 4.2 The council currently only has three apprentices, one of which is due to leave on 31 March 2016. The others are both in their first year and due to leave in October and November 2016. The additional cost of increasing their pay is approximately £1,900 including on-costs.
- 4.3 The additional salary costs for the four apprenticeships in 2016 will be around £5,150. Discussions have already been held between the Grow our Own team

and the Leader on the principle of increasing the budget provision for this area of activity.

- 4.4 For future reference, as a large employer with a pay bill over £3 million, from April 2017, the council will be required to pay a levy of 0.5% of the pay bill to fund the national apprenticeship scheme.

5. LEGAL IMPLICATIONS

- 5.1 The council is required to implement the NLW from 6 April 2016. This is a mandatory date for implementation. The revised rate for apprentices is proposed to apply with effect from 1 February 2016. This is not a date which has been legally imposed, but a date which has been proposed to effect the recommended change as set out in this Report. The Council already pays the mandatory minimum wage to employees and apprentices, as demonstrated by the tables in the Report. This Report focuses on determining the ways in which it can be ensured that the Council continues to continue paying the statutory minimum rates.

6. VALUE FOR MONEY

- 6.1 The additional costs of applying pay point 3 are negligible. The additional cost of a council apprenticeship is seen as investing in the future.

7. SUSTAINABILITY IMPACT APPRAISAL

- 7.1 None.

8. RISK MANAGEMENT

- 8.1

Risks	Uncontrolled Risk	Controls	Controlled Risk
Impact of NLW on pay relativities over next four years, resulting in increased staff costs		This issue will be considered as part of the report planned for 2016.	

9. LINKS TO STRATEGIC OBJECTIVES

- 9.1 The recommendation regarding apprentices links to the following:

Residents First

- Support Children and Young People

Value for Money

- Invest in the future

Equipping Ourselves for the Future

- Equipping Our Workforce

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

10.1 No EQIA was undertaken, as the NLW is a statutory requirement.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

11.1 See section 2.

12. PROPERTY AND ASSETS

12.1 None.

13. ANY OTHER IMPLICATIONS

13.1 This report only addresses the impact of the NLW on council employed staff. It does not address the impact on services delivered via external contracts.

14. CONSULTATION

14.1 The People Forum, DMT's and CMT were consulted and support the recommended approach.

15. TIMETABLE FOR IMPLEMENTATION

15.1 It is proposed to apply the NLW from 1 April 2016 and the increase pay rate for apprentices from 1 February 2016.

16. APPENDICES

16.1 Appendix 1 – pay scales for centrally employed RBWM staff and school support staff.

17. BACKGROUND INFORMATION

17.1 None.

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			
Alison Alexander	MD/CMT	16/12/15	16/12/15	
Jenny Lee	Lawyer SLS	22/12/15	6/1/16	5.
Alison Alexander	People Forum	18/12/15	18/12/15	
John Bates	Accountancy Pool	21/12/15	4/1/16	4a – figures checked
Cabinet Policy Office				
External				
	Police, voluntary Organisation, AN Other etc			

REPORT HISTORY

Decision type:	Urgency item?	
Non-key decision	No	
Full name of report author	Job title	Full contact no:
Karin Zussman-Ward	Lead HR Consultant	01628 796211

Table 1 Centrally employed staff

GRADE / POINT	TOTAL SALARY	HOURLY RATE	COMMENTS
	£	£	Assumes no annual pay award
GRADE 1A			
1	13,485.00	6.9896	April 16 - below £7.20
2	13,822.00	7.1643	April 16 - below £7.20
3	14,018.00	7.2659	April 17 - below £7.65
4	14,428.00	7.4784	April 17 - below £7.65
5	14,789.00	7.6655	April 18 - below £8.10
6	14,937.00	7.7422	April 18 - £8.10
GRADE 1B			
7	14,858.00	7.7013	April 18 - below £8.10
8	15,229.00	7.8936	April 18 - below £8.10
9	16,088.00	8.3388	April 19 - below £8.55
10	16,490.00	8.5472	April 20 - below £9
11	16,655.00	8.6327	April 20 - below £9
GRADE 1C			
12	16,088.00	8.3388	April 19 - below £8.55
13	16,490.00	8.5472	April 19 - below £8.55
14	16,852.00	8.7348	April 20 - below £9
15	17,273.00	8.9530	April 20 - below £9
16	17,446.00	9.0427	
GRADE 2			
17	17,154.00	8.8913	April 20 - below £9
18	17,583.00	9.1137	
19	17,946.00	9.3019	
20	18,371.00	9.5222	
21	18,801.00	9.7450	
22	18,989.00	9.8425	

