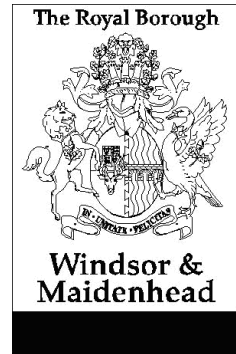


Report for:
ACTION



Contains Confidential or Exempt Information	No – Part I
Title	Review of the Honoraria Scheme
Responsible Officer(s)	Terry Baldwin, Head of HR
Contact officer, job title and phone number	Terry Baldwin, Head of HR 01628 796992
Member reporting	Councillor D Burbage
For Consideration By	Employment Panel
Date to be Considered	17.12.15
Implementation Date if Not Called In	January 2016
Affected Wards	None
Keywords/Index	Local pay, annual review, pay award

Report Summary

1. This report deals with the RBWM honoraria scheme, it provides details of awards made to date and requests Employment Panel agrees the recommendations made.

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
Motivated employees will continue to deliver an improved service to residents	Quarter 1 – January 2016, when the revisions to the scheme are implemented.

1. Details of Recommendations

RECOMMENDATION:

That the Employment Panel:

- 1.1 Review the content of this paper, which has been endorsed by CMT, and agree the five recommendations made by CMT in 2.10.

2. Reason for Decision and Options Considered

Background information

- 2.1 The honoraria scheme was introduced in 2012; it replaced the Senior Management PRP scheme which had been considered to be divisive and unfair. The aim of the scheme was to introduce a set of criteria in order to provide an alternative method of rewarding employees across the organisation. It was approved at Employment Panel, with the first window opening in January 2013.
- 2.2 In its three years of operation, there have been minimal changes made to the original scheme, which is detailed in Appendix A.

Analysis of data collected since Quarter 1 2013

2.3 Appendix B provides a breakdown of the honoraria nominations awarded so far, and highlights the following:

- There have been 255 honoraria nominations since 2013.
- Including employers costs, a total of £157,503 has been awarded to staff (Table 1).
- 43% of nominations have come from Adults, who have awarded almost £61k to staff.
- The percentage of Adults nominations is higher than their percentage of the organisation (30%), whilst the percentage of Children's nominations at 10% is significantly lower than the percentage of Children's staff at 26%. The other two directorates' nominations were fairly reflective of their size.
- The most common reason for receiving an honoraria is for dealing with a one off exceptional work activity, which received 67% of nominations. The least is for producing an innovative idea, which received around 10% of nominations (Table 3).
- Adults and Children's each nominated 36% of their staff for dealing with a specific and unforeseen circumstance (Table 4).
- Adults and Operations have exceeded the recommendation that 70% of nominations are made to lower graded staff up to Grade 7. However all directorates, except for Adults have nominated above the recommended 20% for management grades, one reason for this could be because they are more visible around the council. CMT felt that in in the main they expected staff in grade 7 and below to be the greater recipients of an honoraria, but recognise the need and want some flexibility to reward to others in the higher grades (Table 5).

Why review the process

2.4 In general, the honoraria scheme does work well and has been an effective organisational tool. The fact that 255 members of staff have received a payment since 2013 is to be applauded. However a number of observations have been made about the current scheme, with areas for improvement and recommendations listed below:

Timescales

2.5 Because of the quarterly windows, that have to be linked to EP meetings and payroll cut off dates, the time period between an employee being nominated and receiving an actual payment can take up to 6 months, which is a long time for an employee to wait to receive their award. For example:



Authorisation

2.6 Nominations are reviewed by DMT and CMT and then signed off at EP. This is one of the reasons for the lengthy timescales.

Honoraria payment

2.7 The honoraria payment amount is currently capped at £1,000. However the value of the payment can be changed up to 3 times from the original recommendation, because it gets initially discussed at DMT, then at CMT and then again at EP. So an initial suggestion of, for example, £500 can end up being significantly more or less if EP feel, when they review the reason for nomination, this it is worth more. Likewise it can be less if they feel the reason was probably something they should be doing in the course of their work anyway. The way the nomination is worded, can make a difference to the eventual payment amount.

