

# Summons and Agenda 24 March 2015

Managing Director  
Reading Borough Council  
Civic Offices, Bridge Street,  
Reading, RG1 2LU



Ian Wardle  
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16 March 2015

To: All Members of the Council


Your contact is:

Michael Popham - Democratic Services Manager

Dear Sir/Madam

You are hereby summoned to attend a meeting of the Reading Borough Council to be held at the Civic Offices, Reading, on **Tuesday 24 March 2015 at 6.30pm**, when it is proposed to transact the business specified in the Agenda enclosed herewith.

Yours faithfully



MANAGING DIRECTOR



## A G E N D A

### Mayor's Announcements

1. To receive Mayor's Announcements.

### Declarations of Interest

2. To receive any declarations of interest.

### Minutes

3. The Mayor to sign the Minutes of the proceedings of the Council Meeting held on 24 February 2015 (Pages A1-A6)

### Petitions

4. To receive petitions in accordance with Standing Order 8.

### Questions from Members of the Public

5. Questions in accordance with Standing Order 9.

### Questions from Councillors

6. Questions in accordance with Standing Order 10.

### Reports and Recommendations from Committees

7. Councillors' Allowances and Pension Scheme for Councillors

Report by Managing Director (Pages B1-B9)

8. Pay Policy Statement Revision 2015/16

Report by Managing Director (Pages C1-C28)

### Motions

9. Transatlantic Trade and Investment Partnership

Councillor Hoskin to move:

This Council notes:

1. That the Transatlantic Trade and Investment Partnership (TTIP) is currently being negotiated between the US and the EU primarily seeking a deal to cut tariffs and regulatory barriers to trade, making it easier for companies on both sides of the Atlantic to access each other's markets

2. TTIP negotiations are being conducted behind closed doors between representatives of the EU and US without transparency or democratic accountability.
3. TTIP could open up access to government procurement markets and eliminate preferential treatment to local suppliers and introduce investment protection provisions that include investor state dispute settlement (ISDS) mechanisms which allow investors to challenge government actions which they consider as threatening to their investments.

The Council further notes the briefing of the Local Government Information Unit (LGIU) of which it is a member that "TTIP will give foreign companies the right to bid for all government spending, including on health. It could put restrictions on the ability of the UK government to control costs (e.g. of medicines) and to regulate any transnational companies that provide health services."

The LGIU further states that "Supporters of TTIP say that health will anyway be exempt from the treaty because it is a public service. In the context of FTAs, the term 'public service' refers only to those services that are not supplied on a commercial basis, or are not in competition with other service providers. There is an argument that since the passing of the Health and Social Care Act (2012), the NHS does not conform to this description."

The Council also notes that the British Medical Association council chair Mark Porter has warned: 'In order to protect the NHS, it is crucial that the final agreement does not jeopardise the ability of member state Governments to act as they see fit.'

The BMA has also called on the protection of public health services by:

- Excluding the NHS from the reach of the TTIP treaty negotiations.
- Building in protections to the so-called IP (investor protection) and ISDS (investor to state dispute settlement) mechanisms to ensure they cannot be used by corporations to attack public services.

This Council believes that the TTIP negotiations and potential deal therefore pose a real threat to the very existence of a publicly provided NHS and could seriously restrict the powers of future, democratically elected governments, to reverse the privatisation of our health services unless the NHS is specifically excluded.

This Council therefore resolves to request that the Leader of the Council to write to the Prime Minister, Deputy Prime Minister, and the Secretary of State for Business, Innovation and Skills, asking them to ensure that the NHS is specifically excluded from the scope of TTIP.

Furthermore this Council requests the Leader of the Council to write to the declared parliamentary candidates for Reading East and West constituencies to inform them of the views of the Council expressed in this motion and to request that they commit to support excluding the NHS from TTIP if elected as an MP for Reading.

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**Present:** Councillor Jones (Mayor);

Councillors D Absolom, D L Absolom, Ayub, Ballsdon, Chrisp, Davies, Dennis, Duveen, Eden, D Edwards, K Edwards, Ennis, Gavin, Gittings, Hacker, Hoskin, James, Khan, Lawrence, Livingston, Lovelock, Maskell, McElligott, O'Connell, Orton, Page, Pearce, Robinson, Rodda, Singh, Skeats, Stanford-Beale, Stevens, Terry, Tickner, Vickers, White, Whitham, J Williams, R Williams, Willis and Woodward.

**Apologies:** Councillors Anderson, Hopper and Stanway.

### 48. MINUTES

The Minutes of the meeting held on 27 January 2015 were confirmed as a correct record and signed by the Mayor.

### 49. QUESTIONS FROM MEMBERS OF THE PUBLIC IN ACCORDANCE WITH STANDING ORDER NO 9

Questions on the following matters were submitted:

	Questioner	Subject	Answer
1.	Francis Jakeman	Unity Community Sports Association/Three Cooks	Cllr Lovelock
2.	Mary Waite	St Martins Precinct	Cllr Page
3.	Moira Gomes	Bedroom Tax	Cllr Davies

(The full text of the questions and replies was made available on the Reading Borough Council website).

### 50. QUESTIONS FROM COUNCILLORS IN ACCORDANCE WITH STANDING ORDER NO 10

Questions on the following matters were submitted:

	Questioner	Subject	Answer
1.	Cllr Tickner	Performance of Reading Buses	Cllr Page
2.	Cllr Dennis	Adult Social Care	Cllr Eden
3.	Cllr Willis	Unite Trade Union	Cllr Lovelock
4.	Cllr Willis	Facilities Agreement	Cllr Lovelock
5.	Cllr Willis	Pot Holes	Cllr Page
6.	Cllr K Edwards	Council New Build Programme	Cllr Davies
7.	Cllr J Williams	Letting Agents Redress Schemes	Cllr Davies
8.	Cllr D Edwards	Actions to Improve Children's Education	Cllr Ennis

(The full text of all of the questions and replies was made available on the Reading Borough Council website).

### 51. CORPORATE PLAN AND BUDGET 2015-18

Further to Minute 76 of the Policy Committee held on 16 February 2015, the Corporate Management Team submitted a report setting out the Corporate Plan 2015-18 and the Council's Budget 2015-18.

## COUNCIL MEETING MINUTES - 24 FEBRUARY 2015

The report advised on: a range of national and local financial matters affecting the Council's services for residents; the proposals about how to address these issues; revenue budgets for service delivery, pressures, savings solutions and proposed fees and charges; a risk analysis; the capital programme; and an Equality Impact Assessment.

The report explained that the Corporate Plan set out the Administration's priorities and outlined ambitions for Reading, the services that would be delivered, the priorities for further improvement, and what would be measured to show the difference that was being made.

The following documents were attached to the report:

- Appendix 1 - Corporate Plan 2015-18
- Appendix 2 - Savings and Income Proposals for 2015-18
- Appendix 3 - Calculation of Council Tax 2015/16
- Appendix 4 - Fees and Charges Summary Statement
- Appendix 5 - Robustness & Risks within the Proposed Budget for 2015-18
- Appendix 6 - Treasury Management Strategy Statement 2015/16
- Appendix 7 - General Fund and Summary Cost Centre Budgets
- Appendix 8 - Capital Programme
- Appendix 9 - Dedicated Schools Grant
- Appendix 10/10a - Equality Impact Assessment / Equality Impact Assessment update

A motion was moved by Councillor Lovelock and seconded by Councillor Page and CARRIED as set out in the resolution below.

The following amendment was moved by Councillor Duveen and seconded by Councillor O'Connell and LOST:

"Insert an additional recommendation 2.9 to the list of recommendations on pages B4 - B6 of the Corporate Plan and Budget 2015-18 report and approve the following:

'Council is requested to AGREE the following amendments to the Budget:

- (i) Add an extra £1m to the capital programme for new social housing in 2015-16;
- (ii) Add an extra £0.5m to the capital programme for introducing 20mph limits on all residential roads in Reading;
- (iii) Authorise the Head of Finance to borrow up to £1.5m to pay for the above;
- (iv) to look for ways to invest half of the working capital in funds that support social housing, preferably within Reading; and
- (v) to make every effort to finally resolve the outstanding equal pay claims and pay out the amounts due to the claimants without further lengthy legal battles.'

A recorded vote having been demanded, the voting was as follows:

### For the motion 2

Councillors Duveen and O'Connell.

### Against the motion: 37

Councillors D Absolom, D L Absolom, Ayub, Ballsdon, Chrisp, Davies, Dennis, Eden, D Edwards, K Edwards, Ennis, Gavin, Hacker, Hoskin, Khan, Lawrence, Livingston, Lovelock, Maskell, McElligott, Orton, Page, Pearce, Robinson, Rodda, Singh, Skeats, Stanford-Beale, Stevens, Tickner, Vickers, White, Whitham, J Williams, R Williams, Willis and Woodward.

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(Councillors Gittings, James, Jones, and Terry declared a pecuniary interest in the amendment moved by Councillor Duveen, left the meeting and took no part in the debate or decision in relation to the amendment. Nature of interest: Councillors Gittings, James, Jones, and Terry were either employed or had partners who were employed by a Trade Union, which was involved in the negotiation regarding the settlement of equal pay claims referred to in point (v) of the amendment moved by Councillor Duveen).

(Councillor Hacker, Deputy Mayor, took the Chair for the duration of the debate and decision on Councillor Duveen's amendment).

### Resolved:

- (1) That the Corporate Plan 2015-18 be approved;
  - (2) That the following, as set out in the report by the Managing Director and Head of Finance and in the Budget Book, noting the Equality Impact Assessment, be approved:
    - (a) The Council Budget & Financial Plan 2015-18
    - (b) The specific revenue estimates for 2015/16
    - (c) The capital programme for the period 2015-18;
  - (3) That it be noted that at its meeting on 27 January 2015 the Council calculated the Council Tax Base 2015/16 for the whole Council area as 50,155 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended ("the Act"));
  - (4) That the Council Tax requirement for the Council's own purposes for 2015/16 be calculated as £1,365.00;
  - (5) That the following amounts be calculated for the year 2015/16 in accordance with Sections 31 to 36 of the Act:
    - (a) £402,728,579 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act;
    - (b) £334,267,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
    - (c) £68,461,579 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(4) of the Act);
    - (d) £1,365.00 being the amount at 4(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;
    - (e) Valuation Bands
-

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A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
910.00	1061.67	1213.33	1365.00	1668.33	1971.67	2275.00	2730.00

being the amounts given by multiplying the amount at 4(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (6) That it be noted that for the year 2015/16 Police & Crime Commissioner for the Thames Valley has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

<u>Precept</u>	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
Police & Crime Commissioner	£	£	£	£	£	£	£	£
	109.13	127.32	145.51	163.70	200.08	236.46	272.83	327.40

- (7) That it be noted that for the year 2015/16 Royal Berkshire Fire & Rescue Service have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

<u>Precepting Authority</u>	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
Royal Berkshire Fire & Rescue Service	£	£	£	£	£	£	£	£
	40.44	47.18	53.92	60.66	74.14	87.62	101.10	121.32

- (8) That, having calculated the aggregate in each case of the amounts at 4(d), 5 and 6 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2015/16 for each of the categories of dwelling shown below:

<u>Valuation Bands</u>							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1059.57	1236.17	1412.76	1589.36	1942.55	2295.75	2648.93	3178.72

- (9) That officers be authorised to implement the additional savings and income proposals outlined in Appendix 2 and Appendix 10a, subject to any necessary consultation and equality impact assessments being undertaken and the outcomes being reported back for consideration by the relevant committee;
- (10) That, after considering the advice of the Head of Finance on the adequacy of balances and reserves and the robustness of the Budget, as set out in Section 6 and Appendix 5 of the report, the minimum level of General Fund Balance to be maintained over the year to 31 March 2016 be set at £5m;

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- (11) That in the event that the Council decides to set a General Fund balance which is less than that advised by the Head of Finance of a minimum £5m then the reasons for this difference be recorded in the minutes of the meeting;
- (12) That the Treasury Management and Investment Strategy and the Prudential Indicators set out in Appendix 6 of the report, and the revised MRP Statement to apply from 2014/15 in Annex D of the Strategy, be agreed;
- (13) That the Risk and Robustness Statement set out in Appendix 5 of the report be agreed;
- (14) That the Fees and Charges outlined in Appendix 4 of the report, and set out in detail on the Council's web site be approved and officers be authorised to take the action necessary to implement these changes, noting that Social Care Charges (which are currently the subject of public consultation) will be formally set by the Adult Social Care, Children's Services and Education Committee at its meeting on 4 March 2015.