Table 2 School support staff - assuming 1% pay award

	NLW £7.20		NLW £7.65		NLW £8.10	
SCALE / SPINAL POINT	Apr-16 HOURLY RATE 1% PAY AWARD	Comments	Apr-17 HOURLY RATE 1% PAY AWARD	Comments	Apr-18 HOURLY RATE 1% PAY AWARD	Comments
SCALE 2	£		£		£	
6	7.6615	No change	7.7382	No change	7.8155	Apr 18 - below £8.10
7	7.7186	No change	7.7958	No change	7.8738	Apr 18 - below £8.10
8	7.8060	No change	7.8841	No change	7.9629	Apr 18 - below £8.10
9	7.8428	No change	7.9212	No change	8.0004	Apr 18 - below £8.10
10	7.9889	No change	8.0688	No change	8.1495	No change
11	8.4736	No change	8.5583	No change	8.6439	No change
11	8.4736	No change	8.5583	No change	8.6439	No change
12	8.6493	No change	8.7358	No change	8.8231	No change
13	8.8825	No change	8.9714	No change	9.0611	No change
	NLW £8.55		NLW £9			
SCALE / SPINAL POINT	Apr-19 HOURLY RATE 1% PAY AWARD	Comments	Apr-20 HOURLY RATE 1% PAY AWARD	Comments		
SCALE 2	£		£			
6						
7						
8						
9						
10	8.2310	April 19 - increase to £8.55?				
11	8.7303	No change	8.8176	Apr 20 - below £9		
11	8.7303	No change	8.8176	Apr 20 - below £9		
12	8.9114	No change	9.0005	No change		
13	9.1517	No change	9.2432	No change		

Table 3 School support staff

No pay award

SCALE / SPINAL POINT	TOTAL SALARY	HOURLY RATE	IF NO PAY AWARDS
SCALE 2	£	£	
6	14635	7.5857	
7	14744	7.6422	April 17 - below £7.65
8	14911	7.7287	April 18 - below £8.10
9	15131	7.8428	April 18 - below £8.10
10	15413	7.9889	April 18 - below £8.11
11	16348	8.4736	April 19 - below £8.55
11	16348	8.4736	April 19 - below £8.55
12	16687	8.6493	April 20 - below £9
13	17137	8.8825	April 20 - below £9

Report for:
ACTION



Contains Confidential or Exempt Information	NO – Part I
Title	Approval of the Updated Pay Policy Statement for 2016/17
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	Employment Panel
Date to be Considered	21 January 2016
Implementation Date if Not Called In	1 April 2016
Affected Wards	None

REPORT SUMMARY

1. This report deals with the approval of an updated Pay Policy Statement for 2016/17 as required by the Localism Act 2011. It recommends that Employment Panel approve the updated Statement and recommend its approval by Council on 23 February 2016 (Appendix 1). These recommendations are being made because the Council is required to review, approve and publish a Pay Policy Statement by 31 March annually.

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
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 Employment Panel:

i. Approve the Pay Policy Statement 2016/17 and recommend the updated statement to Council for approval on 23 February 2016.

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 The Localism Act 2011 requires the council to review its Pay Policy Statement annually and publish an updated statement for 2016/17 by 31 March 2016.

2.2 The Statement, at appendix 1, has been updated to reflect:

- 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

2.3 Section 3.4 of the statement assumes that Employment Panel approve the recommendations being made regarding the national living wage in a separate report being considered at this meeting. Should an alternative decision be made, this will be reflected in the version of the statement presented to Council for approval.

Option	Comments
Approve the updated 2016/17 Pay Policy Statement This is the recommended option	In accordance with the Localism Act an updated version of the statement must be approved by full Council each year.
Amend the 2016/17 Pay Policy Statement This is not recommended	The statement includes all the required updates.
Reject the updated 2016/17 Pay Policy Statement This is not recommended	Council has to approve and publish an updated statement.

3. KEY IMPLICATIONS

3.1

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Approve and publish statement by 31	Statement not approved and not published	Statement approved and published by 31	Statement published by 1 March 2016	Statement published within 2 working days of the	31 March 2016

March 2016	by 31 March 2016	March 2016		Council meeting	
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4. FINANCIAL DETAILS

Financial impact on the budget

4.1 None.

5. LEGAL IMPLICATIONS

5.1 The amended Pay Policy Statement 2016/17 meets the requirements of the Localism Act 2011.

5.2 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 a number of adverse steps against it including judicial review for failing to comply with statutory duties.