Nominations

- 2.8 Around 85% of nominations come from the employee's manager; the remaining 15% come from managers nominating staff outside their Service. There are at times nominations by Members however these are not a significant number.

Nomination Categories

- 2.9 Producing an Innovative Idea is one of the categories for an honoraria nomination, however to date only 25 (9.8%) members of staff have been rewarded for this reason. In addition there is currently no link between the honoraria scheme and the RBWM Transformation initiative.

Recommendations

- 2.10 The following changes to the honoraria scheme are recommended:

1 Timescales	Review the current timetable, and consider moving the honoraria scheme to bi-monthly, rather than quarterly. This will ensure the payments are made within a smaller timeframe.
2 Authorisation	Nominations are reviewed by DMT's, but the payments are signed off at CMT. EP could review the nominations and payments made every six months. This would move the influence over payments from EP to CMT. The EP review of the scheme bi-annually would simply be for information. Members can continue to nominate staff through their CMT member or Head of Service.
3 Honoraria payment	EP approves the overall budget for Pay Reward and CMT agree the overall budget for honoraria payments. The cap of £1,000 for an individual payment remains the same, but the amount can be adjusted, up or down, by DMT's, which are then signed off by CMT. As an honoraria payment should only be given for an exceptional piece of work, it is better managed within the remit of CMT.
4 Nominations	Members are encouraged to increase the number of nominations made to staff, which can be done directly or through their Head of Service or Director.
5 The nomination categories	Innovative ideas should be expanded so that staff can be nominated for making a suggestion that is linked to the Transformation initiative, and can be developed into a feasible piece of work.

Option	Comments
Consider and approve the five recommendations made in 2.10 and implement the changes from Quarter 1 – January 2016	The scheme has evolved over the last 3 years and a review is necessary to ensure it remains an effective tool.
Recommended Option	
Do not consider the recommendations made above.	The scheme will remain unchanged.
Make alternative recommendations for the development of the honoraria scheme.	Members may want the scheme developed in a different direction to the proposals.

3. Key Implications

- 3.1 N/A

4. Financial Details

a) Financial impact on the budget (mandatory)

4.1 N/A

b) Financial Background

4.2 Including employers' costs, a total of £157,503 has been awarded to staff to date.

5. Legal Implications

5.1 These payments are non contractual.

5.2 Managers should ensure that these payments are within the criteria set out in the policy, and not for acts that an officer would be expected to perform in the ordinary course of his or her employment.

5.3 It should also be ensured that no officer receives such a number of these types of payments over a period of time that could then lead to representations that it has become an additional salary and varied their contract to incorporate a term that requires such payment to be made.

5.4 All officers must be eligible to qualify for these payments and must not be made ineligible through using a provision, criterion or policy which would make it more difficult for staff with protected characteristics, as defined in the Equality Act 2010, to receive an award.

6. Value For Money

6.1 N/A

7. Sustainability Impact Appraisal

7.1 N/A

8. Risk Management

Risks	Uncontrolled Risk	Controls	Controlled Risk
Not making any payment may mean staff are de-motivated and will therefore not be willing to make extra discretionary effort in the future.	N/A	Make an honorarium payment to nominated staff	N/A

9. Links to Strategic Objectives

9.1 The recommendation made within this report has been made in the context of **Delivering Together** to achieve Councils overall strategic objectives.

10. Equalities, Human Rights and Community Cohesion

10.1 An analysis of the people data is attached in Appendix B. An analysis of equalities data was undertaken and highlighted:

- Compared to the numbers in the council, fewer woman and more men than the organisational percentage have received honoraria payments (Table 6).
- The Percentage of nominations by gender against RBWM workforce by Directorate are shown in Table 7.
- Based on ethnicity, nominations have been reflective or slightly better than the council workforce, which is very positive (Table 8).