A recorded vote having been demanded, the voting was as follows:

### For the motion 31

Councillors D Absolom, D L Absolom, Ayub, Crisp, Davies, Dennis, Eden, D Edwards, K Edwards, Ennis, Gavin, Gittings, Hacker, Hoskin, James, Jones, Khan, Lawrence, Livingston, Lovelock, Maskell, McElligott, Orton, Page, Pearce, Rodda, Singh, Terry, Tickner, R Williams and Woodward.

### Against the motion: 12

Councillors Ballsdon, Duveen, O'Connell, Robinson, Skeats, Stanford-Beale, Stevens, Vickers, White, Whitham, J Williams and Willis.

## 52. UNDERFUNDING OF HEALTH AND COUNCIL SOCIAL CARE

Pursuant to Notice, a motion was moved by Councillor Eden and seconded by Councillor Hoskin and CARRIED:

### Resolved:

This Council notes:

1. The pressure being put on the NHS locally and nationally because of the underfunding of both health and Council social care.
2. The impact that delayed discharges have on patients and their families and the substantial work done by this council to minimise this compared with our immediate neighbours
3. That Reading was one of only 5 local authorities across the country to agree its Better Care Fund in the first wave but notes that this is not new money and in no way closes the funding gap that faces this council.
4. The warnings from the Local Government Association that councils have had to switch £900 million from other services to retain even the current levels of care

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5. That the chair of the public accounts committee has questioned the ability of the DCLG to estimate what funding is needed by local authorities to even fulfil their statutory obligations in adult social care - and that the chair of the LGA has described this as a "ridiculous situation".
6. That already a third of this council's budget goes on adult social care and that while the council has agreed a 3 year strategy for adult social care this is ambitious and will require leadership and substantial cooperation between the council and its partners.

This Council resolves to:

1. Write to the borough's MPs asking that they heed calls from the LGA and medical professionals to properly fund and support adult social care as part of a civilised society and to prevent a crisis of care in this country.
2. To continue to work with the NHS, the voluntary sector and local communities to enable more of our residents to live fulfilled lives as part of their neighbourhoods and communities.
3. To call for the DCLG to properly assess needs in allocating funding to local authorities.

(The meeting closed at 9.20 pm).

# READING BOROUGH COUNCIL

## REPORT BY MANAGING DIRECTOR

<b>TO:</b>	<b>COUNCIL</b>		
<b>DATE:</b>	<b>24 MARCH 2015</b>	<b>AGENDA ITEM:</b>	<b>7</b>
<b>TITLE:</b>	<b>COUNCILLORS' ALLOWANCES AND PENSION SCHEME FOR COUNCILLORS</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR LOVELOCK</b>	<b>PORTFOLIO:</b>	<b>LEADER OF THE COUNCIL</b>
<b>SERVICE:</b>	<b>COUNCILLOR SERVICES</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>LEAD OFFICER:</b>	<b>AMY BRYAN</b>	<b>TEL:</b>	<b>0118 937 2368</b>
<b>JOB TITLE:</b>	<b>COMMITTEE ADMINISTRATOR</b>	<b>E-MAIL:</b>	<b>amy.bryan@reading.gov.uk</b>

### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Further to Minute 67 of the Council's meeting on 25 March 2014, this report recommends that the Council consider the findings of the Independent Remuneration Panel and to adopt a scheme of Councillors' Allowances for the financial year 2015/16.
- 1.2 The Independent Remuneration Panel meets annually to consider a scheme of allowances and to make recommendations to Council. Following a meeting, the Panel has recommended that the total budget for Councillors' allowances should stay at the same level as set for 2014/15. The overall budget should therefore be £448,597 in respect of councillors' allowances; basic allowance for all councillors should remain set at £8,220 per annum; and the remainder of the budget should be split between the Leader, Deputy Leader and recipients of special responsibility allowances as set out in paragraph 3 of this report.
- 1.3 The Panel also considered and made recommendations with regard to travel allowances (remain unchanged); subsistence allowances (keep in line with the officer scheme); Dependant Carer's Allowance (remain unchanged); Co-optees' Allowances (remain unchanged) and that councillors should have access to salary sacrifice schemes.
- 1.4 In relation to travel allowances, the Personnel Committee on 19 July 2011 agreed to increase car allowance rate for Council officers, to 45p per mile, whilst retaining the 25p per mile rate for Councillors. The Remuneration Panel did not recommend any increase for 2015/16.
- 1.5 The Remuneration Panel's Findings are attached at Appendix A. The minutes of the Remuneration Panel on 25 November 2014 are attached at Appendix B.

### 2. RECOMMENDED ACTION

- 2.1 Council is asked to consider the report of the Independent Remuneration Panel and to adopt a scheme of Councillors' Allowances for the period 1 April 2015 to 31 March 2016 in line with the findings of the Remuneration Panel set out at Appendix A.
- 2.2 Councillor Lovelock will move a motion at the meeting.

### 3. POLICY CONTEXT

3.1 The Council on 25 March 2014 agreed a scheme for Councillors' Allowances for 2014/15, with the following features:

- (i) The total amount to be spent on Councillors' Allowances in 2014/15 to be £448,597;
- (ii) The level of basic allowance to be paid to each councillor for 2014/15 to be £8,220 per annum.
- (iii) That the remaining £70,477 be spent on special responsibility allowances (SRA) to be paid at the following levels to the office holders as specified below:

Office Holder	Level of SRA pa
Leader of the Council	£7,004
Deputy Leader of the Council	£5,722
Tier One to be paid to the Lead Councillors serving on the Cabinet and to the Leader of the main opposition group.	£3,816
Tier Two to be paid to the Chairs of Committees and the Leader of the other political groups.	£2,147
Tier Three to be paid to other Councillors carrying out other activities in relation to the discharge of the authority's functions as require the commitment of equivalent time and effort as for other categories of activity which would qualify for Special Responsibility Allowance under Paragraphs 5(1)(i) of the Local Authorities (Members' Allowances) (England) Regulations 2003 and to the independent person appointed in accordance with Section 28 of the Localism Act 2011 to carry out the functions specified in that Act in relation to the Members' Code of Conduct and Local Standards Committee	£1,074

(iv) Councillors may claim for the cost of a carer to look after children or disabled or elderly dependent relatives whilst undertaking approved duties on behalf of the Council as follows:

- Up to £7.18 per hour for childcare, up to 15 hours per week;
- Up to £7.18 per hour for the carer of a disabled or elderly dependent relative (including a disabled child), up to 15 hours per week;

and provided that the above claims were supported by a signed receipt from the carer confirming the hours and amount claimed and that the carer was not a close relative. These allowances are taxable.

(v) An approved duty is defined as follows:

- a meeting of the executive
- a meeting of a committee of the executive
- a meeting of the authority
- a meeting of a committee or sub-committee of the authority

- a meeting of some other body to which the authority makes appointments or nominations
- a meeting of a committee or sub-committee of a body to which the authority makes appointments or nominations
- a meeting which has both been authorised by the authority, a committee, or sub-committee of the authority or a joint committee of the authority and one or more authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups)
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

3.2 It was reported at the meeting of the Policy and Implementation Committee on 14 March 2000 that in future years the Council's Member allowances schemes would be uprated in line with the national pay award for Council employees. This did not happen in 2010/11 when the Annual Council meeting, on 25 May 2010, resolved to reduce by 10% the level of special responsibility allowances.

3.3 The Council, on 13 November 2001, set up an independent Remuneration Panel to review annually the Council's scheme for Councillors' Allowances and to make recommendations for a scheme of allowances to include:

- i) the amount of basic allowance to be paid to all Councillors;
- ii) the duties in respect of which Councillors should receive a special responsibility allowance, and the amount of such an allowance;
- iii) allowances for the care of children or dependants.

3.4 The Remuneration Panel was set up to include at least three and no more than five independent members appointed to represent the following stakeholders with the Council. Its membership is:

- Local trades union movement  
Brian Revell, Unite
- Local voluntary sector  
Francis Connolly, former CIC member
- A person with past experience of local government  
Annette Hendry, former Councillor

#### 4. THE PROPOSAL

- 4.1 The Remuneration Panel considered a 2015/16 scheme on 25 November 2014.
- 4.2 At their meetings the Panel considered:
- (1) The Council's full scheme of Councillors' Allowances - 2014-15;
  - (2) A briefing note on the Council's salary sacrifice schemes;
  - (3) A briefing note on the changes that had been made to the Local Government Pension Scheme for Councillors.
- 4.3 The Panel's findings are set out at Appendix A.

### Councillors' Allowances

- 4.4 With regard to the scheme for the financial year 2015/16, the Panel has recommended that the total budget for councillors' allowances be kept at the same level as the 2014/15 allowances budget.
- 4.5 The Panel has recommended that subsistence allowances for councillors, for breakfast, lunch, tea and evening meal, should be increased in line with those for officers (if applicable).
- 4.6 The Panel also considered travel allowances which they recommended should remain unchanged for 2014/15, as should the Dependant Carer's Allowance. This report recommends that the rate for car allowances remain at 25p per mile for 2014/15, as was agreed at Personnel Committee on 19 July 2011. Although it is noted that car allowances for staff are currently set at 45p per mile.
- 4.7 The Panel also considered salary sacrifice schemes which the Council offered to its staff and recommended that the childcare vouchers, cycle to work and bus to work schemes should be included in the Scheme of Allowances.

### Pensions

- 4.8 The Panel noted the changes made by the Government to the Local Government Pension Scheme (LGPS) for Councillors, which excluded any new membership from 1 April 2014 and access for existing Councillors would end with their current fixed term of office.