6. VALUE FOR MONEY

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

7. SUSTAINABILITY IMPACT APPRAISAL

7.1 None

8. RISK MANAGEMENT

8.1

Risks	Uncontrolled Risk	Controls	Controlled Risk
Failure to approve the revised Pay Policy Statement at Council on 23 February 2016, results in contravention of the council's obligations under the Localism Act	High	Statement approved at Council 23 February 2016	Low

9. LINKS TO STRATEGIC OBJECTIVES

9.1 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.

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

10.1 The original EQIA was reviewed and no changes were made.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

11.1 None

12. PROPERTY AND ASSETS

12.1 None

13. ANY OTHER IMPLICATIONS

13.1 None

14. CONSULTATION

14.1 The updated statement contains minimal changes of factual information and therefore no consultation has been undertaken.

15. TIMETABLE FOR IMPLEMENTATION

15.1 The updated statement will be published by 31 March 2016.

16. APPENDICES

16.1 Appendix 1 – updated Pay Policy Statement 2016/17.

17. BACKGROUND INFORMATION

17.1 None

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	07/01/2016		
Andrew Brooker	Head of Finance	7/12/15		No updates required.
N/a	Lawyer, Shared Legal services	Checked SLS 1/12/15		Amended statement and report approved for Dec 15 Council, SLS agreed no significant change this time requiring their opinion.

Alison Alexander	MD			
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 2016/17

1. INTRODUCTION

- 1.1 Under sections 38 to 43 of the Localism Act 2011, Local Authorities are required to prepare, approve by full Council (as a Part 1 item) and publish on their website, a pay policy statement by 31 March 2016, for the financial year 2016/17.
- 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 RBWM 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 the website within 10 working days of the Council meeting.
- 1.4 In drawing up this statement, RBWM has 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).
- 1.5 Links to external websites:
 - [CLG Guidance](#)
 - [CLG Supplementary Guidance](#)
- 1.6 This statement does not include staff based in RBWM schools as this is outside the scope of the legislation.
- 1.7 This statement was approved by full Council on 23 February 2016.
- 1.8 RBWM fully endorses and supports the requirement to be open and honest about the reward packages of 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 and Strategic Director of Adult, Children and Health Services
 - Strategic Director of Corporate and Community Services
 - Strategic Director of Operations and Customer Services
 - Deputy Director – Health, Early Help and Safeguarding

- Deputy Director – Health and Adult Social Care
 - Deputy Director – Operations directorate*
- * To be combined with one of the Head of Service roles in the Operations Directorate

Heads of Service:

- Head of Commissioning, Adults, Children's and Health
- Head of Communities and Economic Development
- Head of Community Protection and Enforcement*
- Head of Customer Services*
- Head of Finance
- Head of Governance, Partnerships, Performance and Policy
- Head of Highways and Transport*
- Head of HR
- Head of Information Technology Services*
- Head of Libraries, Arts and Heritage*
- Director of Planning Development and Regeneration
- Head of Revenue and Benefits*
- Head of Schools and Educational Services

Salaries

- 2.2 The Managing Director and Strategic Directors are paid within a salary band of £95,950 to £131,300.
- 2.3 Deputy Directors are paid within a salary band of £85,000 to £100,000.
- 2.4 Heads of Service are paid within a salary band of £65,650 to £90,900.
- a) Initial salary placement is determined by job evaluation and market comparability.
 - 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'.
 - c) Due to budget restrictions the market comparability exercise has been deferred. Individual posts are market tested as and when required.

Other payments

- 2.5 With effect from 2 November 2015, the Head of Governance, Policy & Performance 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.

2.6 The amount paid is published on the website - [Pay & benefits of senior staff](#)

2.7 There are no other regular payments made to the post holders in the roles listed in section 2.1.

Honoraria

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

Salary reviews

2.9 The annual pay review is undertaken by RBWM and any pay award is determined by the Employment Panel. The annual pay review date is 1 April.

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

2.11 With effect from 1 April 2014 the Council introduced a Pay Reward Scheme that allows the Council to reward performance based on an assessment of achievement of objectives and demonstration of its corporate behaviours, CREATE. This applies to all staff on RBWM local terms and conditions. See 3.11

Expenses and benefits

2.12 The Council has a comprehensive Expenses policy, which applies to all staff.

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

2.14 All other benefits are available to all staff and identified in point 3.12.

Remuneration on appointment

2.17 In the event of a vacancy the market levels for the post, see 2.4, may be reassessed and any appointment would be made in accordance with the market comparability evidence.

Termination payments

2.18 RBWM does not treat the Managing Director, Directors, Deputy Directors and Heads of Service differently to other Council employees in relation to termination payments. See section 6.