11. Staffing/Workforce and Accommodation implications:

11.1 N/A

12. Property and Assets

12.1 N/A

13. Any other implications:

13.1 N/A

14. Consultation

14.1 CMT were consulted about the revisions to the scheme.

15. Timetable for Implementation

15.1 If approved, implementation would commence in January 2016 (quarter 1)

16. Appendices

- Appendix A – Current honoraria policy
- Appendix B – Breakdown of the RBWM honoraria scheme

17. Background Information

17.1 N/A

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			
CMT		18.11.15		
Legal				
Finance	Accountancy Pool	19.11.15	19.11.15	
External				
N/A				

Report History

Decision type:	Urgency item?
For information	No

Full name of report author	Job title	Full contact no:
Vanessa Faulkner	HR Manager – Strategy and Development	01628 685622

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

HONORARIA SCHEME

Covers:

- **Scheme operation**
- **Contractual status**
- **Timetable**

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

HONORARIA SCHEME

1. Scheme operation

All staff, from Managing Director to frontline staff may be awarded an honoraria payment to recognise:

- Producing an innovative idea, defined as the process by which an idea or invention is translated into a service which is valuable to residents. To be called an innovation, the idea must be replicable at an economical cost and must satisfy a specific need
- A one-off exceptional work activity
- Dealing with a specific critical and unforeseen situation.

The scheme operates within the council's financial year, 1 April to 31 March.

The scheme will be administered by the Head of HR, who will be consulted in all cases in order to maintain consistency of application on this aspect of the council's pay policy.

Throughout the year exceptional performers can be nominated by Cabinet Members, Employment Panel (EP) members, the Managing Director, Strategic Directors or Heads of Service. These nominations will be collated by the Head of HR for presentation on a quarterly basis to EP.

All nominations must include full written details identifying what has been recognised. This is an essential factor in respect of future audits of the payroll. Nominations must be agreed and sanctioned at the final DMT of each nomination period before being forwarded to the Head of HR.

To encourage a varied distribution of awards, honorarium payments should reflect the general distribution of employees across the council. It is therefore recommended that total nominations for each directorate, where possible, should reflect the following recommended split:

Employee type	Recommended percentage nomination split
Senior Management	10%
Management	20%
All other employees	70%

This broken down as:

	Old grade	New grade
Senior Management	M2 - Head of Service	Grade 12 - Head of Service
Management	M8 – M3	Grade 6 - 11
All other employees	Up to scale 6 and specialist staff	Grade 1 - 5 and specialist staff

The nominator will suggest the amount to be awarded to an individual, and will need to ensure there are sufficient budgets to cover any payment made. Payments to part time employees will not be pro rated. Any award will usually be capped at £1,000.

Following nominations, the final decision on the making of any award is at the discretion of the EP.

The reward pool size will be agreed by EP Members on receipt of nominations.

2. Contractual status

The scheme does not form part of any of the terms and conditions of employment for any participant, is operated solely at the discretion of the council and there is no contractual commitment on the part of the council in relation to participation. No legally enforceable right to a payment will arise under the scheme, nor any right to compensation or damages for non-payment of an honorarium as a result of the termination of employment (however caused) or for any other reason.

Honoraria are not included in the calculations of any other remuneration scheme of the council, for example, redundancy pay. It is subject to appropriate tax and national insurance deductions.

The EP reserves the right to amend or withdraw the Scheme or its terms and conditions at any time without prior consultation or notice based on the needs and performance of the council. Any reward must be bounded by a reasonable ability to pay.