### Information Commissioners Office (ICO)

- 4.9 The Information Commissioners Office (ICO) wrote to all Council's in January 2011 explicitly asking that all Councillors checked and understood their obligations under the Data Protection Act, as the ICO felt there was a potential personal risk exposure for many Councillors of inadequate registration in context with information held at home from carrying out their role as a representative of the residents in a ward or as an independent councillor not affiliated with any political party that would not be covered by existing Council or Political Registrations.
- 4.10 Councillors who register are able to claim the ICO £35 registration fee from the Council. Not all Reading Councillors are currently registered. To encourage uptake the ICO has now offered a bulk registration process should the Council want to address this issue on mass for all Councillors. The Council proposes to pursue bulk registration of all Councillors with the ICO on an "opt out basis" rather than "opt in" as from May/June 2015.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The provision for the payment of allowances to Councillors gives local authorities the scope to set allowances schemes to suit local needs and to help ensure that Councillors are not financially disadvantaged in serving as elected Members.
- 5.2 Ensuring Councillors are recompensed fairly for their services will help to attract candidates of high calibre and help to retain them, thereby enhancing the stability and experience of Reading's elected Councillors.

## 6. COMMUNITY ENGAGEMENT AND INFORMATION

None.

## 7. EQUALITY IMPACT ASSESSMENT

- 7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 An Equality Impact Assessment (EIA) is not relevant to this decision.

## 8. LEGAL IMPLICATIONS

### Members' Allowances

- 8.1 The Local Government Act 2000 requires local authorities to set up and maintain an independent Remuneration Panel to make recommendations to the authority concerning the allowances to be paid to elected members.
- 8.2 The relevant regulations governing the payment of allowances to elected members are:
- The Local Authorities (Members' Allowances) Regulations 1991 No. 351
  - The Local Authorities (Members' Allowances) (Amendment) Regulations 1995 No. 553
  - The Local Authorities (Members' Allowances) (Miscellaneous Provisions) Regulations 2001
  - Local Authorities (Members' Allowances) (England) Regulations 2001
  - The Local Authorities (Members' Allowances) (England) Regulations 2003
  - The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003
  - The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.
- 8.3 The Local Government Act 2000 (Commencement No 6), made on 15 February 2001, brought into force from 19 February 2001 all the provisions of the Local Government Act 2000 which relate to allowances except the abolition of attendance allowance which was abolished from 28 July 2001.
- 8.4 The relevant regulations came into force on 4 May 2001 and from that date local authorities have been under a duty to set up an independent Remuneration Panel. Any decision to amend, revoke or replace an allowances scheme will have to be taken having regard to the

recommendations of the Panel. This will apply to the Council's current scheme, which will expire on 31 March 2015.

- 8.5 Under Regulation 2(5) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the adoption of the Councillors' Allowances scheme may not be the responsibility of the executive of the authority. Regulation 2(7) goes further and states that the Council may not delegate this function to a Committee or to an officer. The Council has to take all decisions relating to the adoption of its Scheme of Councillors' Allowances.

### **Publicity**

- 8.6 The Regulations place a number of duties on a local authority in connection with publicising details on allowances paid to its elected members, including making copies of the Remuneration Panel's report available for public inspection as soon as is reasonably practicable. Members of the public are entitled to have a copy of the report on payment of a reasonable fee. The Council must publish a notice in at least one local newspaper stating the Council has received recommendations from the Panel, that the report is available for public inspection at its principal offices and describing the main features of the Panel's recommendations, including the level of allowances the Panel has recommended. The notice was published in the Reading Chronicle on 5 March 2015.
- 8.7 The Regulations also require the authority to publish two more sets of information. First, the authority must publish the scheme of Councillors' Allowances that it adopts, to the same rules as for publishing the findings of the Remuneration Panel. This will be done in April 2015. Secondly, the authority must publish the total sums paid by it to each Councillor under its scheme as soon as practicable after the end of the financial year in question: this will include dependant carers' allowance, and travel and subsistence payments.

### **9. FINANCIAL IMPLICATIONS**

- 9.1 The 2012/13 budget for Members' Allowances was £456,400 plus NI contributions, with £7,047 in savings paid back to balances. The budget for 2015/16 has not increased.
- 9.2 The cost to the Council of employers' contributions to those Councillors who are members of the Berkshire superannuation scheme is approximately £12,000 a year.

### **10. BACKGROUND PAPERS**

- 10.1 The Local Authorities (Members' Allowances) (England) Regulations 2003  
The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003  
The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014



## READING BOROUGH COUNCIL

### SCHEME FOR COUNCILLORS' ALLOWANCES - 2015-2016

#### FINDINGS OF REMUNERATION PANEL: 25 NOVEMBER 2014

Reading Borough Council has received recommendations from an independent Remuneration Panel in respect of the scheme of allowances to be paid by the authority to Councillors for the financial year 2015-2016. The Council will consider these recommendations at a future meeting.

#### RECOMMENDATIONS OF REMUNERATION PANEL

- (1) That, for 2015-16, the total sum for the payment of Basic and Special Responsibility Allowances to councillors remain at the same level as set for 2014-15 at £448,597;
- (2) That, within this total sum, the provision for the payment of Basic Allowance to all councillors remain at £378,125; and the Basic Allowance paid to individual councillors remain the same at £8,220 a year;
- (3) That the Special Responsibility Allowances payments remain the same, as follows:
  - (a) the amount paid to the Leader to be £7,004;
  - (b) the amount paid to the Deputy Leader to be £5,722;
  - (c) the amount paid to SRA Tier 1 to be £3,816;
  - (d) the amount paid to SRA Tier 2 to be £2,147;
  - (e) the amount paid to SRA Tier 3 to be £1,074.
 No councillor shall receive more than one Special Responsibility Allowance;
- (4) That the existing categorisation of tiers should remain unchanged, as follows:
  - Tier 1 to be paid to the Lead Councillors serving on the Cabinet and to the Leader of the main opposition Group;
  - Tier 2 to be paid to the Chairs of Committees and the Leader of the other political groups;
  - Tier 3 to be paid to other councillors carrying out other activities in relation to the discharge of the authority's functions as require the commitment of equivalent time and effort as for other categories of activity which would qualify for Special Responsibility Allowance under Paragraph 5(1)(i) of the Local Authorities (Members' Allowances) (England) Regulations 2003 and to the independent person appointed in accordance with Section 28 of the Localism Act 2011 to carry out the functions specified in that Act in relation to the Members' Code of Conduct and Local Standards Committee;
- (5) That the 2015-16 arrangements for the payment of Dependent Carers' Allowance remain as follows:

- (a) Up to £7.18 per hour for childcare for up to 15 hours a week
- (b) Up to £7.18 an hour towards the cost of a care attendant for an elderly or disabled relative (including a disabled child) for up to 15 hours a week

The person providing the care may not be a close relative defined as spouse, partner (opposite or same sex cohabitantes), parents, children, brothers, sisters, grandparents and grandchildren. The paid care attendant must sign a receipt to show that they have cared for the dependent during the hours claimed for;

- (6) That, subject to (8) below, the level of subsistence allowances, with the exception of overnight subsistence, remain the same as officers receive. The allowances are currently:

- Subsistence
  - Breakfast allowance £7.36
  - Lunch allowance £10.17
  - Tea allowance £4.03
  - Evening meal allowance £12.59
  - Overnight subsistence £82.21 a day outside London  
£93.77 a day in London or at LGA Annual Conferences

- (7) That the level of travel allowances remain unchanged, as follows:

- Travel by councillor's own motor vehicle - 25 pence per mile
- Travel by councillor's own bicycle - 32 pence per mile
- Travel by councillor's own motorcycle - 34.5 pence per mile
- Bus travel - cost of the ordinary fare, cheap fare or portion of any weekly ticket;

- (8) That the subsistence limits referred to in (6) above be exceeded in exceptional circumstances at the discretion of the Monitoring Officer, e.g. to enable a Councillor and an officer attending a conference to stay at the same accommodation, subject to there being sufficient budget provision;

- (9) That provision for Co-optees' Allowances are payable solely to non-councillor members of the Standards Committee attending meetings of the Committee or any Sub-Committee set up by the Committee as part of its process of assessing, investigating and hearing complaints about Councillors; the allowances to be paid at the daily rate equivalent of the Councillors' Basic Allowance; the Monitoring Officer to be authorised to settle the rate to be paid on each occasion;

- (10) That the following salary sacrifice schemes be available to Councillors:

- Childcare Vouchers;
- Bus to Work;
- Cycle to Work;

- (11) That the Panel continue to review the scheme of Councillors' Allowances on an annual basis.

## REMUNERATION PANEL - 25 NOVEMBER 2014

Remuneration Panel: F Connolly  
A Hendry  
B Revell

### SCHEME OF COUNCILLORS' ALLOWANCES, 2015-2016

The Panel considered a scheme of Councillors' Allowances for 2015-16. The following documents had been circulated and were considered by the Panel as part of their deliberations:

- (1) The Scheme for Councillors' Allowances - 2014-15
- (2) A briefing note on Salary Sacrifice Schemes
- (3) A briefing note on Local Government Pension Scheme for Councillors.

The Panel noted that the Council had not accepted the recommendations the Panel had proposed for the 2014-2015 scheme and the Council's current financial position and therefore recommended no increase in the scheme of Councillors' allowances for 2015-16.

The Panel were asked to consider whether to include in the Councillors' Scheme of Allowances the salary sacrifice schemes which were currently open to staff. The Council had a number of salary sacrifice schemes which allowed employees to receive a benefit for which they 'sacrificed' part of their gross salary. Although Councillors did not receive a salary, they did receive an allowance for which part could be sacrificed in order to receive the benefits of the scheme. The schemes which were currently open to join were receiving childcare vouchers, the cycle to work scheme and the bus to work scheme. The Panel agreed to include the three salary sacrifices schemes in the Scheme of Allowances.

The Panel noted the changes made by the Government to the Local Government Pension Scheme (LGPS) for Councillors, which excluded any new membership from 1 April 2014 and access for existing Councillors would end with their current fixed term of office.



READING BOROUGH COUNCIL

REPORT BY MANAGING DIRECTOR

TO:	COUNCIL		
DATE:	24 MARCH 2015	AGENDA ITEM:	8
TITLE:	PAY POLICY STATEMENT REVISION 2015/16		
LEAD MEMBER	CLLR JO LOVELOCK	LEADER	
SERVICE:		WARDS:	BOROUGHWIDE
AUTHOR:	WARREN KING	TEL:	74500
JOB TITLE:	INTERIM HR AND PAYROLL SERVICES MANAGER	E-MAIL:	Warren.king@reading.gov.uk

**1. PURPOSE AND SUMMARY OF REPORT**

- 1.1. The purpose of this report is to ask Council to approve the attached revised (2015/16) Pay Policy Statement, in accordance with section 38 of the Localism Act 2011.

**2. RECOMMENDED ACTION**

- 2.1. That you approve the revised (2015/16) Pay Policy Statement attached at Appendix 2, which will take effect from 1<sup>st</sup> April 2015.

**3. POLICY CONTEXT**

- 3.1. Local Authorities are required under section 38(1) of the Localism Act 2011 (the Act) to prepare a Pay Policy Statement. The statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees. The Council published its first Pay Policy Statement in April 2012. The proposed revised draft for 2015/16 updates the Statement. The proposed revised draft updates the commitment to develop a policy on application of the Council's low pay policy to contractors working for the Council and a commitment to seeking accredited Living Wage Employer status. Further amendments relate to dates and terminology as well as updated statistical information.
- 3.2. The text of the relevant sections of the Localism Act is attached as Appendix 1.
- 3.3. Each local authority is an individual employer in its own right and has the autonomy to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. The provisions of the Act do not seek to change this or to determine what

decisions on pay should be taken but they require individual employing authorities to be more open about their own policies in relation to pay and how decisions are made in this regard.