Other terms and conditions

2.19 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.

2.20 All staff receive 28 days annual leave plus 8 bank holidays each year.

Use of interim managers in senior roles

2.21 RBWM would not normally appoint a consultant to a permanent post.

2.22 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 RBWM may use a consultant appointed via their temporary worker agency or a direct consultancy agreement, both routes being in accordance with Contract Rules.

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

3. DEFINITION AND REMUNERATION OF THE LOWEST PAID EMPLOYEES

Definition of RBWM lowest paid employees

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

3.2 The reasons for adopting this definition is because it is recommended by the JNC for Chief Executives in their guidance to local authorities.

Salaries

3.3 The hourly rate of the lowest paid employee is £7.26, which equates to an annual salary of £14,018.

3.4 RBWM's lowest paid employees are above the national living wage rate, £7.20 per hour from April 2016.

Other payments

3.5 It is unlikely that this particular pay level would receive any additional payments. The Council's Pay and Benefits policy sets out their policy on additional payments such as overtime; stand by among other things.

Salary review and increments

- 3.6 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.
- 3.7 In April 2011, the salaries of those earning less than £21,000 per annum were increased by £250.
- 3.8 In April 2012 no pay award was made.
- 3.9 For those employees, up to and including Scale 6 (renamed G5), not eligible for an increment a 1% consolidated pay increase in April 2013 was applied.
- 3.10 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 (Renamed G1 and 2) and a 2% increase for those at the top of scales 4 and 5 (renamed G3 and 4).
- 3.11 In April 2015, payments were made in accordance with the council's Pay Reward Scheme to reward high performance. Based on appraisal outcomes linked to the achievement of objectives, qualifying employees received salary increases up between 0.85% for a "good" rating and 5.97% for an "outstanding" rating and/or one off lump sum payments.

Benefits

- 3.12 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 11.4% and employer contribution rate of 12.8%)
 - Employee Assistance Programme (EAP)
 - Eye care vouchers for designated DSE users
 - Car parking at work
 - Physiotherapy – subject to criteria
 - Season ticket loan
 - Discounted rail travel to Maidenhead on Great Western routes

4. RELATIONSHIP BETWEEN THE REMUNERATION OF CHIEF OFFICERS AND THE LOWEST PAID STAFF

- 4.1 The total remuneration package for the Managing Director is £145,512. This is a salary of £129,000, plus employer's pension contributions.
- 4.2 The remuneration of the lowest paid employee was £14,018, 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 £15,812.
- 4.3 Using a remuneration figure for the Managing of £129,000 and a remuneration figure of £14,018 for the lowest paid employee, the pay multiple is 9.2.
- 4.4 The ratio between the highest paid employee, the Managing Director and the average pay of all RBWM employees is 1:4.2 and the median pay of all employees is 1:4.8.
- 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 policy regarding the pay of senior staff aims to ensure that the Council can recruit and retain the calibre of staff that is needed to deliver continuous improvement in service delivery. RBWM uses market comparability to determine pay levels to ensure that they 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 the 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.
- 5.3 The Government is consulting on regulations regarding the recovery of public sector exit payments. Once the regulations are approved, then this section of the pay statement will be reviewed.

6. POLICIES ON REDUNDANCY AND PENSION ENTITLEMENT

Redundancy

- 6.1 The Policy and Procedure for Redundancy, Early Retirements on the Grounds of Efficiency of the Service and Ill Health defines how RBWM will approach redundancy including redundancy pay.
- 6.2 The council uses its discretionary powers to calculate redundancy pay using the individual's actual weekly salary.
- 6.3 RBWM does not enhance the number of statutory week's redundancy pay an individual is entitled to under the Employment Rights Act 1996.

Pension enhancement

- 6.4 The LGPS contains provision for employers to enhance pension payments. Employers are required to determine how they will use these discretionary provisions. The council has determined generally not to use its discretion to enhance pension payments by either additional years or additional pension, RBWM will however consider any application on its merits.

Early retirement or flexible retirement

- 6.5 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 the pay and reward policies are approved by the council's Employment Panel.
- 8.2 All of the policies are reviewed regularly and updated to reflect legislation, best practice and organisational changes.

9. PUBLICATION AND ACCESS TO INFORMATION AND 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, RBWM publishes annually the remuneration of the Managing Director and Directors on its 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	15
>15,000 <25,000	518
>25,000 <35,000	406
>35,000 <45,000	279
>45,000 <55,000	68
>55,000 <65,000	29
>65,000 <80,000	14
>80,000 <100,000	6
>100,000	3
Total	1,338

* 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 due to transferring out of building control and building services.

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