

Report Title:	Approval of Pay Policy Statement 2018/19
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	N/a
Meeting and Date:	Employment Panel - 16 January 2018
Responsible Officer(s):	Alison Alexander, Managing Director
Wards affected:	None

www.rbwm.gov.uk



REPORT SUMMARY

1. This report deals with the approval of an updated Pay Policy Statement for 2018/19 as required by the Localism Act 2011. It recommends that Employment Panel approve the updated Statement and recommend its approval by Council on 20 February 2018. These recommendations are being made because the council is required to review, approve and publish a Pay Policy Statement by 31 March annually.
2. 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.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Employment Panel notes the report and:

- i) Approves the updated Pay Policy Statement for 2018/19 and recommends the statement to Council for approval on 20 February 2018.
- ii) Notes that further revisions will be required to the statement following the implementation of the Government's reforms to public sector exit pay arrangements

2 REASON(S) 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 2018/19 by 31 March 2018.
- 2.2 The Pay Policy Statement, attached as appendix A, has been updated to reflect:
 - Latest structure for 'Chief Officers'.
 - Updating of the pay ratio between the Managing Director and the lowest paid employees, median and average pay.
 - Inclusion of the pay multiples from 2012/13 to the present day.
 - Updating of employee numbers in section 11
- 2.3 The Government is introducing regulations regarding the recovery of exit payments and limiting the total value of exit payments that will apply to organisations in the public sector. These have been delayed since last year. At the time of writing, these regulations were not finalised and therefore the Pay Policy Statement will need to be revised once the regulations are in place, expected to be spring 2018.

Table 1: Options

Option	Comments
Approve the updated 2018/19 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.
Reject the updated 2018/19 Pay Policy Statement. Not recommended.	Council has to approve an updated statement and publish it by 31 March 2018.

3 KEY IMPLICATIONS

3.1

Table 2: Key implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Approve and publish statement by 31 March 2018	> 31 March 2018.	By 31 March 2018.	By 17 March 2018.	By 1 March 2018.	31 March 2018.

4 FINANCIAL DETAILS / VALUE FOR MONEY

4.1 None.

5 LEGAL IMPLICATIONS

- 5.1 The amended Pay Policy Statement 2018/19 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 RISK MANAGEMENT

6.1

Table 3: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk
Failure to approve the revised Pay Policy Statement at Council on 20 February 2018, results in	High.	Statement approved at Council 20 February 2018.	Low.

Risks	Uncontrolled Risk	Controls	Controlled Risk
contravention of the council's obligations under the Localism Act.			

7 POTENTIAL IMPACTS

- 7.1 The original EQIA was not reviewed as there are no significant changes to the updated statement.
- 7.2 There are no other impacts.

8 CONSULTATION

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

9 TIMETABLE FOR IMPLEMENTATION

9.1

Table 4: Implementation timetable

Date	Details
16 January 2018	Employment Panel approves statement.
20 February 2018	Full Council approves statement.
31 March 2018	Deadline for the updated statement to be published on the council's website.

10 APPENDICES

- 10.1 Appendix A – Updated Pay Policy Statement 2018/19.

11 BACKGROUND DOCUMENTS

- 11.1 None.

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Lisa Targowska	Principal Member	05/01/18	
Alison Alexander	Managing Director	13/12/17	27/12/17
Russell O'Keefe	Executive Director	13/12/17	27/12/17

Name of consultee	Post held	Date sent	Commented & returned
Andy Jeffs	Executive Director	13/12/17	27/12/17
Rob Stubbs	Section 151 Officer	13/12/17	27/12/17
Terry Baldwin	Head of HR	13/12/17	27/12/17
Mary Kilner	Head of Law and Governance	13/12/17	27/12/17
Louisa Dean	Communications and Marketing Manager	13/12/17	27/12/17

REPORT HISTORY

Decision type: Key decision Non-key decision	Urgency item? No
Report Author: Terry Baldwin, Head of HR, 01628 796992	

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

Pay Policy Statement for the year 2018/19

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 2018, for the financial year 2018/19.
- 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 employees based in RBWM schools as this is outside the scope of the legislation.
- 1.7 This statement was approved by full Council on 20 February 2018.
- 1.8 RBWM fully endorses and supports the requirement to be open and honest about the reward packages of senior employees.