- 3.4. Section 40 of the Act requires authorities in developing their Pay Policy Statement to have regard to any guidance published by the Secretary of State. This includes Communities and Local Government guidance on Openness and Accountability in Local Pay (and recently published Supplementary Guidance) and the Code of Recommended Practice for Local Authorities on Data Transparency.
- 3.5. The government has taken steps to increase transparency on the pay and reward of public sector employees and the Code of Recommended Practice for Local Authorities on Data Transparency which amongst other things asks councils to consider the way they release data on senior salaries.
- 3.6. In March 2011 the Hutton Review of Fair Pay was published which made several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and highest paid in the public sector.
- 3.7. The provisions contained in the Act bring together the need for increasing accountability, transparency and fairness in the setting of pay which culminated in the formalisation of the Council's Pay Policy Statement, which outlines the pay and reward of the most senior employees set within the context of the pay of the wider workforce.
- 3.8. The Act sets out in detail the specific elements which the Pay Policy Statement must include as a minimum. The Act requires that in addition to the determination of senior salaries authorities must make clear what approach is taken to awarding other elements of pay including severance payments, any additional fees e.g. election duties, pay increases, honorarium payments etc.
- 3.9. The Act requires that authorities include in their Pay Policy Statements the approach to the publication of and access to information relating to the remuneration of Chief Officers. Reference to the council's Statement of Accounts where this information is published is included within the policy.
- 3.10. The Act requires that Pay Policy Statements are produced annually and are considered by full council. Any subsequent amendments required to the policy should also be considered by full council. This should be carried out in accordance with part 5A of the Local Government Act 1972. The Secretary of State does not consider that any of the grounds for exclusion of the public would be met for discussions around Pay Policy Statements.
- 3.11. The Act requires that the council's approach to pay, as set out in the Pay Policy Statement, is accessible for council tax payers for them to take an informed view of whether local decisions on all aspects of remuneration are fair therefore the approved Pay Policy Statement is published on the council's website.

3.12. The Hutton report highlighted that there is value in ensuring decisions about senior pay are taken in the context of similar decisions on lower paid staff and the Act requires Authorities to set their policy on remuneration for the highest paid employees alongside policies on the lowest paid which has been reflected in the 2015/16 Pay Policy Statement.

3.13. The Hutton report and The Code of Recommended Practice for Local Authorities on Data Transparency also suggest that the organisation's pay multiple is published. The 'pay multiple' (in this context) is described as the ratio between the highest paid employee and the 'median average' earnings across the organisation which acts as a means of illustrating the relationship between the highest and lowest paid. The current ratio between the highest and the lowest salary has been included in the RBC draft 2015/16 Pay Policy Statement and will be reviewed as part of future pay policies.

#### **4. THE PROPOSAL**

4.1. A copy of the proposed 2015/16 Pay Policy Statement can be found at Appendix 2. This is submitted to full Council for approval.

#### **5. CONTRIBUTION TO STRATEGIC AIMS**

5.1. These proposals are important to the achievement of the Council's Strategic Aims.

#### **6. EQUALITY IMPACT ASSESSMENT**

6.1. Principles incorporated in the revised Pay Policy Statement.

#### **7. LEGAL IMPLICATIONS**

7.1. Included in the body of the report and the revised Pay Policy Statement.

#### **8. FINANCIAL IMPLICATIONS**

8.1. None arising from this report

#### **9. BACKGROUND PAPERS**

9.1. None

## LOCALISM ACT 2011

## CHAPTER 8

## PAY ACCOUNTABILITY

**38 Pay policy statements**

(1) A relevant authority must prepare a pay policy statement for the financial year 2012-2013 and each subsequent financial year.

(2) A pay policy statement for a financial year must set out the authority's policies for the financial year relating to—

- (a) the remuneration of its chief officers,
- (b) the remuneration of its lowest-paid employees, and
- (c) the relationship between—
  - (i) the remuneration of its chief officers, and
  - (ii) the remuneration of its employees who are not chief officers.

(3) The statement must state—

- (a) the definition of "lowest-paid employees" adopted by the authority for the purposes of the statement, and
- (b) the authority's reasons for adopting that definition.

(4) The statement must include the authority's policies relating to—

- (a) the level and elements of remuneration for each chief officer,
- (b) remuneration of chief officers on recruitment,
- (c) increases and additions to remuneration for each chief officer,
- (d) the use of performance-related pay for chief officers,
- (e) the use of bonuses for chief officers,
- (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and
- (g) the publication of and access to information relating to remuneration of chief officers.

(5) A pay policy statement for a financial year may also set out the authority's policies for the financial year relating to the other terms and conditions applying to the authority's chief officers.

**39 Supplementary provisions relating to statements**

(1) A relevant authority's pay policy statement must be approved by a resolution of the authority before it comes into force.

(2) The first statement must be prepared and approved before the end of 31 March 2012.

(3) Each subsequent statement must be prepared and approved before the end of the 31 March immediately preceding the financial year to which it relates.

(4) A relevant authority may by resolution amend its pay policy statement (including after the beginning of the financial year to which it relates).

(5) As soon as is reasonably practicable after approving or amending a pay policy statement, the authority must publish the statement or the amended statement in such manner as it thinks fit (which must include publication on the authority's website).

#### **40 Guidance**

(1) A relevant authority in England must, in performing its functions under section 38 or 39, have regard to any guidance issued or approved by the Secretary of State.

(2) A relevant authority in Wales must, in performing its functions under section 38 or 39, have regard to any guidance issued or approved by the Welsh Ministers.

#### **41 Determinations relating to remuneration etc**

(1) This section applies to a determination that—

(a) is made by a relevant authority in a financial year beginning on or after 1 April 2012 and

(b) relates to the remuneration of or other terms and conditions applying to a chief officer of the authority.

(2) The relevant authority must comply with its pay policy statement for the financial year in making the determination.

(3) Any power of a fire and rescue authority within section 43(1)(i) to appoint officers and employees is subject to the requirement in subsection (2).

(4) In section 112 of the Local Government Act 1972 (appointment of staff) after subsection (2) insert—

“(2A) A local authority’s power to appoint officers on such reasonable terms and conditions as the authority thinks fit is subject to section 41 of the Localism Act 2011 (requirement for determinations relating to terms and conditions of chief officers to comply with pay policy statement).”

#### **42 Exercise of functions**

(1) The functions conferred on a relevant authority by this Chapter are not to be the responsibility of an executive of the authority under executive arrangements.

(2) Section 101 of the Local Government Act 1972 (arrangements for discharge of functions by local authorities) does not apply to the function of passing a resolution under this Chapter.

(3) The function of a fire and rescue authority within section 43(1)(i) of passing a resolution under this Chapter may not be delegated by the authority.

## READING BOROUGH COUNCIL PAY POLICY STATEMENT 2015/16

### 1. INTRODUCTION

- 1.1. Reading Borough Council's pay policy aims to ensure value for money whilst enabling the Council to deliver high quality services to the residents of Reading. The Council seeks to set pay rates that are adequate to secure and retain high quality employees dedicated to the service of the public, but will determine overall pay and benefits at an appropriate level in accordance with equality, affordability and other relevant factors.
- 1.2. Pay levels will not be unnecessarily generous or otherwise excessive.
- 1.3. Reading Borough Council agrees that local authorities should be able to determine their own pay structures in order to address local priorities and to compete in the local labour market.
- 1.4. Reading Borough Council is committed to equality, transparency and fairness across all of its activities and particularly in relation to the pay and conditions of its staff.
- 1.5. This document has the following Annexes:
  - Annex A: Requirements and Recommendations to Publish Personal data concerning Staff
  - Annex B: Governance Arrangements for Pay and Conditions of Service
  - Annex C: Summary of Conditions of Service
  - Annex D: Council Employees in Salary Bands as at 1 April 2014
  - Annex E: Pension Discretions Statement
  - Annex F: Pay scales for staff employed on NJC (Green Book) conditions and Senior Managers (JNC).
- 1.6. The following related documents related to pay and remuneration can be accessed through the Council's website:
  - o Details and responsibilities of all job roles paid above £50,000
  - o Market Supplement Policy
  - o Council Senior level organisational chart

### 2. LEGISLATION

- 2.1. The authority appoints its staff, and determines the terms and conditions of service on which they hold office, under Section 112 of the Local Government Act 1978. This includes procedures for dismissal. Full Council has delegated this power to the Personnel Committee.
- 2.2. Sections 38 - 43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued in February 2012 and February 2013 by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act.
- 2.3. This policy also has some connection with the data on pay and rewards for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2011). A revised draft Code was published in December 2013. It

should be noted that the requirements to publish data under the Secretary of State's guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at **Annex A** to this policy statement.

- 2.4. Any decision under powers delegated in the Council's Constitution / Scheme of Delegation with regard to remuneration to be taken during 2015/16 will be bound by and must comply with this Statement. No decision at variance with this Statement may be taken without the specific agreement of full Council.
- 2.5. The Head of Paid Service and Head of Legal & Democratic Services must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

### 3. SCOPE OF THIS STATEMENT AND DEFINITION OF TERMS

- 3.1. This pay policy statement meets the statutory duty to provide the Council with a description of the policy on staff remuneration for annual approval. It provides information on remuneration arrangements for staff directly employed by the Council, excluding staff in schools.
- 3.2. This statement sets out the Council's policy with regard to:
  - the remuneration of 'chief officers' (the senior pay group - see below)
  - the remuneration of the lowest paid employees
  - the relationship between chief officers' remuneration and that of other officers
- 3.3. In this policy the 'senior pay group' (senior managers) covers posts in the top three tiers of the organisation. These include the Managing Director (Head of Paid Service), Directors and Heads of Service. Posts in this group in Reading are as follows:
  - (a) the Head of the Authority's Paid Service [Managing Director]
  - (b) the Director of Children, Education and Early Help Services;
  - (c) the Director of Adult Care & Health Services;
  - (c) the Director of Environment & Neighbourhood Services
  - (d) the Monitoring Officer (Head of Legal and Democratic Services) and Head of Finance (S.151 officer)
  - (e) persons who, as respects all or most of their duties, report directly to or are directly accountable to the Head of the Council's Paid Service
  - (f) persons who, as respects all or most of their duties, report directly to or are accountable to the posts listed in (b) and (c) above (other than staff whose duties are of a clerical or support nature)
- 3.4. The senior management structure of the organisation can be found in Part 7 of the Council Constitution on the Council's website.
- 3.5. The Council defines its lowest paid employees as those staff paid on the first spinal column point of the Council's pay grades for National Joint Council (NJC) for Local Government Services staff [RG Grades]. This definition is adopted as it refers to the lowest level of pay for staff on non-casual or apprentice contracts of employment.
- 3.6. The relationship between the remuneration of the lowest paid employees and that of the Council's senior officers is as described in this statement and by reference to the published data referred to.
- 3.7. "Remuneration" for the purposes of this statement includes these elements:
  - basic salary
  - pension
  - all other allowances arising from employment

### 4. GOVERNANCE ARRANGEMENTS AND DECISION MAKING

- 4.1. Full Council has delegated to the Personnel Committee the power to appoint and determine the terms and conditions of employment for all staff, including the application of any discretions under the pension schemes. The terms of reference of the Personnel Committee are set out in Article 8 of Part 2 of the Council's constitution.
- 4.2. Full Council, and the Personnel Committee, have extensive and long-standing arrangements to delegate the exercise of this power to Directors and Heads of Service, in respect of the staff employed in their service areas.
- 4.3. The delegation is subject to the Council's Officer Employment Rules, which are set out in Part 4 of the Council's constitution.
- 4.4. A summary of the arrangements for determining terms and conditions of service for staff, including the Officer Employment Rules, can be found in **Annex B**.
- 4.5. The Council, and the Personnel Committee, have adopted a range of policies which apply to the recruitment and employment of the staff of the authority. Policies which are specifically relevant to this Statement include:
  - o Low Pay Policy
  - o Recruitment and Selection Policy
  - o Employment Stability Agreement and Pay Protection Policy
  - o Appraisal Scheme and Performance-Related Progression Scheme
  - o Policies relating to Market Supplements; Starting Salary on Appointment; Honorarium and Acting-Up Payments
- 4.6. The Scheme of Delegation provides for Directors and Heads of Service to manage, review and apply the Council's Human Resources policies, and to determine the appropriate pay and conditions for the appointment of staff within these policies.