3. Quarterly timetable

Quarter 1	January – March	Honoraria Scheme nominations received by the Head of HR, after being signed off at the final DMT in March.
	31 March	Latest date that nominations can be sent to the Head of HR, who will collate recommendations. Nominators should ensure they have sufficient budget before making any nominations.
	May	EP will consider all recommendations and establish the size of the 'Reward Pool' and agree payments.
	June	Successful individuals are advised and payment made with June salary
Quarter 2	April – June	Honoraria Scheme nominations received by the Head of HR, after being signed off at the final DMT in June.
	30 June	Latest date that nominations can be sent to the Head of HR, who will collate recommendations. Nominators should ensure they have sufficient budget before

		making any nominations.
	August	EP will consider all recommendations and establish the size of the 'Reward Pool' and agree payments
	September	Successful individuals are advised and payment made with September salary
Quarter 3	July – September	Honoraria Scheme nominations received by the Head of HR, after being signed off at the final DMT in September.
	30 September	Latest date that nominations can be sent to the Head of HR, who will collate recommendations. Nominators should ensure they have sufficient budget before making any nominations.
	November	EP will consider all recommendations and establish the size of the 'Reward Pool' and agree payments
	December	Successful individuals are advised and payment made with December salary
Quarter 4	October - December	Honoraria Scheme nominations received by the Head of HR, after being signed off at the final DMT in December.
	31 December	Latest date that nominations can be sent to the Head of HR, who will collate recommendations. Nominators should ensure they have sufficient budget before making any nominations.
	February	EP will consider all recommendations and establish the size of the 'Reward Pool' and agree payments
	March	Successful individuals are advised and payment made with March salary

Breakdown of the RBWM honoraria scheme

Table 1 - Total cost of nominations by directorate

Adults	Children's	Corporate	Operations	Total	
£50,300	£18,038	£42,280	£19,550	£130,168	
£60,863	£21,826	£51,159	£23,655	£157,503	Including 21% employers costs
38.6%	13.9%	32.5 %	15.0 %		

Table 2 - Percentage spread of nominations by directorate against RBWM workforce

Directorate	Percentage of RBWM workforce	Number of nominations	Percentage spread of nominations
Adults, Culture & Health Services	30%	110	43%
Children's Services	26%	25	10%
Corporate Services	21%	68	27%
Operations	23%	52	20%

Table 3 - Reason for nomination distribution

Dealing with a one off exceptional work activity	Dealing with a Specific and unforeseen circumstance	Producing an innovative idea	Other	Total
170	59	25	1	255
66.7%	23.1%	9.8%	0.4%	

Table 4 - Directorate nominations by reason

Directorate	A one off exceptional work activity	Dealing with a specific and unforeseen circumstance	Producing an innovative idea	Other
Adults, Culture & Health Services	38%	36%	10%	0%
Children's Services	8%	36%	30%	0%
Corporate Services	35%	0%	30%	0%
Operations	19%	27%	30%	100%

Table 5 - Directorate nominations by grade

Directorate	Grade 1 to 7 (including Leisure)	Grade 8 to 13	Heads of Service and above	Other
Recommended nomination split	70%	20%	10%	
<i>Actual nomination split</i>	65%	29%	2%	3%
Adult Culture & Health Services	82%	15%	3%	
Children's Services	36%	36%		27%
Corporate Services	46%	50%	4%	
Operations Services	75%	25%		

Table 6 - Percentage of nominations by gender against RBWM workforce

	Percentage Nominations	Council Employees
Female	62%	71%
Male	38%	29%

Table 7 - Percentage of nominations by gender against RBWM workforce by Directorate

		Percentage nominations	Directorate employees
Adults	Male	35%	12%
	Female	65%	88%
Children's	Male	10%	13%
	Female	90%	87%
Corporate	Male	28%	37%
	Female	72%	63%
Operations	Male	60%	55%
	Female	40%	45%

Table 8 – Percentage of nominations by ethnicity against RBWM workforce

Category	Nominations	Council
British	78%	76%
Not stated	10%	5%
Any other white background	5%	4%
Indian	4%	3%
African / Caribbean	4%	1%
Pakistani	1%	2%