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 Director of Adult Social Services
 - Executive Directors (2)
 - Director of Children's Services*

- Deputy Director – Children’s Services*
- Deputy Director and Head of Finance
- Deputy Director – Strategy and Commissioning
- * Seconded to Achieving for Children
- Head of Commissioning - Communities
- Head of Communications and Digital
- Head of Communities, Enforcement and Partnerships
- Head of HR
- Head of Law and Governance
- Head of Libraries and Resident Services
- Property Services Manager
- Technology Services Manager
- Head of Planning
- Head of Revenue and Benefits.

Salaries

- 2.2 The Managing Director and Strategic Director of Adult Social Services is paid within a salary band of £120,000 to £146,160. Executive Directors are paid within a salary band of £95,950 to £132,350.
- 2.3 Deputy Directors are paid within a salary band of £85,000 to £100,800. Heads of Service are paid within a salary band of £65,650 to £91,627.
- 2.4 Appointments are made on a market benchmarked ‘spot salary’. Individual posts are market tested as and when required.

Other payments

- 2.5 The Managing Director and Strategic Director of Adult Social Services performs 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 employees earning over £50,000](#)
- 2.7 There are no other regular payments made to the post holders in the roles listed in section 2.1.

Instant Reward Scheme

- 2.9 An Instant Reward Scheme applies to all employees including Chief Officers.

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 With effect from 1 April 2017 all salaries were increased by 0.8 percent.
- 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 employees on RBWM local terms and conditions.

Expenses and benefits

- 2.12 The council has a comprehensive Expenses policy, which applies to all employees.
- 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 employees and identified in point 3.7.

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, Executive 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 employees have been wholly locally determined and set out in the RBWM Employee Handbook.
- 2.20 All employees 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 and regularly reviewed.

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 £8.31, which equates to an annual salary of £16,622.
- 3.4 RBWM's lowest paid employees are above the national living wage rate of £7.83 per hour from April 2018.

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 shift pay, stand by etc.

Salary review and increments

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

Benefits

- 3.7 The council offers a range of benefits to its employees:
- Advantage card – for those employees 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 14.3%)
 - Employee Assistance Programme (EAP)
 - Employee Benefits Portal
 - 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 EMPLOYEES

- 4.1 The salary for the Managing Director is £138,096, plus employer's pension contributions. [Director's salary information](#)
- 4.2 The remuneration of the lowest paid employee was £16,622, which represents solely basic salary as no other allowances are payable.
- 4.3 Using a remuneration figure for the Managing Director of £138,096 and a remuneration figure of £16,622 for the lowest paid employee in supported employment, the pay multiple is 8.31.
- 4.4 The ratio between the highest paid employee, the Managing Director and the average pay including permanent allowances of all RBWM employees is 1:4.2 and the median pay of all employees is 1:4.28.
- 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. Table 1 shows the pay multiples since 2012.

Table 1: Pay multiples

Year	Pay multiples highest to lowest pay
2012/13	12
2013/14	11.3
2014/15	9.6
2015/16	9.6
2016/17	9.2
2017/18	9.46
2018/19	8.31

- 4.6 The trend since 2012 has been a reduction of the pay multiple. This reflects a number of changes and reductions in the management structure.
- 4.7 The policy regarding the pay of senior employees aims to ensure that the council can recruit and retain the calibre of employee 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, now expected in the spring of 2018, 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.
- 6.5 The Government is consulting on regulations regarding the reforms to public sector exit payments. Once the regulations are approved, then this section of the pay statement will be reviewed.

Early retirement or flexible retirement

- 6.6 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. [Director's salary information](#)

10. OTHER RELEVANT COUNCIL DOCUMENTS

- Expenses policy
- Flexible retirement
- Instant Reward Scheme
- Pay & benefits policy
- Pension abatement policy
- Pension's discretion policy
- Redundancy and early retirements' policy.

11. NUMBER OF EMPLOYEES AND SALARY BANDS

- 11.1 This table shows the number of employees within specified pay bands:

Pay band* £	Number of staff*
<15,000	2
>15,000 <25,000	200
>25,000 <35,000	185
>35,000 <45,000	140
>45,000 <55,000	34
>55,000 <65,000	19
>65,000 <80,000	10
>80,000 <100,000	9
>100,000	4
Total	603

* Excludes casual workers. Multiple job holders counted individually. All data based on Full Time Equivalent salary and permanent allowances

only. During 2017 a number of employees were transferred to partner or other external organisations.