## 5. CONDITIONS OF SERVICE

- 5.1. Reading Borough Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment.
- 5.2. The Council is a member of the local government employers association for national collective bargaining in respect of chief executives, chief officers and other employees. There are separate negotiations and agreements in respect of each of these groups. Changes from national negotiations generally take effect from 1 April each year and are retrospective to 1 April where agreements are made later than 1 April. It is the authority's long-standing policy to implement national agreements. The head of paid service and chief officers are under the JNC conditions of service, with locally determined pay. All other employees are under the relevant national agreement on pay and conditions of service applying to the particular service area, with local variations to pay. Pay for staff on NJC conditions was last increased nationally ('cost of living' increase) in January 2015. The last time that pay for staff on JNC conditions was varied as the result of a national pay award was in 2009 (pay award currently pending). The Council will apply any settlement reached nationally in respect of staff covered by national bargaining machinery where this is the locally agreed mechanism for determining cost of living increases.
- 5.3. A summary of the arrangements for determining terms and conditions of service for staff is set out in **Annex C**:

## 6. POLICY ON REMUNERATING SENIOR MANAGERS

- 6.1. **Head of Paid Service:** The Head of Paid Service (Managing Director) is paid on a locally determined salary which is reviewed and approved by Personnel Committee when the post becomes vacant. Independent external consultancy advice on appropriate remuneration levels (taking account of role and responsibilities, recruitment and retention factors and local and regional salary benchmarks) is presented to Personnel Committee to inform their decision-making in this matter.
- 6.2. The locally determined salary will be within the parameters of the Pay Policy Statement, and will be set out in the Minutes of the Personnel Committee meeting which approves the salary, which will be published on the Council's website. The salary range will also be published in the job advertisement to fill the vacant post.
- 6.3. At the conclusion of the recruitment process, the decision to appoint a person to fill the post of Head of Paid Service will be taken by full Council, which will be advised of the local salary, and the point at which the appointment was recommended to be made.
- 6.4. No other payments or benefits are payable to the Head of Paid Service (e.g. bonus, performance related pay, health insurance, car lease) other than those referred to elsewhere in this policy statement as being applicable to all employees.
- 6.5. Unless otherwise determined on appointment, the salary for the Head of Paid Service is subject to annual review by the Personnel Committee (on the anniversary of the date of appointment), in accordance with the following principles:
  - That any salary progression is subject to a satisfactory annual appraisal;
  - That the salary / scale is uplifted by the pay award nationally agreed for the JNC for Chief Executives;
  - That these principles take effect on the anniversary of the date of appointment without need for Personnel Committee decision, unless an exception report is initiated by the Leader of the Council.
- 6.6. **Directors and Heads of Service:** Directors and Heads of Service are paid on locally determined incremental Reading Senior Management / Corporate Director (RSM / CD) salary scales. These scales were established and approved by Personnel Committee following an independent review of senior salaries carried out by the Hay Group in 2001/2, using relevant regional public sector salary benchmarks. These scales are uplifted by the pay award nationally agreed (if any) for the JNC for Chief Officers. Exceptionally, the JNC pay award is not implemented for the senior pay group in times of severe budget challenge.
- 6.7. There are no other additional elements of remuneration in respect of overtime, flexi-time, bank holiday working, stand-by payments, etc., paid to these senior staff, as they are expected to undertake duties outside their contractual hours and working patterns without additional payment.
- 6.8. No other payments or benefits are payable to Corporate Directors and Heads of Service (e.g. bonus, performance related pay, health insurance, car lease) other than those referred to elsewhere in this policy statement as being applicable to all employees.
- 6.9. Other provisions set out in this policy statement apply equally to the senior pay group as to other employees (incremental progression linked to performance; salary on appointment or promotion etc.)

## 7. POLICY ON REMUNERATING THE LOWEST PAID IN THE WORKFORCE

- 7.1. This policy statement reconfirms the Council's long-standing Low Pay Policy, through which the Council pays a minimum wage which is higher than the national (NJC) grade minimum, and is set at NJC spinal column point (scp) 11 (£15,207 / £7.88 per hr wef 1.1.15). This is the bottom of Grade RG2 and the top of Grade RG1. All staff earn on or above the low pay threshold, currently SCP 11 (except apprentices - see 7.2). The majority of increments within RG1 fall below the Council's low pay threshold. Where

the job evaluation places a substantive post in this grade, the employee will be paid on spinal column point 11 in line with the Council's low pay policy, but will not be entitled to further increments, whilst they remain in that particular job, or until it is re-evaluated. Normally this grade will be for trainee posts, where knowledge and skill requirements are at a minimum level.

- 7.2. The Council also notes and welcomes the recent development of the Living Wage and commits to ensuring that staff (as defined in 7.1) receive as a minimum either scp 11 or the Living Wage rate (whichever is the higher).
- 7.3. Apprentices are paid the nationally recommended allowance rate of £101.01 pw for the first 12 months of employment and thereafter are paid the National Minimum wage (NMW) as applicable to the employee's age. These rates are updated as the national allowances are revised.
- 7.4. The new grade RG2 covers 5 spinal column points, rising to scp15 (£16,572 pa or £8.59per hour). As with all new grades, there is a performance gateway mid-way through the grade, at scp14 (£16,231 pa, or £8.41 per hour).
- 7.5. Reading Borough Council is also committed in 2015 to the development and publication of a local policy to promote and require, to the extent permitted by law, the application of the Council's low pay policy to staff working for the Council's contractors in addition to the application of TUPE. The Council is also committed to seek accredited Living Wage Employer status in 2015.

## 8. PAY MULTIPLES

- 8.1. The highest paid salary in this authority is £135,000 which is the annual salary paid to the Head of Paid Service (Managing Director). The current ratio between the lowest paid employee (scp 11 currently £15,207 per annum) and the highest paid employee is 1:9. The Council will work to maintain a ratio of no more than 1:10 between the lowest paid and the highest paid.
- 8.2. This authority does not have a policy on maintaining or reaching a specific highest / median 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority as expressed in this policy statement. The authority's approach to the payment of other staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay. The median salary paid by the Council is £23,945. Pay multiple therefore between the highest and median salary is 1:5.6.
- 8.3. Pay multiples will be monitored each year within the Pay Policy Statement, and will be benchmarked against comparable authorities as others' pay policy statements are published.
- 8.4. In terms of overall remuneration packages the Council's policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities (job evaluation) but not to differentiate on other allowances, benefits and payments it makes.

## 9. PAY AND GRADING STRUCTURE

- 9.1. The Council uses established formal job evaluation procedures to identify the relative worth of jobs within the council (including the senior pay group), and to allocate jobs to the appropriate pay grade.

- 9.2. For the senior pay group (RSM / CD Grades) RBC uses the Hay job evaluation scheme, for other jobs we use the national NJC for Local Government Employees JE scheme.
- 9.3. The NJC Job Evaluation Scheme, which is recognised by employers and trades unions nationally, allows for robust measurement against set criteria resulting in fair and objective evaluations and satisfies equal pay requirements
- 9.4. Pay grades are shown at Annex F.

#### 10. PAY PROFILE

- 10.1. Annex D shows employees at 1 April 2014 by salary band and then by gender, ethnic origin and disability. Salary bands are based on the new RG pay scales introduced in May 2011.
- 10.2. The numbers of black and minority ethnic employees and disabled employees are shown as a proportion of employees who have made a positive declaration
- 10.3. Female employees continue to form the greater percentage across all salary bands. Each band has over 50% women, with the proportion reaching around 74% in bands 2 and 3.
- 10.4. This analysis shows that the level of BME staff in the higher earnings bands has increased to 7.84% (from 5.4%, 2014/15) in the highest earnings band, which is lower than the proportion of BME staff in the Council as a whole.
- 10.5. The overall number of employees who have declared a disability across salary bands ranges between 0% and 5.26%. The proportion of people with a disability is relatively even across most of the bands.

#### 11. PAY PROGRESSION

- 11.1. Under the Council's Performance Related Progression Scheme the award of an annual increment is dependent upon an employee's achievement of performance targets and competency objectives. The scheme also links incremental progression with whether performance is improving or declining. No increment can be awarded if an employee is subject to formal disciplinary or capability (poor performance) procedures.
- 11.2. The following principles apply to pay progression for all RBC staff with effect from 1<sup>st</sup> April 2012:
  - No automatic annual incremental progression, only NJC/JNC 'cost of living' award (if any);
  - 'Gateways' will be established 2 or 3 increments from the top of each grade depending on its length. Progression within a grade beyond the gateway will be for wider responsibility which meets agreed competency levels, based on job evaluation (JE) factor levels;
  - Progression up to the gateway within the grade will be subject to a satisfactory assessment of performance and contribution based on management evidence throughout the year;
  - Progression between grades within career grades will be dependent on meeting competencies at the next grade level;
  - On progression matters, there will be one appeal level above the approving manager (i.e. designated officer or Head of Service);
  - Regular supervision and appraisal are fundamental to employee progression.
- 11.3. There should be no accelerated incremental progression, only an annual assessment of satisfactory performance.

- 11.4. The only exception to 11.3 would be the progression within an existing career grade structure where skills and competencies (including academic attainment) have been achieved which meet predetermined career grade progression criteria.
- 11.5. The acceleration of an employee to the next increment, grade, or through the gateway of their existing grade, needs to be evidenced and certified by the Service Manager as meeting pre-existing and defined career progression criteria and approved by the Corporate Director. Copies of the evidence to support such a decision need to be placed on the employee's personal file held by HR.
- 11.6. Any career grade progression is conditional upon budget provision being available.
- 11.7. Employees successfully moving posts within the Council will be subject to the principle of annual incremental progression assessment. They will no longer receive an automatic increment 6 months after being in their new post.

## 12. LOCAL PAY ARRANGEMENTS

- 12.1. **Child Care Solicitors** - This section, based in RBC's Legal Service, provides a service to the six Berkshire Unitary Councils. Staff who were employed by the former Berkshire County Council retain local pay and progression arrangements which were inherited by RBC as a result of Statutory Transfer Order / TUPE provisions.

