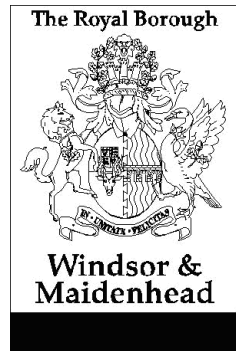


Report for: ACTION



Contains Confidential or Exempt Information	NO - Part I
Title	Approval of the updated Pay Policy Statement for 2016/17
Responsible Officer(s)	Alison Alexander, MD and Director of Adult, Children and Health Services
Contact officer, job title and phone number	Terry Baldwin Head of HR 01628 796992
Member reporting	David Burbage
For Consideration By	Council
Date to be Considered	23 February 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 and recommends that Council approve the updated Statement (Appendix1). 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
1. The Pay Policy Statement enables residents to understand the Council's pay policy for senior staff and how it relates to the salaries of the lowest paid. It provides transparency and enables residents to assess whether salaries paid represent value for money.	On going

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION: That Council:

- i. Approve the Pay Policy Statement 2016/17 and publishes it on its website by 31 March 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 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 Employment Panel approved this updated statement at their meeting on 21 January 2016.

Option	Comments
Approve the updated 2016/17 Pay Policy Statement This is the recommended option	
Amend the 2016/17 Pay Policy Statement This is not recommended	
Reject the updated 2016/17 Pay Policy Statement This is not recommended	

3. KEY IMPLICATIONS

3.1

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Approve and publish statement by 31 March 2016	> 31 March 2016	By 31 March 2016	1 March 2016	Statement published within 2 working days of the meeting	31 March 2016

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 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 Employment Panel on 21 January 2016 approved the updated statement.

15. TIMETABLE FOR IMPLEMENTATION

15.1

Date	Details
By 31 March 2016	<i>The updated statement will be published on the council's website</i>

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	25/1/16	25/1/16	
Andrew Brooker	Head of Finance			Approved EP version
N/a	Lawyer, Shared Legal services	Checked with SLS 1/12/15		Amended statement and report approved for Dec 15 Council, SLS agreed no significant change requiring their opinion.
Alison Alexander	MD			Approved EP version
External				
None				

REPORT HISTORY

Decision type:	Urgency item?
Non-key decision	

Full name of report author	Job title	Full contact no:
Karin Zussman-Ward	Lead 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

Appendix 1

- 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.

Appendix 1

- 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 at or 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.

Benefits

- 3.7 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 Director 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

Appendix 1

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.