## 13. REMUNERATION ON APPOINTMENT AND PROMOTION

- 13.1. The Council's policy is to not pay any form of "signing on" fee or incentive payment when recruiting.
- 13.2. The starting pay point for all new employees (including internally appointed or promoted employees) should normally be the first point of the appropriate grade. Any proposal to place a new employee on a point above the bottom of the grade needs to be objectively justified (by reference to a 'material factor' reason) to ensure employees are treated fairly. Any material factor which makes such a variation necessary needs to be established, evidenced and, where necessary, tested to ensure its robustness in the event of a challenge. This policy applies to all staff.
- 13.3. Where an employee has applied for, and been successful through an internal recruitment process and the grade for the new job is higher than their current grade then they will transfer to the bottom of the new grade. If this is at the same spinal column point (scp) as they are currently on then they will move to the next spinal column point.
- 13.4. At the point of any assimilation to a new grade, employees moving to a higher grade will be placed at the bottom of that new grade.
- 13.5. The Full Council will have the opportunity to vote before salary packages in excess of £100,000 are offered for new appointments.
- 13.6. **Relocation Expenses:** Where it is necessary for a newly appointed employee to relocate to take up appointment the Council may make a contribution towards relocation expenses. The same policy applies to Managing Director, chief officers and other employees in that payment will be made against a range of allowable costs for items necessarily incurred in selling and buying a property and moving into the area. The costs include estate agents fees, legal fees, stamp duty, storage and removal costs, carpeting and curtains, short term rental etc. If an employee leaves within three years of first employment they may be required to reimburse a proportion of any relocation expenses.

## 14. OTHER ELEMENTS OF THE REMUNERATION PACKAGE

- 14.1. **Pension:** Pension provision is an important part of the remuneration package. All employees may join the local government pension scheme (or the Teachers Pension Scheme for relevant staff). The scheme is a statutory scheme with contributions from

employees and from employers. The current employer contribution rate for Reading Borough Council is 16.2%. This rate is reviewed and set every three years by the actuary. Reading Borough Council is part of the Berkshire scheme, administered by the Royal Borough of Maidenhead and Windsor. Neither the scheme nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to the chief executive, chief officers and other staff.

- 14.2. **Election / Returning Officer Fees:** The Returning Officer is an officer of the Borough Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the Borough Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the Borough Council. As Returning Officer, he/she is paid a separate allowance for each election for which he/she is responsible.
- 14.3. Separate fees will be paid to the Head of Legal and Democratic Services for undertaking Returning Officer duties which are not part of the post's substantive role. These fees will be paid in line with the amount recommended by the Government or Electoral Commission for Parliamentary and European elections and referendums, or as set out in the Council's budget estimates for local elections.
- 14.4. The Returning Officer may appoint one or more Deputy Returning Officers, and pay a fee to them for undertaking the duties that the Returning Officer allocates to them.
- 14.5. **Market Supplements:** The Council may pay a market supplement, in addition to base salary, in order to recruit or retain staff with special skills experience or knowledge. Market supplements are applied, reviewed and withdrawn in accordance with the Council's market supplement policy, which is published on the Council's website. The Head of Paid Service has delegated authority to determine posts for which salary supplements will be paid, and the amount and duration of the supplement, in consultation with the Head of Human Resources and the relevant Director.
- 14.6. **Honorarium and other temporary additional Payments:**

Under the Council's scheme of delegation to officers, Directors and Heads of Service are authorised to approve additional payments in the circumstances described below:

(a) **'Acting-up'** - The employee will either receive the 'rate for the job' that they are covering if they are undertaking the full range of duties and responsibilities. As a minimum, this means that they will be paid at the first spinal column point of the grade of the post that they are acting up into. If the employee is not undertaking the full range of duties of a higher graded post, then an acting up allowance will be paid. The allowance will be a percentage of the difference between the first point on the grade of the post being covered and the employee's current salary equivalent to the percentage proportion of higher responsibility being undertaken.

(b) **Honorarium payments** - Where an employee is undertaking work on a project or discrete piece of work which would fall outside of the normal range of duties expected for his / her particular post, then the employee shall be eligible for an honorarium payment for the duration of the project.

The level of payment made should be determined with regard to the level of responsibilities being undertaken and this should be determined with regard to the Council's Job Evaluation Scheme.

The employee will be paid an amount appropriate to the proportion of their time being spent working at this higher level on a monthly basis for the duration of the project / programme.

## 15. NON-PAY ELEMENTS AND BENEFITS

- 15.1. **Annual Leave:** The following annual leave entitlements apply
- The minimum annual leave allowance (on appointment) will be 24 days per year
  - There will be an additional 5 days at 5 years continuous local government service (granted from anniversary of start date).
  - There will be an additional 3 days at 10 years Reading Borough Council service (granted from following 1 April).
  - The minimum annual leave allowance (on appointment) will be 30 days per year for the senior pay group
  - The maximum annual leave allowance for all staff will be 32 days.
- 15.2. **Salary Sacrifice Schemes / Employee discount schemes:** All employees can access salary sacrifice schemes for childcare vouchers, bicycle purchase and bus to work scheme. There are also non-subsidised employee discount schemes.
- 15.3. **Flexible Working:** All employees can access flexible working arrangements subject always to the needs of the service.
- 15.4. **Car Allowances / Expenses:** The Council will meet or reimburse authorised travel, subsistence and (exceptionally) accommodation costs for attendance at necessary and approved meetings and training events. The Council does not regard such costs as remuneration but as non-pay operational costs. This policy is applied consistently to the Head of Paid Service, chief officers and other employees. The locally determined car allowance reimbursement rate for necessary and approved work-related travel is 45p per mile for all authorised car users. No other car allowance (e.g. monthly lump sum) is payable to any employee.

## 16. TERMINATION OF EMPLOYMENT

- 16.1. Under the Council's Officer Employment Procedure Rules, the decision to effect dismissal or retirement on the grounds of redundancy or efficiency of the service is a decision of Personnel Committee for posts at Head of Service level and above. The decision is delegated to the relevant Director for all posts below this level.
- 16.2. However, the final decision as to the compensation to be paid as a result of such dismissal decisions, for all posts, is a decision of Personnel Committee. Personnel Committee also need to approve any employee requests for early retirement which require employer consent and entail a cost to the Council.
- 16.3. Each of the proposals presented to the Committee must first be considered and agreed by an officer panel comprising the Head of Finance (S151 Officer), Monitoring Officer and HR & Payroll Services Manager. This panel is established to monitor applications on the basis of consistency, legality and financial prudence. In terms of financial prudence, each case must demonstrate a 'payback period' within one year, or, exceptionally, two years in 'efficiency of the service' cases if sufficient service and efficiency benefits to the Council can be demonstrated. This Panel also assesses associated questions e.g. exercise of exceptional discretion; reasonableness of alternative employment in redundancy cases etc.
- 16.4. In the event that the compensation to be paid exceeds £100,000 in total, then full Council will be offered an opportunity to vote on the matter prior to approval.
- 16.5. **Discretionary Enhancement of Redundancy Payments:** The policy for the award of any discretionary payments is the same for all staff regardless of their pay level. Redundancy payments under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006 provide discretion to pay up to an overall lump sum of 2 times the statutory redundancy payment formula based on actual weeks pay, capped at 52 weeks' pay. This is payable to employees made redundant with 2 or more years continuous service regardless of their age. Discretionary compensation can be reduced in cases where an

offer of suitable alternative employment is deemed to have been unreasonably refused.

- 16.6. **Settlement Agreements:** In exceptional circumstances, and specifically so as to settle a claim or potential dispute the Head of Legal and Democratic Services can agree payment of a termination settlement sum (subject to a decision of Personnel Committee if outside the normal framework for termination payments as set out in this section).
- 16.7. **Policy on Re-Employment:** The policy for re-employment following redundancy / efficiency termination is the same for all staff regardless of their pay level. Employees in receipt of compensation payment for loss of employment which has had discretionary enhancements applied to it are not permitted to take up employment with Reading Borough Council within 12 months of the ending of their current employment.
- 16.8. **Flexible Retirement:** In accordance with Superannuation Regulations, rather than continuing in their current job to age 65 employees can, on or after age 55 and with Council consent, reduce their hours of work or the grade in which they are employed and draw (some or all of) their accrued pension benefits whilst continuing in employment and building up further benefits in the Scheme - enabling them to ease into retirement. Employees must be 55 or over and have 3 or more months' membership in the LGPS (including transferred rights) in order to be eligible to make a flexible retirement request following a reduction in hours or grade. Pension benefits will normally be reduced if paid before age 65. This policy is open to all employees, subject to financial requirements being met (net savings to the Council and a pay back period of no more than 2 years).

#### 17. PENSION DISCRETIONS

- 17.1. The Council's current policy statement on the use of discretions under the relevant Superannuation Regulations is attached as **Annex E**.

#### 18. PAY PROTECTION

- 18.1. The Council's pay protection policy is approved by the Personnel Committee as part of the Employment Stability Agreement. The policy provides a mechanism for assisting employees to adjust to a reduction in pay as a result of organisational change.

#### 19. PUBLICATION OF INFORMATION ON THE REMUNERATION OF STAFF

- 19.1. This Pay Policy Statement will be published on the Council's website. In addition, details of all posts paid above £50,000 will be published.

#### 20. AMENDMENTS TO THE POLICY

- 20.1. As the policy covers the period April 2015 - end March 2016, amendments may need to be made to the policy throughout the relevant period. As the Localism Act 2011 requires that any amendments are approved by the Council by resolution, proposed amendments will be reported to Personnel Committee for recommendation to the Council.

#### 21. POLICY FOR FUTURE YEARS

- 21.1. This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

## PAY POLICY STATEMENT – ANNEX A

The Secretary of State for CLG Code of Recommended Practice for Local Authorities on Data Transparency indicates that local authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse to consent to this), job descriptions, responsibilities, budgets (including overall salary cost of staff reporting), and numbers of staff for all staff in receipt of a salary of more than £58,200\*
- An organisational chart of the staff structure of the authority including salary bands and details of currently vacant posts
- The 'pay multiple' - the ratio between the highest paid salary and the median average salary of the whole authority workforce

\* an amended proposal to make the limit £50,000 is currently the subject of consultation.

The Accounts and Audit (England) Regulations (2011) require that the following data is included in the authority's accounts:

- Numbers of employees with a salary above £50k per annum (pro-rata for part-time staff) in multiples of £5k
- Job title, remuneration and employer pension contributions for senior officers. Senior officers are defined as Head of Paid Service, Statutory Chief Officers and Non-Statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act.
- Names of employees paid over £150k per annum

For the above remuneration is to include:

- Salary, fees or allowances for the current and previous year
- Bonuses paid or receivable for the current and previous year
- Expenses paid in the previous year
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment
- Total estimated value of non-cash benefits that are emoluments of the person

For the above pension contributions to include:

- The amount driven by the authority's set employer contribution rate
- Employer costs incurred relating to any increased membership or award of additional pension

## PAY POLICY STATEMENT – ANNEX B

## GOVERNANCE ARRANGEMENTS FOR PAY AND CONDITIONS OF SERVICE

*[Note: these provisions are subject to amendment as the source documents are amended]*

## 1.1. Constitution of Reading Borough Council - 22 May 2013

## Part 3.3 Responsibility for Council Functions (Schedule 1, Part 2):

37. Power to appoint staff, and to determine the terms and conditions on which they hold office (including procedures for dismissal)	Section 112 of the Local Government Act 1972.	Personnel Committee General Delegation to Directors and Heads of Service
40. Power to appoint officers for particular purposes (appointment of “proper officers”)	Section 270(3) of the Local Government Act 1972	Personnel Committee
43. Duty to designate officer as head of the authority’s paid service, and to provide staff, etc	Section 4(1) of the Local Government & Housing Act 1989 (c. 42)	Council

## 1.2. Constitution of Reading Borough Council - 22 May 2013: Article 4, 4.2 Functions of the full Council:

Only the Council will exercise the following functions:

[...] (g) confirming the appointment of the Head of Paid Service;

## 1.3. Constitution of Reading Borough Council - 22 May 2013: Article 12 - Officers:

**12.1 Management structure**

[...]

**(b) Chief Officers**

The full Council will engage persons for the following posts (or such other similar posts as it may decide from time to time), who will be designated chief officers:

[Managing Director] (Head of Paid Service)

Director of Education, Adults & Children’s Services

Director of Environment & Neighbourhood Services

**(c) Head of Paid Service, Monitoring Officer and Chief Financial Officer and Deputies**

The Council has designated the following posts as shown:

[Managing Director] - Head of Paid Service

Head of Finance - Chief Finance Officer and Section 151 Officer

Head of Legal and Democratic Services - Monitoring Officer

The Council has designated the following Deputy post as shown:

Chief Accountant - Deputy Chief Finance Officer and Deputy Section 151 Officer

**12.2 Functions of the Head of Paid Service****(a) Discharge of functions by the Council**

The Head of Paid Service will report to full Council or the Policy Committee on the manner in which the discharge of the Council’s functions is co-ordinated,

the number and grade of officers required for the discharge of functions and the organisation of officers.

**(b) Restrictions on functions**

The Head of Paid Service may not be the Monitoring Officer but may hold the post of Chief Finance Officer if a qualified accountant.

[...]

**12.7 Employment**

The recruitment, selection and dismissal of officers will comply with the Officer Employment Rules set out in Part 4 of this Constitution.

1.4. The powers and duties of the **Personnel Committee** include the following:

**"6. PERSONNEL COMMITTEE**

(1) Subject to Officer Employment Procedure Rules set out in the constitution:

- a) to arrange for the appointment of the Council's Head of Paid Service, and make recommendations to Council in this respect
- b) to appoint Corporate Directors, the Monitoring Officer, Section 151 Officer and posts falling within the definition of Deputy Chief Officer in Section 2(1) of the Local Government & Housing Act 1989
- c) to dismiss Corporate Directors, the Monitoring Officer, Section 151 Officer and posts falling within the definition of Deputy Chief Officer in Section 2(1) of the Local Government & Housing Act 1989
- d) to settle all matters relating to the above appointments or dismissals

(2) To take any decisions affecting the remuneration, terms and conditions of service of the Head of Paid Service;

(3) To undertake performance appraisals of the Head of Paid Service and Corporate Directors; and to set annual targets against which performance can be measured.

[...]

(6) To determine the level of compensation to be paid in individual cases of voluntary redundancy and early retirement and other personnel matters where appropriate.

[...]

1.5. The **Officer Employment Procedure Rules** are in Part 4 of the Constitution. They are based on a mandatory Standing Order required by the Local Authority (Standing Orders)(England) Regulations 2001, by which local authorities must include a Standing Order on the appointment and dismissal of chief officers, the people who can or must be involved in the appointment or dismissal process, and the arrangements for taking disciplinary action against the Head of Paid Service, Chief Financial Officer and Monitoring Officer. They are written specifically for authorities with executive arrangements, and therefore some parts of them - in particular the requirement to notify the Leader and each Cabinet Member about individual chief officer appointments - are no longer relevant to Reading, as an authority which adopted a committee system form of governance in May 2013. The Government has now issued the Local Authority (Standing Order) (England) (Amendment) Regulations 2014, which come into force on 25 February 2014. These will require the authority to amend its Officer Employment Procedure Rules, and the Monitoring Officer will be reporting separately to Council in this regard.

## **PAY POLICY STATEMENT – ANNEX C**

### **SUMMARY OF CONDITIONS OF SERVICE**

#### **Managing Director**

The terms and conditions for the Head of Paid Service are as set out by the Joint Negotiating Committee (JNC) for Chief Executives, and as amended locally. Pay is determined locally.

#### **Corporate Directors**

The terms and conditions for the Corporate Management Team (excluding the Head of Paid Service) are in accordance with the Scheme of Conditions of Service agreed by the National Joint Negotiating Committee for Chief Officers, and as amended locally. Pay is determined locally.

#### **Heads of Service (third tier - i.e. reporting directly to the Head of Paid Service or a Director)**

The terms and conditions for Heads of Service are as set out by the Joint Negotiating Committee (JNC) for Chief Officers, and as amended locally. Pay is determined locally.

#### **NJC Staff**

The Terms and conditions for NJC staff are determined by the National Joint Council (NJC) for Local Government Services, and as amended locally.

#### **Craft Employees**

The Terms and conditions for NJC staff are determined by the National Joint Council (NJC) for Craft and Associated Employees, and as amended locally.

#### **Teachers**

The terms and conditions for Teachers are as set out in the School Teachers Pay and Conditions Document.

#### **Soulbury Staff**

The Soulbury Committee determines the national salary framework for Soulbury staff and terms and conditions, as amended locally.

#### **Youth Workers**

The terms and conditions for Youth Workers are as determined by the Joint Negotiating Committee (JNC) for Youth and Community Workers, and as amended locally.

#### **Coroners**

The terms and conditions for Coroners are set by the Joint Negotiating Committee for Coroners, and as amended locally.

## PAY POLICY STATEMENT - ANNEX D

Council Employees in Salary Bands as at 01.04.14

		Women		BME			Disability			
Grade Bandings		Population	No	%	No	ND	%	No	ND	%
RG1*	Up to £14,880	18*	9	50.9%	3	1	17.65%	0	0	0.00%
RG2	£16,215	328	244	74.3%	99	23	32.46%	7	11	2.21%
RG3	£19,317	491	365	74.3%	71	25	15.24%	14	45	3.14%
RG4	£23,945	613	423	69.0%	95	2	15.55%	15	32	2.58%
RG5	£28,922	370	233	62.9%	53	19	15.10%	11	30	3.24%
RG6	£33,128	294	185	62.9%	40	15	14.34%	8	23	2.95%
RG7	£38,422	225	152	67.5%	29	10	13.49%	1	20	0.49%
RG8	£43,830	109	69	63.3%	10	10	10.10%	2	11	2.04%
RG9	£49,214	53	36	67.9%	8	5	16.67%	1	5	2.08%
RG10	£52,916	39	28	71.7%	1	1	2.63%	2	1	5.26%
	Above £52,916	52	31	59.6%	4	1	7.84%	0	5	0.00%
		2592	1775	68.3%	378	112	15.24%	61	178	2.53%

1 - Based on 2014 pay bands and earnings

2 - As a proportion of employees who have made a positive declaration

3 - Excludes schools

\* All are Apprentices

## PAY POLICY STATEMENT – ANNEX E

**LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013  
STATEMENT OF POLICY ABOUT EXERCISE OF DISCRETIONARY FUNCTIONS  
SCHEME EMPLOYER DECLARATION**

The Scheme employer known as **Reading Borough Council** ('the Council') has prepared this written statement of policy in relation to its exercise of certain discretionary functions available under the Local Pension Scheme Regulations 2013. The Scheme employer declares that it will keep this statement under review and publish the statement (and any amendments made thereto) in a place that is easily accessible to all of its eligible Scheme employees and that it will provide to the administering authority the most up to date version of the statement at all times.

**PART A - Formulation of COMPULSORY policy in accordance with Regulation 60 of the  
Local Government Pension Scheme Regulations 2013**

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**Regulation 16 – Additional Pension Contributions**

The Scheme employer may resolve to fund in whole or in part any arrangement entered into by an active scheme member to pay additional pension contributions by way of regular contributions in accordance with *Regulation 16(2)(e)*, or by way of a lump sum in accordance with *Regulation 16(4)(d)*.

The Scheme employer may enter into an APC contract with a Scheme member who is contributing to the MAIN section of the Scheme in order to purchase additional pension of not more than the additional pension limit (£6,500 from 1<sup>st</sup> April 2014 subject to annual increase in line with the Pensions (Increase) Act 1971).

The amount of additional contribution to be paid is determined by reference to actuarial guidance issued by the Secretary of State.

Consideration needs to be given to the circumstances under which the Scheme employer may wish to use their discretion to fund in whole or in part an employee's Additional Pension Contributions.

**Scheme Employer's policy concerning the whole or part funding of an active member's additional pension contributions**

The Council has resolved not to adopt this discretion at this time.

**Regulation 30(6) – Flexible Retirement**

An active member who has attained the age of 55 or over and who with the agreement of their employer reduces their working hours or grade of employment may, with the further consent of their employer, elect to receive immediate payment of all or part of the retirement pension to which they would be entitled in respect of that employment as if that member were no longer an employee in local government service on the date

of the reduction in hours or grade (*adjusted by the amount shown as appropriate in actuarial guidance issued by the Secretary of State - separate policy required under Regulation 30(8)*).

As part of the policy making decision the Scheme employer must consider whether, in addition to the benefits the member may have accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw all, part or none of the pension benefits they built up after 31 March 2008 and before 1 April 2014 and all, part or none of the pension benefits they built up after 1 April 2014.

Due consideration must be given to the financial implications of allowing an employee to draw all or part of their pension benefits earlier than their normal retirement age.

### **Scheme Employer's policy concerning flexible retirement**

The Council has resolved that it will give such an opportunity to its employees. Flexible Retirement under this discretion will be subject to an agreed policy framework. The Council has resolved that waiving actuarial reduction in full or in part will only be considered where there will be a sufficient financial or other benefit to the authority. An exception to this requirement is the employee's exceptionally difficult personal or domestic circumstances

### **Regulation 30(8) – Waiving of Actuarial Reduction**

Where a Scheme employer's policy under regulation 30(6) (flexible retirement) is to consent to the immediate release of benefits in respect of an active member who is aged 55 or over, those benefits must be adjusted by an amount shown as appropriate in actuarial guidance issued by the Secretary of State (commonly referred to as actuarial reduction or early payment reduction).

A Scheme employer (or former employer as the case may be) may agree to waive in whole or in part and at their own cost, any actuarial reduction that may be required by the Scheme Regulations.

Due consideration must be given to the financial implications of agreeing to waive in whole or in part any actuarial reduction.

### **Scheme Employer's policy concerning the waiving of actuarial reduction**

That the Council does not consent to waive any actuarial reduction for staff electing to retire at age 55 or over, unless there is a sufficient financial or other benefit to the Council. An exception to this requirement is the employee's exceptionally difficult personal or domestic circumstances.

### **Regulation 31 – Award of Additional Pension**

A Scheme employer may resolve to award

- (a) an active member, or

(b) a member who was an active member but dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency,

additional annual pension of, in total (including any additional pension purchased by the Scheme employer under Regulation 16), not more than the additional pension limit (£6,500 from 1<sup>st</sup> April 2014 subject to annual increase in line with the Pensions (Increase) Act 1971).

Any additional pension awarded is payable from the same date as any pension payable under other provisions of the Scheme Regulations from the account to which the additional pension is attached.

In the case of a member falling within sub-paragraph (b) above, the resolution to award additional pension must be made within 6 months of the date that the member's employment ended.

#### **Scheme Employer's policy concerning the award of additional pension**

The Council has resolved not to adopt this discretion at this time

#### **Schedule 2 - paragraphs 2 and 3**

Where a scheme member retires or leaves employment and elects to draw their benefits at or after the age of 55 and before the age of 60 those benefits will be actuarially reduced unless their Scheme employer agrees to meet the full or part cost of those reductions as a result of the member otherwise being protected under the 85 year rule as set out in previous Regulations.

So as to avoid the member suffering the full reduction to their benefits the Scheme employer can 'switch on' the 85 year rule protections thereby allowing the member to receive fully or partly unreduced benefits but subject to the Scheme employer paying a strain (capital) cost to the Pension Fund

#### **Scheme Employer's policy concerning the 'switching on of the 85 year rule**

That the Council does not consent to switch on the 85 year rule for staff electing to retire at age 55, unless there is a sufficient financial or other benefit to the Council. An exception to this requirement may be the employee's exceptionally difficult personal or domestic circumstances.

#### **PART B - Formulation of RECOMMENDED policy in accordance with the**

#### **Local Government Pension Scheme Regulations 2013**

#### **Regulation 9(1) & (3) - Contributions**

Where an active member changes employment or there is a material change which affects the member's pensionable pay during the course of a financial year, the Scheme employer may determine that a contribution rate from a different band (as set out in Regulation 9(2)) should be applied.

Where the Scheme employer makes such a determination it shall inform the member of the revised contribution rate and the date from which it is to be applied.

**Scheme Employer's policy concerning the re-determination of active members' contribution bandings at any date other than 1<sup>st</sup> April**

The Council shall re-determine contribution rates on 1<sup>st</sup> April each year only. Staff joining the scheme shall be placed in a contribution band consistent with their contracted, actual pay in the first instance except for casual staff who shall initially be placed on the lowest contribution band. The banding placement for individual staff shall be re-determined wef from the 1<sup>st</sup> April only in subsequent years following initial placement and adjusted as necessary in the light of the pensionable pay actually earned in the previous year (using a '12 month equivalent' calculation for staff who have not worked a full year).

**Regulation 17(1) - Additional Voluntary Contributions**

An active member may enter into arrangements to pay additional voluntary contributions (AVCs) or to contribute to a shared cost additional voluntary contribution arrangement (SCAVCs) in respect of an employment. The arrangement must be a scheme established between the appropriate administering authority and a body approved for the purposes of the Finance Act 2004, registered in accordance with that Act and administered in accordance with the Pensions Act 2004.

The Scheme employer needs to determine whether or not it will make contributions to such an arrangement on behalf of its active members.

**Scheme Employer's policy concerning payment of Shared Cost Additional Voluntary Contributions**

The Council has resolved not to adopt this discretion at this time.

**Regulation 22 - Merging of Deferred Member Pension Accounts with Active Member Pension Accounts**

A deferred member's pension account is automatically aggregated with their active member's pension account unless the member elects within the first 12 months of the new active member's pension account being opened to retain their deferred member's pension account.

A Scheme employer can, at their discretion, extend the 12 month election period.

**Scheme Employer's policy concerning merging of Deferred Member Pension Accounts with Active Member Pension Accounts**

The Council has resolved not to extend the time limit for election beyond 12 months.

**Regulation 100(6) - Inward Transfers of Pension Rights**

A request from an active member to transfer former pension rights from a previous arrangement into the Local Government Pension Scheme as a result of their employment with a Scheme employer must be made in writing to the administering authority and the Scheme employer before the expiry of the period of 12 months beginning with the date on which the employee first became an active member in an employment (or such longer period as the Scheme employer and administering authority may allow).

**Scheme Employer's policy concerning the extension of the 12 month transfer application period**

The Council has resolved not to extend the time limit for election beyond 12 months.

**Regulation 21(5) - Assumed Pensionable Pay**

A Scheme employer needs to determine whether or not to include in the calculation of assumed pensionable pay, any 'regular lump sum payment' received by a Scheme member in the 12 months preceding the date that gave rise to the need for an assumed pensionable pay figure to be calculated.

**Scheme Employer's policy concerning inclusion of 'regular lump sum payments' in assumed pensionable pay calculations**

That the Council does include in such calculations an element for 'regular lump sum payment' where it is fair, equitable and justifiable to do so.

**Regulation 74 - Applications for Adjudication of Disagreements**

Each Scheme employer must appoint a person ("the adjudicator") to consider applications from any person whose rights or liabilities under the Scheme are affected by:

- (a) a decision under regulation 72 (first instance decisions); or
- (b) any other act or omission by a Scheme employer or administering authority,

and to make a decision on such applications.

Responsibility for determinations under this first stage of the Internal Disputes Resolution Procedure (IDRP) rests with "the adjudicator" as named below by the Scheme employer:

**Name:** Christopher Brooks  
**Job Title:** Head of Legal and Democratic Services  
**Address:** Civic Centre, Reading, Post RG1 7AE  
**Tel No:** 0118 93772602  
**Email:** chris.brooks@reading.gov.uk

Adjudicator's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEME EMPLOYER CONFIRMATION**

It is understood that the discretions contained within this statement of policy are applicable to all eligible members of the Scheme. The Scheme rules allow for a revised statement to be issued at least one month in advance of the date that any new policy takes effect. The revised statement must be sent to the administering authority and the employer must publish its statement as revised in a place that is accessible to all of its eligible scheme members.

The policies made above:

Have regard to the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service;

Will not be used for any ulterior motive;

Will be exercised reasonably;

Will only be used when there is a real and substantial future benefit to the employer for incurring the extra costs that may arise;

Will be duly recorded when applied.

Signed on behalf of the Scheme Employer: \_\_\_\_\_

Name in Block Capitals: ALAN CROSS

Position: HEAD OF FINANCE

Scheme Employer's Name: READING BOROUGH COUNCIL

Date:

PAY POLICY STATEMENT - ANNEX F

KEY PAY SCALES FOR COUNCIL STAFF

New NJC Pay Structure - January 2015									
GENERAL PAY SCALE					SOCIAL WORKERS & OCCUPATIONAL THERAPISTS				
SCP	P/A	P/H	Current Grades		SCP	Current Grades		SCP	
59	£54,080	£28.03		RG10	59		Service Manager = RGSW10	59	
58	£52,776	£27.36			58			58	
57	£51,473	£26.68		57		57			
56	£50,324	£26.08	RG9	← Gateway	56			56	
55	£49,174	£25.49			55			55	
54	£48,025	£24.89			54	Team Manager RGSW9	54		
53	£46,875	£24.30			53		53		
52	£45,726	£23.70			52		52		
51	£44,794	£23.22		RG8	51		51		
50	£43,882	£22.75			50		50		
49	£42,957	£22.27	→ Gateway		49		49		
48	£42,053	£21.80			48	ATM = RGSW8	48		
47	£41,140	£21.32			47		47		
46	£40,217	£20.85			46		46		
45	£39,267	£20.35	RG7	← Gateway	45	see note 1	45		
44	£38,405	£19.91			44		44		
43	£37,483	£19.43			43	Higher specialist SW / OT= RGSW7	43		
42	£36,571	£18.96			42		42		
41	£35,662	£18.48			41		41		
40	£34,746	£18.01		RG6	40	see note 2	40		
39	£33,857	£17.55			39		39		
38	£32,778	£16.99	→ Gateway		38		experienced SW / OT = RGSW6	38	
37	£31,846	£16.51			37	37			
36	£30,978	£16.06			36	36			
35	£30,178	£15.64	RG 5	← Gateway	35	SW/OT=RGSW5b see note 3	35		
34	£29,558	£15.32			34		34		
33	£28,746	£14.90			33		SW/OT NQ=RGSW5a	33	
32	£27,924	£14.47			32	32			
31	£27,123	£14.06			31	31			
30	£26,293	£13.63	RG 4	← Gateway	30	<b>Notes for SW &amp; OT grades:</b> 1. Only Children's Social Workers and OTs and Adults Approved Mental Health Practitioners can progress above the gateway in RGSW 7 2. Only Children's Social Workers and OTs and Adults Supervising Social Workers and OTs can progress above the gateway in RGSW 6 3. For Social Workers (not OTs) progression to RGSW5b can only be attained by passing the Assisted Year of Supported Employment	30		
29	£25,440	£13.19			29		29		
28	£24,472	£12.68			28		28		
27	£23,698	£12.28	→ Gateway		27		27		
26	£22,937	£11.89			26		26		
25	£22,212	£11.51			25	25			
24	£21,530	£11.16			24	24			
23	£20,849	£10.81			23	23			
22	£20,253	£10.50	RG3	← Gateway	22	22			
21	£19,742	£10.23			21	21			
20	£19,048	£9.87			20	20			
19	£18,376	£9.52			19	19			
18	£17,714	£9.18			18	18			
17	£17,372	£9.00			17	17			
16	£16,969	£8.80			16	16			
15	£16,572	£8.59	RG2	→ Gateway	15	15			
14	£16,231	£8.41			14	14			
13	£15,941	£8.26			13	13			
12	£15,523	£8.05			12	12			
11	£15,207	£7.88	RG 1		11	11			
10	£14,338	£7.43			10	10			
9	£14,075	£7.30			9	9			
8	£13,871	£7.19			8	8			
7	£13,715	£7.11			7	7			
6	£13,614	£7.06			6	6			
5	£13,500	£7.00			5	5			

<b>NB28</b>	<b>JNC READING SENIOR MANAGEMENT</b>	<b>EFFECTIVE DATE</b>	<b>1-Apr-08</b>
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PAYAWARD	2.450%	IMPLEMENTED	1-Dec-08
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GRADE		SCP	ANNUAL 01/04/2008
RSMD		1	49228
RSMD		2	50475
RSMD		3	51722
RSMD		4	52970
RSMD		5	54220
RSMD	RSMC	6	55467
RSMD	RSMC	7	56714
RSMD	RSMC	8	57961
RSMD	RSMC	9	59209
	RSMC	10	60456
	RSMC	11	61704
	RSMC	12	62953
	RSMC	13	64201
	RSMC RSMB	14	65448
	RSMC RSMB	15	66695
	RSMC RSMB	16	67943
	RSMC RSMB	17	69193
	RSMB	18	70437
	RSMB	19	71690
	RSMB	20	72941
	RSMB RSMA	21	74185
	RSMB RSMA	22	75432
	RSMB RSMA	23	76683
	RSMA	24	77927
	RSMA	25	79173
	RSMA	26	80427
	RSMA	27	81671
	RSMA	28	82919
	RSMA	29	84169
	RSMA	30	85414
	RSMA	31	86660
	CDIR	32	90651
	CDIR	33	93442
	CDIR	34	96433
	CDIR	35	99517
	CDIR	36	102512
	CDIR	37	105583
	CDIR	38	108653
	CDIR	39	114979